Fortis

Fortis Healthcare Limited
Tower-A, Unitech Business Park, Block-F,
South City 1, Sector – 41, Gurgaon,
Haryana – 122 001 (India)
Tel : 0124 492 1033
Fax : 0124 492 1041
Emergency : 105010
Email : secretarial@fortishealthcare.com
Website : www.fortishealthcare.com

FHL/SEC/2023-24 **July 8, 2023**

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

BSE Limited
Scrip Code: 532843

Sub: Notice of the 27th Annual General Meeting and Annual Report for the Financial Year 2022-23.

Dear Madam / Sir,

This is further to our letter no. FHL/SEC/2023-24 dated June 30, 2023 regarding convening of the 27th Annual General Meeting of the Company ("27th AGM") on Tuesday, August 1, 2023 through Video Conferencing/Other Audio Visual Means (VC/OAVM) Facility.

Pursuant to the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Notice of the 27th AGM and the Annual Report for the financial year 2022-23, inter-alia, including the Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2023, being sent by email to those Members whose email addresses are registered with the Company/Depository Participant(s) / Registrar & Share Transfer Agent.

A schedule of events relating to AGM is set out below:

Event	Date	Time
Record date for payment of dividend	July 20, 2023	Not Applicable
Cut-off date to determine the eligibility of the shareholders to cast their votes on AGM resolutions	July 25, 2023	
Commencement of e-Voting	July 28, 2023	09:00 A.M.
End of e-Voting	July 31, 2023	05:00 P.M.
Annual General Meeting	August 1, 2023	02:00 P.M.

The Notice of the 27th AGM and the Annual Report are also being uploaded on the website of the Company at www.fortishealthcare.com.

This is for your information and records.

Thanking you,

Yours faithfully,
For **Fortis Healthcare Limited**

MURLEE MANOHAR JAIN
Digitally signed by MURLEE MANOHAR JAIN
Date: 2023.07.08 16:05:30 +05'30'

Murlee Manohar Jain
Company Secretary and Compliance Officer
ICSI Membership: F9598

Encl: a/a

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Registered Office: Fortis Hospital, Sector 62, Phase – VIII, Mohali, Punjab - 160062
Tel.: +91-172-5096001, **Fax:** +91-172-5096221
Email: secretarial@fortishealthcare.com, Website: www.fortishealthcare.com

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting ("AGM") of **Fortis Healthcare Limited** will be held on **Tuesday, August 01, 2023 at 14:00 hours (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business(es):

ORDINARY BUSINESS: -

1. To consider and adopt the Audited Standalone Financial Statements of the Company together with Reports of the Board and Auditors' thereon and the Audited Consolidated Financial Statements of the Company including Auditors' Report thereon for the financial year ended on March 31, 2023.
2. To declare dividend of ₹ 1/- (Rupee One) per equity share, for the financial year ended March 31, 2023.
3. To appoint Mr. Joerg Ayrle (DIN- 09128449), who retires by rotation and being eligible, offers himself for re-appointment as a Director.
4. To appoint Mr. Heng Joo Joe Sim (DIN- 08033111) who retires by rotation and being eligible, offers himself for re-appointment as a Director.

SPECIAL BUSINESS: -

5. To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Cost Records and Audit) Rules, 2014, remuneration of ₹ 350,000/- (Rupees Three Lacs Fifty thousand only) plus out of pocket expenses and taxes, being paid to M/s. Jitender, Navneet & Co., Cost Auditor appointed by the Board of Directors, to conduct the audit of the cost records of the Company, for the Financial Year ended March 31, 2023, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors or any Committee of the Board of Directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board
For **Fortis Healthcare Limited**

Date: May 23, 2023
Place: Gurugram

Murlee Manohar Jain
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), setting out material facts concerning the business under item no. 5 forms part of this Notice.
2. **General instructions for accessing and participating in the 27th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:**

   a. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 and 10/2022 dated May 05, 2020 and December 28, 2022, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/ CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI

(Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the Act and the Listing Regulations, the 27th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 27th AGM shall be the Registered Office of the Company.

b. **In terms of the MCA / SEBI Circulars since the requirement of physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 27th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Corporate Members may be appointed for the purpose of voting through remote e-Voting, for participation in 27th AGM through VC/ OAVM Facility and e-Voting during 27th AGM.**

c. In line with the MCA Circulars and SEBI Circulars, the Notice of 27th AGM will be available on the website of the Company at www.fortishealthcare.com, on the website of BSE Limited at www.bseindia.com, on the website of National Stock Exchange of India Limited at www.nseindia.com and also on the website of NSDL at www.evoting.nsdl.com.

d. Since the AGM will be held through VC/OAVM Facility, the Route Map to the venue of the meeting is not annexed to this Notice.

e. NSDL will be providing facility for voting through remote e-Voting, for participation in 27th AGM through VC/OAVM Facility and e-Voting during 27th AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

f. Members may join 27th AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 13:30 p.m. IST i.e. 30 minutes before the time scheduled to start the 27th AGM.

g. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of upto 2,500 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend 27th AGM without any restriction on account of first-come-first-served principle.

h. Attendance of the Members participating in 27th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at 27th AGM and facility for those Members participating in 27th AGM to cast vote through e-Voting system during 27th AGM.

3. Instructions for Members for Remote e-Voting are as under:

The Remote e-Voting period begins on July 28, 2023 at 9:00 A.M. and ends on July 31, 2023 at 5:00 P.M. The Remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 25, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 25, 2023.

Notice (Contd.)

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the ``**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Notice (Contd.)

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to magarwalandco@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call at 022-48867000 and 022-24997000 or Ms. Pallavi Mhatre, Senior Manager, NSDL, at designated e-mail IDs: evoting@nsdl.co.in, who will address the grievances related to electronic voting.

4. **Process for those shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-Voting for the resolutions set out in this notice:**

a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@fortishealthcare.com

Notice (Contd.)

b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@fortishealthcare.com If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

c. Alternatively shareholder / members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.

d. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

5. **The instructions for members for e-Voting on the day of the 27th Annual General Meeting are as under:**

a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

b. Only those Members / shareholders, who will be present in the AGM through VC/OAVM facility and who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

c. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person as mentioned for Remote e-Voting.

6. **Instructions for members for attending the 27th Annual General Meeting through VC/OAVM are as under:**

a. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

b. Members are encouraged to join the Meeting through Laptops for better experience.

c. Further Members will be required to allow Camera and use Internet with a bandwidth to avoid any disturbance during the meeting.

d. Please note that Members connecting from mobile devices or tablets or through laptops etc connecting via mobile hotspot, may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid technical glitches.

e. Members, who would like to ask questions during 27th AGM with regard to the financial statements or any other matter to be placed at the 27th AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's email address secretarial@fortishealthcare.com atleast 72 hours in advance before the start of the 27th AGM i.e. by July 29, 2023 by 14:00 hours IST. Only those Members who have registered themselves as a speaker shall be allowed to ask questions during the 27th AGM, depending upon the availability of time.

f. Shareholders who will participate in the AGM through VC/OAVM can also pose question / feedback through question box option. Such questions by the Members shall be taken up during the meeting or shall be replied suitably, after the meeting by the Company.

g. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 27th AGM through VC/OAVM Facility.

7. Other Guidelines for Members:

a. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. July 25, 2023.

b. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. July 25, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer / RTA. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call at 022- 4886 7000 or 022- 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquire shares of the Company and become a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 25, 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

c. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by depositories as on the Cut-off date shall only be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.

d. Mr. Mukesh Agarwal, Company Secretary in Whole time Practice (C.P. No. 3851), has been appointed as the Scrutiniser to scrutinise remote e-Voting process and casting vote through e-Voting system during the Meeting in a fair and transparent manner.

e. During 27th AGM, the Chairman shall, after response to questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.

f. The Scrutiniser shall after the conclusion of e-Voting at the 27th AGM, first download votes cast at the AGM and thereafter unblock votes cast through remote e-Voting and shall make a consolidated Scrutiniser's Report of total votes cast in favour or against, invalid votes, if any, and whether resolution(s) has been carried or not, and such Report shall then be sent to the Chairman or a person authorised by him, within 48 (forty eight) hours from the conclusion of 27th AGM, who shall then countersign and declare the result of voting forthwith.

g. The Results declared along with the Report of the Scrutiniser shall be placed on the website of the Company at www.fortishealthcare.com and on the website of NSDL at www.evoting.nsdl.com immediately after declaration of Results by the Chairman or a person authorised by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

8. The Notice of 27th AGM and the Annual Report for the FY 23 including therein the Audited Financial Statements for FY 23, are being sent only by email to the Members, unless any member has requested for a hard copy of the same. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of 27th AGM and Annual Report for the FY 23 and all other communication sent by the Company, from time to time, can get their email addresses registered by following the steps as given below:-

Notice (Contd.)

a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address secretarial@fortishealthcare.com.

b. For the Members holding shares in demat form, please update your email addresses through your respective Depository Participant/s.

9. Notice of 27th AGM and Annual Report for the FY 23 including therein the Audited Financial Statements for the year, will be available on the website of the Company at www.fortishealthcare.com and the website of Stock Exchanges at BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The Notice of 27th AGM will also be available on the website of NSDL at www.evoting.nsdl.com.

10. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from concerned Depository Participant and holdings should be verified from time to time.

11. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

12. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 01, 2019. In view of the above, Members are advised to dematerialise shares held by them in physical form.

Electronic copy of all documents referred to in the accompanying Notice of 27th AGM and Explanatory Statement shall be available for inspection in the Investor Section of website of the Company www.fortishealthcare.com.

13. During 27th AGM, Members may access scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, at the available link against the EVEN of the Company on NSDL website.

14. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking re-appointment at the AGM, are detailed in Annexure-I of the Notice of the AGM. Requisite declarations have been received from the Directors for seeking re-appointment.

15. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in the Corporate Governance' by allowing paperless compliance by companies. Also, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, permits companies to send soft copies of Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiatives by registering / updating their e-mail address for receiving electronic communications. The Notice for Annual General Meeting along with the Annual Report of the Company will be made available on the Company's website : www.fortishealthcare.com.

16. The dividend, as recommended by the Board of Directors, if declared at the meeting, will be paid within 30 days from the date of declaration to the Members holding equity shares as on the record date i.e. July 20, 2023. In respect of shares held in dematerialised form, dividend will be paid on the basis of beneficial ownership as per details furnished by the respective depositories for this purpose.

17. Pursuant to the relevant provisions of the Income Tax Act, 1961 ("the IT Act"), dividend income is taxable in the hands of the members and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at rates prescribed in the IT Act. In general, to enable compliance with TDS requirements, members are requested to complete and/ or update their Residential Status, PAN, Category as per the IT Act with their Depository Participant(s) or in case shares are held in physical form, with the Company by sending email to the Company's email address at secretarial@fortishealthcare.com.

18. Members are requested to note that in case the tax on dividend is deducted at a higher rate in absence of receipt of the requisite details/documents, there would still be an option available to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

19. Dividend, if any, approved by the members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participant(s).

20. Members holding shares in physical form, who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other electronic means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account, by sending scanned copy of the following details/ documents to the Company at secretarial@fortishealthcare.com latest by **July 20, 2023:**

a) a signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:

i) Name and Branch of Bank and Bank Account type;

ii) Bank Account Number allotted by your bank after implementation of Core Banking Solutions; and

iii) 11-digit IFSC Code;

b) self attested scanned copy of cancelled cheque bearing the name of the member or first holder, in case shares are held jointly;

c) self attested scanned copy of the PAN Card; and

d) self attested scanned copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the member, as registered with the Company.

e) For the members holding shares in demat mode, please update your Electronic Bank Mandate through your Depository Participant(s).

21. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardised the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be.

22. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, KFin Technologies Limited, at einward. ris@kfintech.com. The forms for updating the same are available at the website of the Company at www.fortishealthcare.com Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP. In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

23. The results on resolutions shall be declared on or before closing business hours i.e. 2:00 PM (IST) on Thursday, August 03, 2023 at the Corporate office of the Company and the same along with scrutiniser's report shall also be available on the website of the Company and on the website of NSDL and that of BSE & NSE. The resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favor of the resolutions.

Notice (Contd.)

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

Item No. 5

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of cost records of the Company, for the Financial Year ended March 31, 2023 as per the following details:

Name of the Cost Audit Firm	Amount (In Rupees)
M/s. Jitender, Navneet & Co.	350,000 (plus out of pocket expenses and taxes)

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the Financial Year ended March 31, 2023.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution except to the extent of their respective shareholding, if any.

The Board of Directors recommends the resolution as set out at Item No. 5 for the approval of the Members as an Ordinary Resolution.

By Order of the Board
For **Fortis Healthcare Limited**

Date: May 23, 2023
Place: Gurugram

Murlee Manohar Jain
Company Secretary

Annexure- A

Details of the Directors seeking re-appointment at the 27th Annual General Meeting.

(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India)

S. No.	Particulars	Mr Joerg Ayrle	Mr Heng Joo Joe Sim
1.	**Age**	54 years	51 years
2.	**Qualification**	Master of Business Administration major in Finance & Controlling, Marketing, Finance-Mathematics, University of Augsburg, Germany, Certified Fellow at the Institute of Directors, Thailand.	Bachelors of Arts in Electronic and Information Science Tripos, University of Cambridge. Masters in Public Administration, Kennedy School of Government, Harvard University.
3	**Brief Profile and Nature of Expertise.**	Mr Joerg Ayrle was appointed the Group Chief Financial Officer of IHH Healthcare Berhad (IHH) on February 01, 2021. With a wealth of international experience from United States, Germany, Singapore, China and Thailand, he will be responsible for providing financial leadership and strategic guidance for IHH and its operations and the business plan development. In his role, Joerg will ensure effective management of resources, safeguard shareholders' interests and steer financial and management reporting, treasury, tax and investor relations functions and support the companies M&A activities. Prior to joining IHH, Mr Ayrle was the GCFO of Thai Union Group and steered the Company's financial transformation journey, winning multiple awards including Best CFO Asia by Corporate Treasurer in 2016 and recently in 2022. He also had a successful career with tech giants Osram and Siemens. Most notably, he was Chief Financial Officer & Treasurer of Osram Sylvania, USA, and Managing Director of Corporate Finance Mergers, Acquisitions & Post Closing (ASIA) for Siemens, China.	Mr Joe Sim is the Group Chief Operating Office of IHH Healthcare Berhad. Mr Sim has served Parkway Pantai Limited since June 2017 as the Chief Executive Officer of Malaysia Operations Division, Parkway Pantai. He provides strategic direction and leadership for Parkway Pantai's integrated healthcare businesses in Malaysia, which includes a network of 15 Gleneagles and Pantai hospitals and ancillary services such as Pantai Integrated Rehab and Pantai Premier Pathology. Mr Sim has more than 21 years' experience in the healthcare industry and was the winner of the Leading CEO Award by Singapore Human Resources Institute in 2014. Prior to joining Parkway Pantai, he was Group Deputy Chief Executive of National University Healthcare System in Singapore, where he had also served as Chief Operating Officer and Chief Executive Officer of National University Hospital. He also held the roles of Chief Corporate Development Officer, acting Chief Information Officer and acting Chief Executive Office for new ventures with the National Healthcare Group in Singapore. Mr Sim began his career with the Singapore Administrative Service, building up a robust portfolio at the Ministry of Finance, Community Development Council and Ministry of Defence. In 2000, he founded a company that developed business-to-business trading hubs before joining the private sector where he was responsible for developing thought leadership, concepts and innovations on next-generation revenue agency for Accenture. Between 2008 and 2015, Mr Sim was also an adjunct lecturer at Nanyang Business School, during which he was recognised with a Teacher of the Year Award.

Notice (Contd.)

S. No.	Particulars	Mr Joerg Ayrle	Mr Heng Joo Joe Sim
4	**Experience**	Over 22 years	Over 21 years
5	**Directorships held in other Indian Companies as on date**	None	None
6	**Memberships / Chairmanships of committees of other companies as on date (includes only Audit Committee and Stakeholders Relationship Committee)**	None	None
7	**Shareholding in the Company**	As on the date of this notice, the directors who are seeking re-appointment do not hold any shares or convertible instrument in the Company.	
8	**Relationship with other Directors and KMP's**	There is no inter-se relationship between the directors who are seeking re-appointment at this meeting and other Directors / KMP's of the Company.	
9	**Date of Appointment (Original)**	March 31, 2021	November 26, 2019
10	**Terms and Conditions of Appointment**	Pursuant to the provisions of Companies Act, 2013, director(s) are Liable to retire by rotation	
11	**Remuneration***	The Directors will be paid sitting fees for attending meeting of the Board of Directors and Committee thereof and / or commission, if any, approved by the shareholders from time to time.	
12	**No. of Board Meetings Attended in FY 23***	5	5

*Refer Report on Corporate Governance for more details.

Notice (Contd.)

INFORMATION AT A GLANCE

Particulars	Details
Day, Date and time of AGM	Tuesday, August 01, 2023 at 2:00 P.M. (IST)
Mode	Video conference/ other audio visual means
Participation through video conferencing	www.evoting.nsdl.com
Final Dividend Record Date	Thursday, July 20, 2023
Final Dividend Payment Date	On or before August 30, 2023
Cutoff Date for e-voting	Tuesday, July 25, 2023
E-voting start date and time	Friday, July 28, 2023 at 9:00 A.M. (IST)
E-voting end date and time	Monday, July 31, 2023 at 5:00 P.M. (IST)
Speaker Registration start date and time	Saturday, July 08, 2023 at 9:00 A.M. (IST)
Speaker Registration end date and time	Saturday, July 29, 2023 at 2:00 P.M. (IST)
Last date of sending questions	Saturday, July 29, 2023 at 2:00 P.M. (IST)
Name and Address and Contact details of e-voting service provider	**National Securities Depository Limited ("NSDL")**
	Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013
	Ms. Pallavi Mhatre
	Senior Manager – NSDL
	Contact Details:
	Email ids:
	pallavid@nsdl.co.in
	evoting@nsdl.co.in
	Helpline Nos.:
	(022) 4886 7000
	(022) 2499 7000
Name, address and contact details of Registrar and Share Transfer Agent	**M/s. KFIN Technologies Limited**
	Selenium, Tower B,
	Plot No. 31 & 32, Financial District,
	Nanakramguda, Serilingampally Mandal
	Hyderabad-500032
	Contact Details:
	Toll Fee No.: 1-800 309 40
	E-mail: einward.ris@kfintech.com

COMMITTED TO GROWTH

FORTIS HEALTHCARE LIMITED

ANNUAL REPORT 2022-23

COMPANY INFORMATION

BOARD OF DIRECTORS

Chairperson

Ravi Rajagopal
(Independent Director)

Managing Director and CEO

Dr. Ashutosh Raghuvanshi

Independent Directors

Indrajit Banerjee
Shailaja Chandra
Suvalaxmi Chakraborty

Non-Executive Directors

Mehmet Ali Aydinlar
Heng Joo Joe Sim
Joerg Ayrle
Dilip Kadambi
Lim Tsin Lin
Tomo Nagahiro

CHIEF FINANCIAL OFFICER

Vivek Kumar Goyal

COMPANY SECRETARY AND COMPLIANCE OFFICER

Murlee Manohar Jain

AUDITORS

B S R & Co. LLP
Chartered Accountants

FORTIS HEALTHCARE LIMITED

CIN: L85110PB1996PLC045933

Registered Office:
Fortis Hospital, Sector 62
Phase – VIII, Mohali, Punjab - 160062
Tel.: +91-172-5096001
Fax: +91-172-5096221
Website: www.fortishealthcare.com

REGISTRAR AND TRANSFER AGENT

KFin Technologies Limited

CONTENTS

Note: * *Agilus Diagnostics Limited is the new name of the Diagnostic Business arm of the Company with effect from May 31, 2023 as approved by the Registrar of Companies ('RoC') vide the fresh Certificate of Incorporation dated May 31, 2023. Any reference to Diagnostic Business arm (including that for its subsidiaries), wherever appearing, containing the erstwhile name in this Annual Report shall hereinafter mean and is referred to as "Agilus".*

INVESTOR INFORMATION

BSE code: 532843

NSE symbol: FORTIS

AGM date: 1st August 2023

VISION

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

MISSION

To be a globally respected healthcare organisation known for clinical excellence and distinctive patient care.

VALUES

- PATIENT CENTRICITY
- INNOVATION
- TEAMWORK
- INTEGRITY
- OWNERSHIP

KEY PERFORMANCE HIGHLIGHTS 2023*

₹ 6,298 Crores
Total Income

₹ 1,163 Crores
EBITDA

₹ 633** Crores
Reported PAT

0.29x
Net Debt to EBITDA***

67%
Overall Hospital Occupancy

₹ 55,101
Hospital Business ARPOB per day

39.1 Million
Overall tests performed by Agilus

₹ 344
Average realisation per test

PAT: Profit After Tax

EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation

ARPOB: Average Revenue Per Occupied Bed

*On consolidated basis

** Includes exceptional gain of ₹ 73.6 Crores for the year

***Basis Q4 FY22-23 annualized EBITDA

BOARD OF DIRECTORS

FORTIS HEALTHCARE LIMITED

Ravi Rajagopal
Independent Director, Chairperson

Dr. Ashutosh Raghuvanshi
Managing Director and CEO

Heng Joo Joe Sim
Non-Executive Director

Tomo Nagahiro
Non-Executive Director
Appointed w.e.f March 28, 2023

Mehmet Ali Aydinlar
Non-Executive Director
Appointed w.e.f March 28, 2023

Indrajit Banerjee
Independent Director

Suvalaxmi Chakraborty
Independent Director

Lim Tsin Lin
Non-Executive Director
Appointed w.e.f May 04, 2023

Shailaja Chandra
Independent Director

Joerg Ayrle
Non-Executive Director

Dilip Kadambi
Non-Executive Director

Dr. Kelvin Loh Chi Keon
Resigned w.e.f February 22, 2023

Dr. Farid Bin Mohamed Sani
Resigned w.e.f March 28, 2023

Mr. Takeshi Saito
Resigned w.e.f March 28, 2023

BOARD OF DIRECTORS

AGILUS DIAGNOSTICS LIMITED

Ravi Rajagopal
Independent Director, Chairperson

Dr. Ashutosh Raghuvanshi
Non-Executive Director

Dilip Kadambi
Non-Executive Director

Praneet Singh
Non-Executive Director

Srinivas Chidambaram
Non-Executive Director

Heng Joo Joe Sim
Non-Executive Director
Appointed w.e.f June 08, 2023

Suvalaxmi Chakraborty
Independent Director

Dr. Kelvin Loh Chi Keon
Resigned w.e.f February 22, 2023

MANAGEMENT COMMUNIQUE

CHAIRPERSON'S MESSAGE

The industry is poised for growth, government policies are supportive and we would like to play an active part in healthcare public policy formulation.

Dear Shareholders,

I am pleased to present the Annual Report 2022-23 of your Company. Over the last two years, the Company has displayed resilience in addressing challenges and agility in adapting to a rapidly transforming healthcare ecosystem, driven by emerging technologies. We have consciously revisited our processes and systems to ensure that the organisation creates sustainable growth and delivers value to stakeholders. A high standard of corporate governance and transparency has been the cornerstone of our success.

Performance

Our hospital business performed exceedingly well across all financial and operating parameters. It now contributes to more than 75% of our overall earnings (EBITDA). The hospital business is well-positioned and has demonstrated healthy operational efficiency with occupancy touching 67.1%. In FY 23, hospital business revenue rose 19.8% and margins expanded to 17.6% from 15.8% in FY 22. Cash flow from operations for FY 23 stood at ₹ 583 Crores and our net debt to equity ratio stood at a healthy 0.04x. Our finance cost for the year declined by 12.1% due to lower borrowing costs as well as reduction in borrowings.

Clinical Focus

Our commitment to patient care and safety, strong emphasis on clinical excellence and harnessing updated medical technologies for improved outcomes remain steadfast. The Company's strategic focus on core specialties (Oncology, Neurosciences, Cardiac Sciences, Renal Sciences, Orthopaedics and Gastroenterology) resulted in a healthy growth of over 31% YoY, contributing over 61% to overall revenue. The Company also invested in developing clinical talent across specialties, inducting 159 senior clinicians across the country with a healthy 8% increase.

Expansion

We continued to strengthen the business and make growth investment by adding beds, expanding medical programs, and pursuing a brownfield expansion strategy, which will add over 1,400 beds within the next 2 to 3 years across Gurgaon, Mohali, Shalimar Bagh, BG Road and Noida among others. Your Company's capex for the year was approximately ₹ 300 Crores, which went towards funding growth and expansion projects, including investments in medical equipment and bed addition.

Our proposed acquisition of Medeor Hospital in Haryana's Manesar in the National Capital Region with a potential bed capacity of 350 beds is an outcome of our strategic commitment to identify opportunities and enhance our geographic presence. Fortis also launched a 200-bedded multi-speciality hospital in Greater Noida, under an O&M agreement, during the year. The facility has modular OTs, advanced ICUs with NICU, advanced imaging services (MRI and CT), high-precision radiation oncology, an updated nuclear medicine unit and latest cardiac and interventional Cath Labs. The Company also extended its comprehensive cancer care program by commissioning the Fortis Cancer Institute at Defence Colony, New Delhi, during the last fiscal. As part of our ongoing portfolio rationalization strategy, in June 2023, we have signed definitive agreements for sale of our hospital at Vadapalani, Chennai, to Sri Kauvery Medical Care (India) Limited.

Notably, we have invested approximately ₹ 1,302 crores in the hospital business since 2019, of which ₹ 790 cores went into replacing ageing equipment and ₹ 144 crores went into modernisation (i.e. fresh purchase of medical equipment such as MR Linac, Gamma Knife, Surgical and Ortho Robots and CT Simulators among others). Rs 368 crores was spent on bed expansion.

Growth Outlook

We remain keen to participate in the consolidation opportunities in the healthcare landscape. While our balance sheet allows us comfortable leveraging capacity, we may also look at raising capital so as to not miss out on larger growth opportunities that may present themselves. We are well positioned for our next phase of growth in order to create larger format facilities. This would enable us to draw higher operating leverage from the business. We are also progressing well on our portfolio optimisation

MANAGEMENT COMMUNIQUE

CHAIRPERSON'S MESSAGE

strategy allowing us to reallocate capital from our non-core or underperforming assets to assets in our key geographic clusters.

Digital Transformation

We are working on an Electronic Medical Record (EMR) system, to be deployed across Fortis. This would enable us to streamline information flow, increase accessibility to healthcare records and provide a superior patient experience, which has been our constant focus. We have also revamped your Company's website and MyFortis app to enable a seamless interface between hospitals and our diagnostics arm, enabling a one-touch point for patients for appointments, billing, medical history, follow-up, etc. Revenues from digital channels including website, mobile application and digital campaigns witnessed robust growth of 35% in FY 23. These contributed 23% to overall hospital revenues in FY 23 versus 21% in FY 22.

We are well positioned for our next phase of growth in order to create larger format facilities. This would enable us to draw higher operating leverage from the business. We are also progressing well on our portfolio optimisation strategy allowing us to reallocate capital from our non-core or underperforming assets to assets in our key geographic clusters.

Open Offer

As far as the legal case about IHH's open offer to Fortis' shareholders is concerned, vide judgment dated September 22, 2022, the Hon'ble Supreme Court of India disposed of all petitions before it with certain directions including that the Hon'ble High Court of Delhi may consider issuing appropriate process and appointing forensic auditor(s) to analyse the transactions entered into between Fortis, RHT Health Trust and other related transactions. Fortis is opposing the application filed in the High Court for appointment of forensic auditor. Based on legal advice, we believe that the Status Quo Order dated December 14, 2018 of the Supreme Court no longer exists and we are pursuing the implications of this with the concerned authorities.

Brand Change

As part of our avowed brand transformation journey, the flagship entity of our diagnostic chain w.e.f May 31, 2023 is named 'Agilus Diagnostics Limited'. Agilus is a portmanteau of 'Agile' and 'Us' and is inspired from the Latin term 'agilis' which means 'agility'. The new brand name is in consonance with our commitment to deliver exceptional diagnostic services with speed and accuracy.

The focus areas for Agilus Diagnostics Limited include growth and geographic penetration with strategic acquisitions. It is already the largest lab network in the country. As part of the network expansion strategy and improving reach and access for patients, Agilus Diagnostics added 1,100 plus customer touch points (CTPs) during the year, taking the total network to 3,700 plus CTPs.

Financial Performance

On the financial performance front, FY 23 total revenue from the diagnostics business understandably declined, largely because of the COVID revenue (as a percentage of total revenue) declining from 28% in FY 22 to only 4% in FY 23. But non-COVID business grew 12% in FY 23. The revenue from the preventive business portfolio grew 29% in FY 23, and revenue from genomics, which is a thrust area of Agilus Diagnostics, rose 41% in FY 23 compared to FY 22.

Dividend

I am pleased to state that for the first time since the Company was listed, the Board has recommended a dividend of 10% of the face value. Of course, this is subject to shareholders' approval. This reflects the significant improvement in our performance and underscores the transformational journey of the Company in the last few years. Agilus Diagnostics Limited, has also proposed a dividend to its shareholders, for the second year in a row.

Board

I take this opportunity to inform you regarding the changes in the Board of Directors. As you may be aware, Dr Kelvin Loh relinquished his position on the Board post his resignation as IHH Healthcare's Managing Director and CEO. Mr. Farid Bin Mohamed Sani and Mr. Takeshi Saito have also resigned from the Board. I express my heartfelt appreciation for the support received from these individuals and wish them all the best. I also extend a warm welcome to the new Non-Executive Directors, Mr. Tomo Nagahiro, Mr. Mehmet Ali Aydinlar and Mr. Lim Tsin Lin. There is no change in the Board of Agilus.

In Conclusion

We look to the future with confidence. The lessons learnt over the last couple of years provide the wisdom for us to chart the roadmap ahead. The industry is poised for growth, government policies are supportive and we would like to play an active part in healthcare public policy formulation.

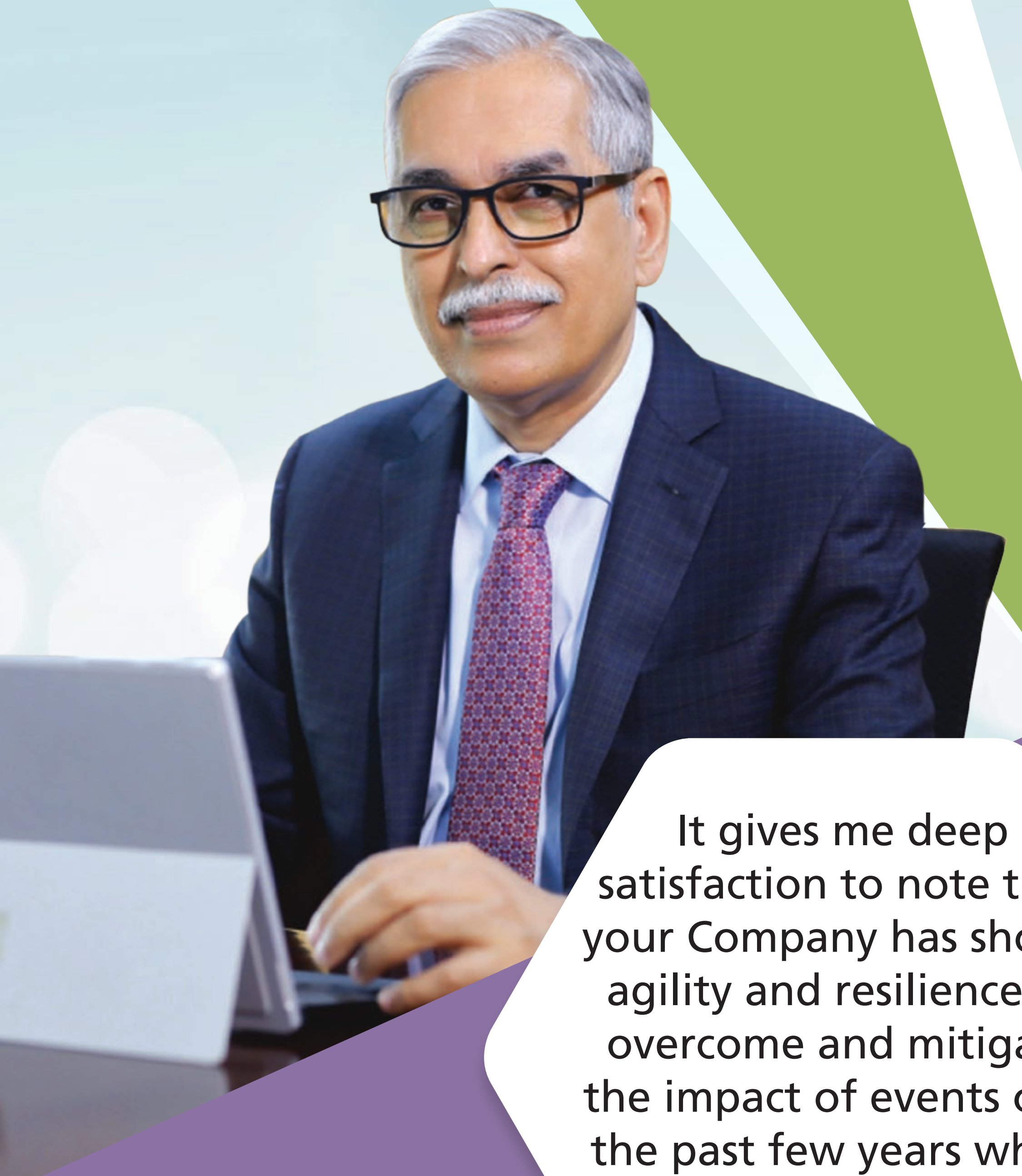
I thank the Members of the Board, our clinicians, the Fortis and Agilus management, staff, and all frontline workers whose commitment to our vision and dedication to their roles has boosted the Company's performance. Above all, I thank all our shareholders for their continuing support and confidence on the Board and Management of the Company.

Thank you!

Ravi Rajagopal
Chairperson

MANAGEMENT COMMUNIQUE

MD & CEO'S MESSAGE



It gives me deep satisfaction to note that your Company has shown agility and resilience to overcome and mitigate the impact of events over the past few years whilst aligning itself to new developments, such as digital health.

Dear Shareholders,

It gives me great pleasure to present the performance of your Company for FY 23.

The year gone by was the first full year post pandemic, enabling your organisation to dedicate its entire energy on pursuing its long-term vision. I am delighted to share that FY 23 was a success, as evidenced by the fact that the Board has declared a 10% dividend on the share face value for the first time since the Company's listing, subject to the approval of shareholders.

While the financial performance has exceeded the target, it gives me deep satisfaction to note that your Company has shown agility and resilience to overcome and mitigate the impact of events over the past few years whilst aligning itself to new developments, such as digital health. This is a significant achievement and I would like to thank the Board of Directors for giving us liberty, guidance and encouragement in equal measure, empowering us to execute a sound strategy with firm conviction and indomitable energy.

Allow me now to share a few highlights of the financial performance before proceeding further. For FY 23, your Company reported a consolidated revenue from operations of ₹ 6,298 Crores compared to ₹ 5,718 Crores reported for FY 22, reflecting a strong growth of 10.1%. Revenue from the hospital business grew 19.8% to touch ₹ 5,107 Crores while gross revenues from our diagnostic business i.e. Agilus Diagnostics Limited, dipped by 16.0% to ₹ 1,347 Crores over the corresponding year, largely on account of the decline in COVID revenues.

The consolidated EBITDA of your Company stood at ₹ 1,163 Crores compared to ₹ 1,096 Crores for the corresponding previous year. The EBITDA margin stood at 18.5% in FY 23 as against 19.2% reported in FY 22. The hospital business EBITDA for FY 2022-23 was ₹ 900 Crores compared to ₹ 672 Crores reported for FY 22. EBITDA margin of the hospital business stood at 17.6% in FY 23 compared to 15.8% in FY 22. The diagnostics business of the Company reported EBITDA of ₹ 263 Crores compared to ₹ 425 Crores in the corresponding previous year. EBITDA margin of the diagnostics business stood at 19.5% for FY 23 compared to 26.5% in FY 22.

Profit After Tax for FY 23 stood at ₹ 633 Crores compared to ₹ 790 Crores in the previous financial year. PAT includes an exceptional gain of ₹ 73.6 Crores in FY 23 and₹ 315 Crores in FY 22. With respect to the balance sheet, the liquidity position of your Company was comfortable with net debt reducing by ₹ 222 Crores to ₹ 330 Crores in FY 23. The Company's net debt to equity was at 0.04x in FY 23 versus 0.08x in the corresponding previous period. We have also witnessed some very encouraging business trends. Our occupancy in FY 2022-23 was at 67 versus 63% in FY 22. ARPOB (₹ per day) stood at ₹ 55,101 compared to ₹ 49,408 in FY 22.

As can be inferred, the stellar overall performance was a result of all-round growth in revenue across all our key specialities. Revenues from Orthopaedics, Oncology, Renal Sciences and Gastroenterology have increased by 49%, 53%, 29% and 36% respectively over FY22. Importantly, revenues from surgeries contributed 59% in FY23 as compared to 53% in FY22.

Revenue from medical value travellers who visit our hospitals from other countries has also gone up significantly, recording a growth of 97.9% in FY 23 to reach ₹ 425 Crores, compared to ₹ 215 Crores in FY 22. Revenue contribution stood at 8.3% in FY 23, compared to 5.0% in FY 22.

It is also gratifying to note that our Cluster Strategy is working very well. Most of our hospitals across the country have done well and have registered significant growth, offsetting the decline in the diagnostics business revenue due to the waning of COVID-19.

Dear Shareholders, we are now focusing on further consolidating our lead by embarking on a calibrated expansion strategy, both in terms of capabilities and geographical footprint. Your Company has undertaken capital expenditure to the tune of ₹ 300 Crores for growth and expansion purposes, including investments in medical equipment and bed additions. We have added a new hospital in Greater Noida, under an operate-and-manage arrangement. Richmond Road, Bengaluru, which used to be a La Femme facility, has been upgraded to a full-fledged multi-speciality unit. A Cancer Institute has been launched in Defence Colony,

MANAGEMENT COMMUNIQUE

MD & CEO'S MESSAGE

New Delhi, as a centre for comprehensive Cancer care, focusing not only on chemotheraphy but also mind, body and nutrition. A Medical Centre is now operational in Srinagar, Jammu & Kashmir, which provides super-specialist consultations by renowned doctors across specialities of Cardiology, CTVS, Gastroenterology, Internal Medicine, IVF, Mental Health, Neurosurgery, Nephrology,Obstetrics & Gynaecology, Oncology and Orthopedics among others. We have also announced the acquisition of a 350-bedded hospital in Manesar, Gurugram. These apart, new beds are being added at Fortis Escorts, Fortis Faridabad, Fortis Noida, Fortis Memorial, Gurugram and Fortis Mulund to name a few. In June 2023, we have signed definitive agreements for the sale of our hospital business at Vadapalani, Chennai to Sri Kauvery Medical Care (India) Limited.

We are according high priority to the procurement of medical equipment and are introducing new medical programs on a war footing. A SOMATOM Drive with Dual Source Technology CT, Mako Robotic Technology for joint replacements, Urology BK Fusion Ultrasound, O-arm surgical imaging system and a high-end Cath Lab were introduced at Fortis BG Road, Bengaluru. A state-of-the-art CT Simulator Machine for the management of Cancer patients was commissioned at Fortis Memorial, Gurugram, while two Heart Lung Machines were acquired for Fortis Escorts, Okhla. Fortis Amritsar received a Stealth StationTM S8 Surgical Navigation System for neurosurgeries while Fortis Shalimar Bagh, New Delhi, acquired a DaVinci Xi robotic System. A 128-slice CT scanner was operationalised at Hiranandani Hospital, Vashi - A Fortis Network Hospital.

During the year, a Hepatology Clinic was launched at Fortis Escorts, Okhla, New Delhi.A High Dose Radio-lodine Therapy Isolation Ward and a Preventive Oncology Department came up at Fortis BG Road, Bengaluru. A Lung Transplant Clinic and Pulmonary Medicine Unit was launched at Fortis Escorts, Jaipur, whilst the Fortis Institute of Blood Disorders was commissioned at Fortis Hospital, Mulund.In tandem, we are also inducting some of the finest clinical talents to our team. In FY 2022-23, we have hired 159 senior clinicians and the overall active headcount of doctors has increased by around 8%.

Our digital transformation initiative has been progressing well. Electronic Medical Records (EMR), ERP implementation, website revamp and further development of the myFortis app have been among our major focus areas in the digital space. I am particularly excited about the EMR project as it will significantly enhance patient care by allowing doctors to quickly access healthcare records, resulting in speedier, comprehensive and more accurate diagnosis. The project will be rolled out across Fortis in a phased manner.

While we look forward to scaling greater heights and another successful year, I would like to thank you wholeheartedly for your continued support through our transformational journey. I also thank all our doctors and staff for excelling at what they do, which is to take exemplary care of patients. We have what it takes to achieve our potential as a premier healthcare provider and we will continue to do our best.

Our partners, vendors and other associates have been instrumental in supporting our growth journey, and I would like to thank each one of them. I also thank all our clinical and non-clinical staff for their exceptional commitment to the organisation. Above all, I take this opportunity to thank our shareholders for their faith in us and would like to assure them that we will not rest on our laurels but pull out all the stops to rise higher.

Best wishes,

Dr. Ashutosh Raghuvanshi
MD & CEO

Our digital transformation initiative has been progressing well. Electronic Medical Records (EMR), ERP implementation, website revamp and further development of the myFortis app have been among our major focus areas in the digital space.

MANAGEMENT COMMUNIQUE

AGILUS DIAGNOSTICS LIMITED CEO'S MESSAGE

> Legacy and agility are two timeless features linked with our organisation. The company has several firsts to its name, which has been made possible by consistently remaining one step ahead.

Dear Shareholders,

Firstly I would like to begin my note with a thank you for placing your confidence and trust in Agilus Diagnostics Ltd. (Formerly SRL Ltd.).

The diagnostic industry is one of the fastest-expanding service verticals in India and is undergoing a rapid change. The sector is quickly becoming more consumer and digital-focused. The rise in demand for convenient, at-home, and on-demand services is being facilitated by consumerization. An overall shift to a value-based healthcare model has also put the focus on patient outcomes and affordability.

In light of how diagnostics has evolved in the care continuum, we have changed our company name to Agilus Diagnostics Ltd. Legacy and agility are two timeless features linked with our organisation. The company has several firsts to its name, which has been made possible by consistently remaining one step ahead. Agilus symbolises our renewed dedication to all of our stakeholders. All of our touch points including our extensive lab network, collection centers; web and digital identity will reflect the new brand, Agilus.

Agilus Diagnostics is the largest diagnostics services provider in the country in terms of lab network presence with a PAN India presence spanning over 1000 cities and 30 states and Union territories as of fiscal 2023. The company has added 53 new labs and over 1100 customer touch points in FY 2023.

We have expanded our test menu over the last few years to build an extensive portfolio in specialised laboratory sections like autoimmune disorders, transplant immunology, oncology, infectious diseases etc. Through our Research & Development department, we undertake clinical research studies, co-marketing projects and co-development of new biomarkers and contract validations. We have also built a steadfast focus on genomics and next generation diagnostics.

We have also partnered with Path Presenter's clinical consultation platform to empower specialist pathologists at our reference laboratories to quickly and easily sign out pathology cases uploaded from remote locations in Agilus' laboratory network. Through this partnership, we are proud and excited to pioneer this on a large scale in India and raise the bar of diagnostic excellence. In addition to enabling multi-site collaborations, the Path Presenter platform will also aid in disease research involving pathology informatics that requires the archival, retrieval, organization, and seamless sharing and analysing of data sets created by anatomic pathologists.

Being prepared for the future is one of our corporate goals. The transition to next-generation diagnostics, digitization of diagnostics along the value chain, and customer demand for omnichannel and on-demand services, in our opinion, are the three major themes that will shape the diagnostics industry's mid-term future. By enhancing our expertise in next-generation diagnostics, we aim to stay ahead of the curve.

One of the ways to improve laboratory processes and reduce manual errors is through laboratory automation. This also helps in faster and more reliable test results. Data analytics and artificial intelligence via machine learning help us in reducing

MANAGEMENT COMMUNIQUE

AGILUS DIAGNOSTICS LIMITED CEO'S MESSAGE

the diagnosis time significantly in certain areas like cytogenetics, histopathology, and radiology. Coming to customer experience, apart from delivering high-quality reports we have built a mobile app and website for a convenient digital experience, aesthetic patient touch points, SMART reports for preventive healthcare packages and seamless delivery of reports through our website, email and WhatsApp. The current trend inclines toward consumer choices, consumer empowerment, and consumer wellness. We are cognizant of this ever-changing landscape and are making the right strides in this direction. We have achieved good customer satisfaction scores throughout the year and are committed to keeping these scores consistent.

Our people are our pride. We have taken several initiatives to keep our Agilus family connected and engaged. During the year, we felicitated 775 Agilus employees for their loyalty and commitment. We commemorated 10, 15, 20, and 25 years of service to the company. Becoming the chosen employer in the diagnostic sector is one of our goals, and we are making good progress with the NPS metrics for the "The Great Place to Work" assessment.

Quality is one of the important factors for Agilus and we take pride in operating one of the largest network of accredited labs in India as of March 31st 2023. 43 of our labs are accredited by NABL and 3 of our labs are recognized under the NABL M(EL)T program and we also have two CAP-accredited laboratories in Mumbai, India, and Dubai as of March 31st 2023.

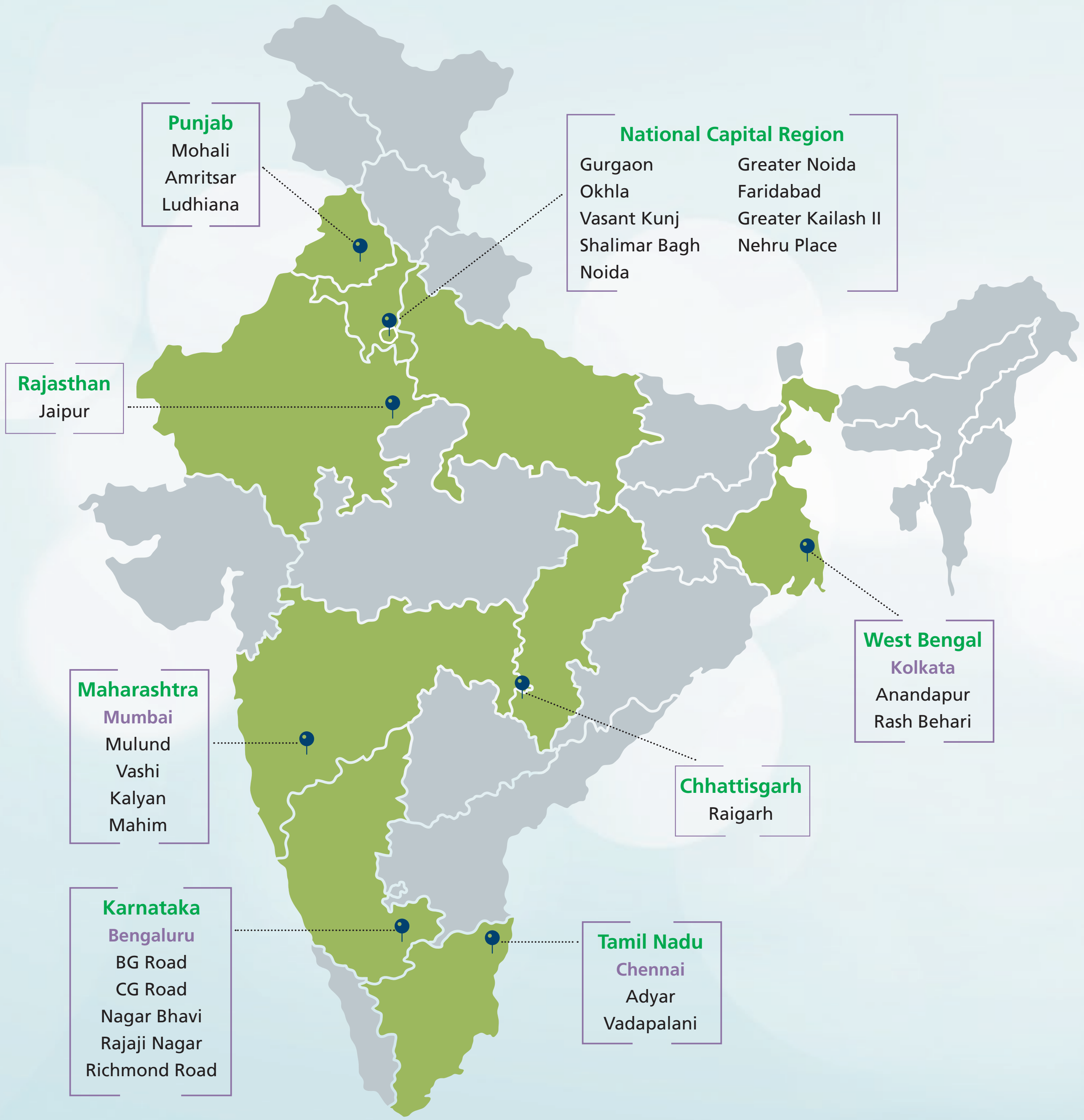
We are relentless in our pursuit of delivering high quality diagnostic care and our teams across our network live up to this brand purpose every day. We at Agilus are grateful for your ongoing confidence and trust.
In the upcoming years, we are optimistic that we can maintain our momentum in achieving profitable and sustainable growth.

Regards,

Anand K.
Chief Executive Officer

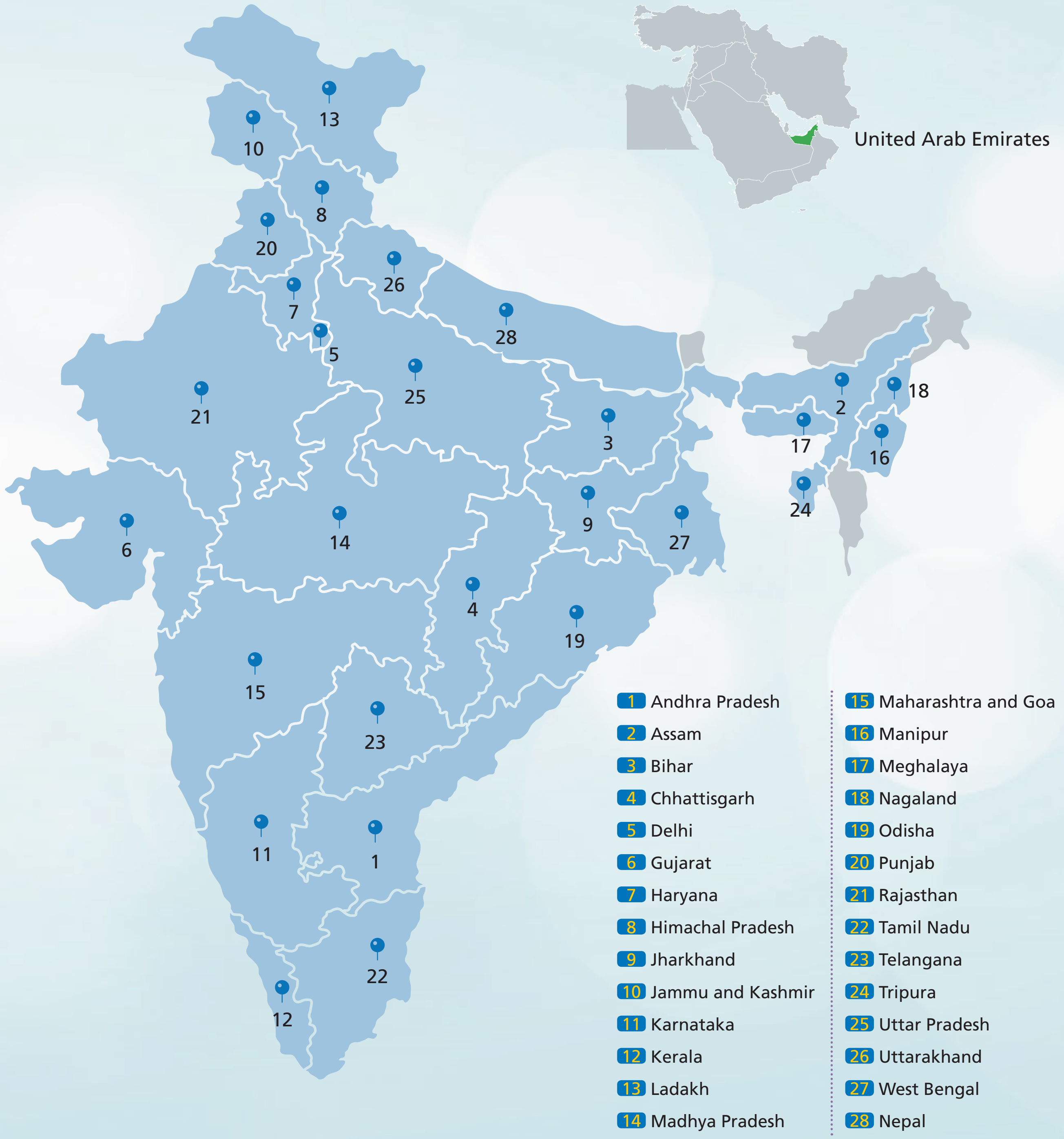
Agilus Diagnostics is the largest diagnostics services provider in the country in terms of lab network presence with a PAN India presence spanning over 1000 cities and 30 states and Union territories as of fiscal 2023.

FORTIS HOSPITAL NETWORK



This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

AGILUS DIAGNOSTICS NETWORK



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FORTIS HEALTHCARE LIMITED

INSPIRING TRUST ACROSS THE NATION

27
Hospitals*

5,773
Doctors (including VC doctors)

6,793
Nurses

4,500+
Operational Beds

*22 Consol and 5 Network hospitals

AGILUS DIAGNOSTICS LIMITED

410+
Labs

3,700+
Customer Touchpoints

430+
Doctors

4,150+
Lab Technologist

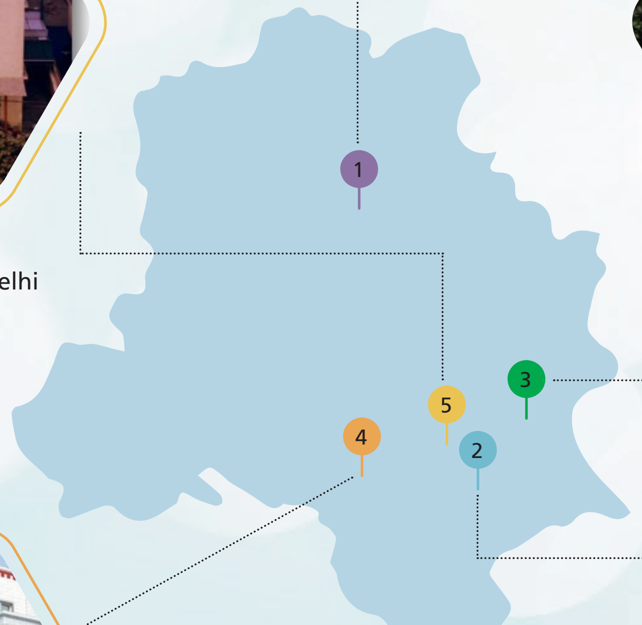
KNOW OUR HOSPITALS

NEW DELHI

Fortis Hospital
Shalimar Bagh, New Delhi

Fortis C-DOC
Chirag Enclave, New Delhi

Fortis La Femme,
Greater Kailash II, New Delhi



Fortis Flt. Lt. Rajan Dhall Hospital
Vasant Kunj, New Delhi

Fortis Escorts Heart Institute
Okhla, New Delhi

1 **Fortis Hospital, Shalimar Bagh** is a Super speciality quaternary care hospital that provides world-class patient care. The 303-bed hospital delivers the highest quality of medical care through its team of expert doctors, nurses, technicians and management professionals. Fortis Hospital, Shalimar Bagh, has Centres of Excellence in Oncology, including Surgical, Medical and Radiation Oncology; Interventional & Non-interventional Cardiology, Cardiac Surgery & Cardiac transplant, Gastroenterology and GI Surgery, Minimal Access and Bariatric Surgery, Robotic surgery, Nephrology, Urology and Kidney Transplant, Neurology, Neurosurgery, Interventional Neurology, Interventional Radiology, Orthopaedics as well as Joint Replacement & Sports Medicine. The hospital has a dedicated Mother & Child set-up, which includes IVF, Neonatology, Neonatal Intensive Care Unit, Paediatrics and Paediatric Intensive Care Unit. The hospital also has robust Critical Care capabilities both adult and paediatric.

2 **Fortis La Femme GK II** is inspired by the core belief that a woman is a very special person who deserves s personalised clinical care. This 41-bedded boutique facility provides patient centric services in a distinctly elegant ambience, offering a host of value added conveniences. Clinical offerings at this hospital includes Obstetrics (Painless Labour), Gynecology (Minimal Access Laparoscopic Surgery), Fertility Clinic and IVF, Neonatology (Level III NICU), General Surgery (Minimal Access Laparoscopic), Cosmetology and Cosmetic Surgery, Onco Surgery (Breast and Gynae), Endocrinology, Internal Medicine, Fetal Medicine, ENT, Psychology and Clinical Nutrition. Mamma Mia is a specialised department within the hospital offering exclusive services such as Lamaze classes, Yoga, Pre and Post Natal Massage, Lactation Counseling, Doula Services etc leading to safe and healthy motherhood. The clinicians are supported by an able team of anesthetists, 24/7 diagnostic lab, radiology and pharmacy services.

3 **Fortis Escorts, Okhla, New Delhi,** an iconic 310-bed hospital, is recognised across the world for its path- breaking work and services, especially in the field of Cardiac Sciences. Fortis Escorts, Okhla, New Delhi, armed with clinical expertise and cutting-edge technology, has saved numerous lives by delivering world-class treatment and high-end patient care. With Padma Shri and Padma Bhushan awardees among its team of renowned doctors, the hospital pioneered as an eminent healthcare institution. Fortis Escorts, Okhla, New Delhi has four centres of excellence:

- Fortis Escorts Heart Institute
- Fortis Escorts Liver & Digestive Diseases Institute
- Fortis Escorts Kidney & Urology Institute
- Fortis Escorts Bone & Joint Institute

The hospital offers advanced cardiac care, including complex angioplasties, Shockwave Coronary Lithotripsy, Laser Angioplasty, and Impella-supported angioplasty, TAVR, Mitra Clip, Chronic total occlusion, tricuspid valve regurgitation, cardiac pacing and electrophysiology, adult cardiac surgery, LVAD, heart transplant, minimally invasive cardiac surgery, paediatric cardiology and cardiac surgery. The Liver & Digestive Diseases Institute offers comprehensive treatment for gastrointestinal, pancreatic, and liver disorders, and conducts complex and Auto liver transplants. The Kidney & Urology Institute treats chronic kidney diseases, provides dialysis and urological care, both for adults and children, and conducts SWAP kidney transplants. The Bone & Joint Institute offers complex joint replacement, spine surgery, sports injury care and arthroscopic procedures. The hospital receives a large number of international patients every year. The hospital has received numerous awards in the field of Interventional Cardiology, Adult Cardiac Surgery and Paediatric Cardiac Sciences.

4 Located in the heart of south Delhi and just 8kms from the International airport, the 162+ bed **Fortis Flt. Lt. Rajan Dhall Hospital, Vasant Kunj, New Delhi** is well accepted as one of the best hospitals in the region. The hospital has a complete spectrum of diagnostic and therapeutic technologies which is at par with any other establishment in the area. Since its inception, experts at Fortis Flt. Lt. Rajan Dhall Hospital, Vasant Kunj has treated more than 20 Lakhs patients across 28 specialities, mainly Oncology (Medical, Surgical and Chemotherapy), Cardiac, Neurosciences, Metabolic and Bariatric Surgery, Urology & Kidney Transplant, Aesthetic and Reconstructive Surgery among other ancillary services. The hospital offers an advantage to international patients of being closer to airports and catering to more than 50 countries around the world. With its multidisciplinary setting of highly qualified doctors, nurses & medical staff, the hospital provides integrated medical care for all.

5 **Fortis C-DOC Hospital** is a 23 bed facility that has emerged as a leading centre in North India for the comprehensive management of diabetes, metabolic diseases and endocrine disorders. The hospital is equipped with two operating suites and an advanced centre for the treatment of diabetic foot and wound care. The facility offers scientific weight loss and weight management programmes, bariatric and minimal access surgery. The hospital also has advanced clinical facilities such as diabetic eye lab and dialysis centre. The clinicians are supported by a 24/7diagnostic lab, radiology and pharmacy services. A dedicated team of renowned medical experts follow globally accepted protocols and are supported by state-of-the-art technology as well as a well-trained support team. The hospital has also expanded its offerings to include spine and pain management, spine endoscopies, minimally invasive spine interventions for sciatica and spinal canalstenosis, minimally invasive knee, shoulder and joint interventions for osteoarthritis, degenerative joint diseases, and sports injuries and Orthobiologics.

KNOW OUR HOSPITALS

NATIONAL CAPITAL REGION (NCR)

Fortis Hospital
Greater Noida

Fortis Memorial Research Institute
Gurugram

Fortis Escorts Hospital
Faridabad

Fortis Hospital
Noida

1 **Fortis Memorial Research Institute (FMRI)**, is a 308-bedded Super Specialty Hospital known nationally and internationally. As a part of the larger Fortis Healthcare network, which is one of the leading healthcare providers in the country, FMRI is the Flagship hospital of the group.

Equipped with state-of-the-art infrastructure, Cutting Edge medical technologies and a highly skilled and renowned team of doctors, the hospital was ranked in the list of "World's best smart hospitals 2023 (Newsweek Survey)" at 29th Position.

FMRI is known for its advanced diagnostic and therapeutic capabilities including Robotic surgery, Organ & Joints Transplantation, Stem cell therapy and precision medicine. Our Centre of excellence department consist of BMT, Cardiac Sciences, Oncology, Neuro Sciences and Transplant program.

The hospital is also the only ELSO Certified Training Centre for training in ECMO program in the country.

This 'Next Generation Hospital' has received numerous accreditations and certifications, including Joint Commission International (JCI) accreditation, National Accreditation Board for Hospitals & Healthcare Providers (NABH) and the NABL accreditation for its laboratory and Blood Bank.

2 **Fortis Hospital, Noida**, is one of the most trusted hospitals in Uttar Pradesh. It is a state-of-the-art facility with over 236 beds, 12 operation theatres and 92 ICU Beds. The hospital is well known for having one of the most advanced Neurosciences and Orthopaedics departments as well as Kidney and Liver Transplant Programmes in Noida with over 1,500 successful transplants to its credit. The hospital is also regarded as a Centre of Excellence in Cardiac Sciences, Oncology, Orthopaedics and Emergency Trauma Care Services. Fortis Hospital, Noida, is the second mega hub hospital in the Fortis Healthcare Group, which enjoys the trust of over 1.2 Million patients. We bring the finest professionals and the latest technology together to treat all kinds of ailments. Fortis Hospital, Noida aims at providing compassionate patient care with clinical excellence, to achieve the single-minded objective of 'Saving and Enriching lives.

3 **Fortis Hospital Greater Noida**, is a leading healthcare facility dedicated to providing compassionate, high-quality patient care. Our state-of-the-art hospital features over 200 beds and 8 operational theatres, providing comprehensive medical services to patients of all ages. Our hospital is renowned for its expertise in Orthopedics, Neurosciences, Cardiology, Obstetrics & Gynecology, and Emergency Trauma Care Services. With over 18 clinical specialties, we offer a multidisciplinary approach to healthcare, with a team of highly qualified doctors, nurses, and healthcare professionals providing integrated medical care. We are committed to providing our patients with the best possible medical care, using advanced medical technology and world-class infrastructure. As a regional hub for complex procedures, we offer access to cutting-edge treatments and comprehensive specialist services.

Fortis Hospital Greater Noida, holds the prestigious NABH accreditation, reflecting our commitment to maintaining the highest standards of patient care, safety, and satisfaction. Our focus on health and safety standards ensures that our patients receive the best possible care in a safe and secure environment. We are an established leader among healthcare providers, with a reputation for excellence in patient care. Our integrated approach to healthcare ensures that our patients receive the best possible care, with a team of dedicated healthcare professionals working together to provide comprehensive medical services.

4 Fortis Escorts Hospital, Faridabad is a 210-bed multi-speciality hospital providing primary and tertiary medical care in all major specialities. The hospital has established itself as a leading healthcare service provider in the region and has been delivering exceptional clinical care for over 40 years. It was the first hospital in the city to be accredited with the coveted National Accreditation Board for Hospitals & Healthcare Providers (NABH) certification. From preventive health, emergency and trauma services to super-specialties and sophisticated state-of-the-art health technology, the hospital offers it all. Its team of experts comprises of experienced surgeons and physicians, nurses, nursing assistants, paramedics and technicians, who deliver comprehensive patient care. The hospital offers 24/7 on-call support for various specialities, including Cardiology, Neurosurgery, General Surgery, Orthopaedics, Urology, Critical Care, Pulmonology, Paediatrics, General Medicine, Gastroenterology, Obstetrics and Gynaecology.

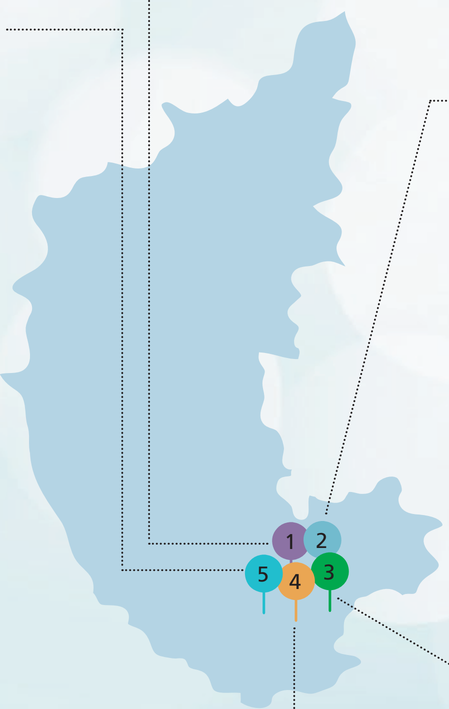
KNOW OUR HOSPITALS

KARNATAKA

Fortis Hospital, B.G. Road
Bengaluru

Fortis Hospital, Richmond Road
Bengaluru

Fortis Hospital, C.G. Road
Bengaluru



Fortis Hospital, Rajajinagar
Bengaluru

Fortis Hospital, Nagarbhavi
Bengaluru

1 **Fortis Hospital, Bannerghatta Road,** is a 275-bed hospital,well equipped with state-of-the-art infrastructure, some of the city's best doctors and well trained paramedical and support staff. The hospital follows robust processes and evidence-based approach to ensure world-class care for all its patients. Backed by over 150 senior doctors and 800 para-medical staff, the facility offers super-speciality tertiary care services for about 40 specialities including Cardiac Sciences, Neurology & Neurosurgery, Gastroenterology & Gastrointestinal Surgery, Oncology, Urology, Orthopaedics, Gynaecology, Organ Transplant, Preventive Care, Robotic Surgery, Emergency Care, Medical, Hemato Oncology & BMT, Radiation Oncology, Surgical Oncology, 24/7 Emergency and Critical Care to name a few. The hospital has been accredited six times by JCI and five times by NABH It is also the only Indian Hospital to feature among the world's top five destinations for medical tourism by MTQUA (Medical Travel Quality Alliance)

2 **Fortis Hospital, Cunningham Road** is a 119-bed facility, famed as one of the pioneers in the field of Cardiac Sciences in the city. It offers some of the most modern and latest technologies in diagnostics along with a multitude of advanced life-saving procedures and treatments. The facility is well-equipped to provide quality care and treatment in the specialities of Neurology & Neurosurgery, Urology, Orthopaedics, Minimal Access & General Surgery, Gastroenterology, Pulmonology and24/7 Emergency and Critical Care.

Being accredited by NABH & NABL, the hospital adheres to the best practices in quality and patient care.

3 **Fortis Hospital, Nagarbhavi** has been serving the Nagarbhavi & adjoining areas in Bengaluru for several years now as a comprehensive care destination. The hospital has managed to not only earn the trust of its patients from all over the region but also their plaudits, owing to its exceptional combination of top medical talent with advanced technology. The 70 bedded facility offers a comprehensive range of medical & surgical services in specialties like Internal Medicine, General Surgery, Orthopedics, Neurosurgery, Urology, Gynecology, Pediatrics, ENT, Nephrology, Plastic surgery, Medical Gastroenterology and Oncology. These services are supported by strong clinical team in Adult ICU, NICU, and Emergency department which Operates 24x7. Unit also has 8 bedded Dialysis unit catering to Nephro Care patients.

Being accredited by NABH & NABH (In Nursing Excellence), the hospital ensures the best practices in quality and patient care.

Fortis Hospital Nagarbhavi has been serving Nagarbhavi and its adjoining areas in Bangalore for 15 plus years and with the addition of Advanced Cardiology in the form of state-of-the-art cath lab we aim to be the preferred Critical Care destination.

4 **Fortis Hospital, Rajajinagar, Bengaluru** began operations in 2007 as a specialised Intensive Care Unit (ICU). Today, it is a 50-bedded NABH accredited multi-speciality hospital with 10 bedded ICU and 24X7 functioning emergency lab radiology and pharmacy. This hospital has well-qualified, experienced clinicians running the OPD's and IPD services supported by dedicated nursing & admin team. This Hospital also has 24X7 CT scan and X ray facilities. Ultrasonography (USG), Echo, TMT, Physiotherapy will be done on appointment basis.

5 **Fortis Hospital Richmond Road,** located at the heart of Bengaluru, is a multi-speciality 85-bed facility located in the heart of the city. Over the years, the hospital has carved a niche for itself as the best healthcare services provider for women's health. It has now expanded its offerings and clinical services to include medical specialities such as Internal Medicine, General Surgery, Obstetrics and Infertility, Paediatrics ICU and Neonatal ICU, Orthopaedics, Urology ,Oncology, Cardiology and Neurology among others. Besides Emergency Services that run round-the-clock ,the hospital also has an Outpatient Facility.

KNOW OUR HOSPITALS

MAHARASHTRA

Fortis Hospital, Kalyan
Mumbai

Fortis Hospital, Mulund
Mumbai

Hiranandani Hospital, Vashi
Mumbai

SL Raheja Hospital
(A Fortis Associate), Mahim
Mumbai

1 **Fortis Hospital, Kalyan** is one ofthe best multi-speciality tertiary care hospitals in Kalyan. The hospital has a state-of-the-art facility, with 50 beds. The hospital has a team of highly experienced and qualified medical professionals assisted with the latest medical technology to provide the best healthcare and medical facilities for patients in the vicinity. Fortis Hospital, Kalyan, is the first hospital in Thane district to be awarded accreditation by the National Accreditation Board for Hospitals & Healthcare Providers (NABH) in 2013 and is the only hospital in Kalyan region to receive NABH accreditation for four times.

2 **Fortis Hospital, Mulund** is a six- time JCI accredited, 350-bed multi- specialty tertiary care hospital with many of the best doctors in the city. The facility is Maharashtra's largest centre for multi-organ transplant. It is also the first hospital in Western India to have conducted over 100 heart transplants in under four years. Amongst its multiple firsts, Fortis Hospital, Mulund, also boasts of having central Mumbai's first-of- its-kind Bone Marrow Transplant Unit in Central Mumbai. The hospital also has an advanced Cath lab. Specialists at the hospital provide comprehensive care for Cardiology and Cardiac Surgery, Urology, Nephrology, Neurosciences, Orthopaedics, Oncology, Oncosurgery, Digestive Care, Critical Care, Maternity Care among others super specialties.

3 **S. L. Raheja Hospital** (A Fortis Associate) is a super multi-speciality hospital in Mumbai, located in Mahim.

Since its inception in 1981, it is now one of the top multi-speciality health care centres in the city and renowned for its world-class treatment and facilities in various medical fields including Diabetology, Diabetic Foot Surgery, Oncology, Orthopaedics& Spine Surgery, Gastroenterology, Minimal Access Surgery, Nephrology, Urology, Neurology and Cardiology through its centres of excellence with state-of-the-art.

S. L. Raheja is a 170-bed tertiary care hospital providing international standard healthcare services in Mumbai. The hospital has a renowned team of doctors. It has one of the moanandapst comprehensive ICU and Emergency care services adhering to international standards and providing round-the-clock services, which ensures prompt emergency response and efficient critical care for patients.

4 **Hiranandani Hospital, Vashi** is a138-bed advanced tertiary care, multi-speciality hospital with a team of eminent medical experts, nurses, technicians and management professionals. The hospital is equipped with a super ICU to provide emergency medical care tocritically ill patients. The critical carefacility is supported by state-of-the-art diagnostic facilities that enable accurate and efficient monitoring. Hiranandani Hospital is the first hospital in Navi Mumbai to be accredited by the National Accreditation Board of Hospitals (NABH).

KNOW OUR HOSPITALS

PUNJAB

Fortis Hospital
Ludhiana

Fortis Hospital
Mohali

Fortis Escorts Hospital
Amritsar

1 **Fortis Hospital, Mohali** is a state-of-the-art tertiary care facility with 350 beds and 42 specialties. Located close to the Chandigarh International Airport, it is regarded as the region's leading multi- speciality tertiary care hospital. It has been ranked as the No.1 private multi- speciality hospital in the region*. It is the veritable torch bearer of super specialty centers of excellence across the country and has one of the most advanced Cardiac Care Centres that has been operational for more than two decades. Fortis Hospital, Mohali, has been accredited 6 times by the Joint Commission International (JCI) since 2007 and is also the proud recipient of accreditation from the National Accreditation Board of Hospitals (NABH), India. These accreditations are testimony to the highest and strictest patient safety standards followed by the hospital.

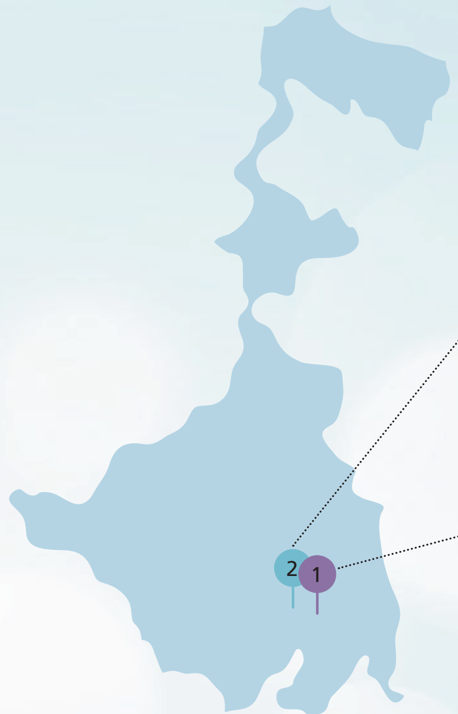
Fortis Hospital, Mohali is considered a pioneer in the region North of Delhi for high end procedures like Transcatheter Aortic Valve Implantation (TAVI), Left Ventricular Assist Device (LVAD), Right Ventricular Assist Device (RVAD), Minimally Invasive Direct Coronary Artery Bypass Surgery (MIDCAB), Breast Conservation with immediate and delayed Reconstruction for Breast Cancer, Sentinel Lymph Node Biopsy, Robot Assisted Surgeries, Interventional Neuroradiology, Interventional Gastroenterology, Paediatric Arterial Switch Operation, Aortic Aneurysms, Tumour Surgery, Robotic Cancer Surgeries, Neuromodulation techniques like Deep Brain Stimulation and Vagus Nerve Stimulation and many more.

2 **Fortis Escorts Hospital, Amritsar** is one of the most well-recognised multi-superspeciality hospitals catering to the healthcare needs of people residing in Amritsar and its surrounding areas including Himachal Pradesh and Jammu & Kashmir. The hospital commenced operation as a Cardiac Hospital in 2003. Currently, this 173-bed facility houses over 30 medical specialties, including Cardiac Sciences, Orthopaedic & Joint Replacement, Neurosurgery, Urology, Gastro Sciences, Oncology and Critical Care, to name a few. With a specialfocus on the management of critically ill patients, the hospital boasts of having 1/3rd of its beds dedicated to critical care and is well-equipped with the latest technology and infrastructure for Neurology, Nephrology and dialysis.

3 **Fortis Hospital, Ludhiana** is one of the most prominent tertiary care hospitals in the region catering to the healthcare needs of people residing in the city and its adjoining districts. This 200+ bed multi-speciality hospital has a team of highly reputed doctors and is well equipped with state-of-the-art technology and world-class infrastructure. Touching the lives of over a Lakh people every year, the hospital is known for its expertise in Cardiology, Cardiac Surgery, Orthopaedics & Robotic Joint Replacement, Oncology, Urology, Neurology, Neurosurgery, Gynaecology, Paediatrics & Neonatology, Gastro sciences, General and Oncosurgery, Nephrology & Kidney Transplant, Critical Care and Pulmonology.

KNOW OUR HOSPITALS

WEST BENGAL



Fortis Hospital, Anandapur
Kolkata

Fortis Hospital and Kidney Institute, Rash Behari
Kolkata

1 **Fortis Hospital and Kidney Institute** is a 60 bedded, one-of-its-kind medical facility for Renal Care in Eastern India. Over the years, it has become a pioneer in introducing the most advanced technologies and equipment to deliver unparalleled treatments for all kinds of Urology and Nephrology diseases not only for patients from Kolkata, but also for the entire eastern region. The Institute introduced Lithotripsy, Laparoscopic Donor Nephrectomy, URS-Lithoclast and PCNL for the first time in Kolkata as well as in the Eastern region.

The first penile implant in Eastern India was carried out at FHKI. The hospital has performed the highest number of Holmium Laser prostate surgery, a minimally invasive treatment for enlarged prostate. Kidney Transplants started in 2002 and till date, the unit has carried out over 570 successful Kidney Transplants. The hospital continues its leadership in treatment, research and training in Urology and Nephrology in this part of the country.

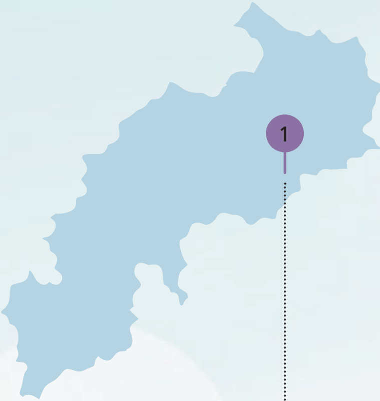
2 **Fortis Hospital, Anandapur** is a world-class Quaternary & tertiary care facility, with 238 operational beds. The hospital has a glorious legacy of over two decades. Fortis Hospital, Anandapur, has a team of renowned clinicians and well-trained nurses, and offers superlative care in all the major specialities including Cardiology, Cardiac Surgery, Orthopaedics, Medical & Surgical Oncology, Haematology, Nephrology & Urology, Neurology & Neurosurgery, Gynaecology, Paediatrics and Pulmonology, to name a few. The hospital receives patients from places as far as the suburban districts of West Bengal to the neighbouring countries such as Nepal, Bhutan, Bangladesh and Myanmar.

KNOW OUR HOSPITALS

RAJASTHAN

Fortis Escorts Hospital
Jaipur

CHHATTISGARH



Fortis OP Jindal Hospital and Research Centre
Raigarh

TAMIL NADU

Fortis Malar Hospital, Adyar
Chennai

Fortis Hospital, Vadapalani
Chennai

1 **Fortis Escorts Hospital, Jaipur (FEHJ)** is a 275-bed NABH accredited multi-super specialty hospital in Rajasthan. This hospital has established itself as one of the best tertiary care centers in the region. In last 15 years, Fortis Escorts Hospital, Jaipur has successfully managed to develop world class facilities.

It is the first NABH (National Accreditation Board for Hospitals & Healthcare Providers) Accredited Hospital in Rajasthan, since July 2008. It is also the proud recipient of Nursing Excellence from NABH in 2016. These accreditations ensure that the highest and strictest patient safety standards are followed in the hospital. It is the veritable torch bearer of super specialty centers of excellence across the country.

Fortis Jaipur is a pioneer in high-end procedures such as Kidney Transplants, Total Knee and Hip Replacement aided by Robotic Computer Navigation, adult and pediatric cardiac surgery, and the treatment of congenital heart defects. The hospital having Rajasthan's first next- generation Cath lab for complex cardiac procedures. Fortis Jaipur also offers gastrointestinal and bariatric surgery, HIPEC Surgery, complex neuro intervention procedures through computer navigation, brain and spine surgery aided by neuro microscope, surgical and medical management of brain stroke, comprehensive and advanced laser surgery, single incision laparoscopic Surgery, along with trauma and critical care.

1 **Fortis O. P Jindal Hospital, Raigarh** is a 75-bed state-of-the-art tertiary care facility providing a depth of expertise in the complete spectrum of advanced medical and surgical interventions with a comprehensive mix of inpatients and outpatients services. The hospital provides competitive, accessible and affordable world class healthcare services. Located at the heart of Raigarh, the hospital is well connected to all means of transport. An array of super specialties and allied specialties are fully operational and available round the clock.

1 **Fortis Malar Hospital, Adyar, Chennai,** was established in 1992 and became household name for tertiary care servicesin the city over the years. Fortis Malar Hospital has more than 145 consultants, 141 beds, five operation theatres and 400 employees to manage over 11,000 in-patients.

2 **Fortis Hospital, Vadapalani** is the second facility within Chennai from the country's fastest growing healthcare group – Fortis Healthcare is centrally located in the bustling epicentre of Arcot Road, Vadapalani. The 250 bedded Quaternary care super specialty hospital hosts a 24x7 Emergency Centre with Ambulance Services, Centre of Excellence in Cardiac, Gastro, Renal, Neuro, Movement Disorder Management, Trauma & Orthopaedics Care. We are the largest multi organ transplant centre in Chennai which includes heart, lung, liver, kidney, small bowel and pancreas.

OUR JOURNEY

IHH infused ₹ **4000 crores** in Nov 2018 through preferential allotment in FHL and became controlling shareholder with 31.17% equity stake along with majority Board Control

Funds infusion significantly re-capitalised Fortis' weak balance sheet, lowered borrowing costs and improved credit ratings. Stronger liquidity enabled investments for business operations continuity and capex for growth

Funds infused by IHH were primarily utilised for the acquisition of RHT Health Trust portfolio of assets. This enabled the Company to consolidate RHT assets and save on annualised clinical establishment fees of ₹ **270 crores** resulting in a turnaround in the profitability as well as cash flows of the Company

IHH and FHL collaborated and exchanged best practices in driving **higher synergies** for the company in the areas of medical operations, procurement, supply chain and Information Technology

Q4 of FY2018-19 results showcased **significant positive impact** due to the acquisition of RHT's portfolio of assets

Several transformational initiatives, including a comprehensive portfolio review, cost efficiency initiatives and incorporating an institutionalised governance framework with robust systems and processes were implemented

Re-constituted Board inducts a **new management team** with the appointment of the MD & CEO and CFO in March and April 2019, respectively

IHH was recognised as the **new promoter** of FHL in June 2019

FHL witnessed operational turnaround in FY 2019-20 with **significant jump in the operating profitability**. This allowed the Company to accelerate its expansion and other growth levers and begin a new journey

Operational performance of the company in FY21 was impacted due to COVID-19 pandemic. However, the Company was able to successfully navigate the challenging environment thereby ensuring sustainability and continuity of operations primarily due to well-capitalised balance sheet, several cost efficiency initiatives and a **robust diagnostics business performance** on account of high Covid 19 tests volumes

In April 2021, Agilus Diagnostics Limited acquired the balance 50% equity stake in its existing 50:50 DDRC JV in Kerala and consolidated its position in the Kerala market. DDRC-Agilus Diagnostics is the largest organised player

Despite the impact of COVID during Q1 and Q4, FY 2021-22 witnessed healthy growth in both the hospitals and diagnostics business. The Company registered its highest ever consolidated EBITDA of INR 1000+ crores in FY2021-22

For FY 2022-2023, the operational performance continued to witness strong traction led by hospital business which saw higher occupancy and ARPOB with a significant 600 bps increase in contribution from surgical volumes. However, the diagnostic business witnessed muted performance due to significant decline in COVID volumes and the challenging industry environment

In April 2023, the company signed definitive agreements to acquire a hospital asset with a potential bed capacity of 350 beds in Manesar

FHL Board, in its meeting held in May, 2023 recommended maiden dividend of INR 1 per share (10% of the Face Value), subject to shareholders approval

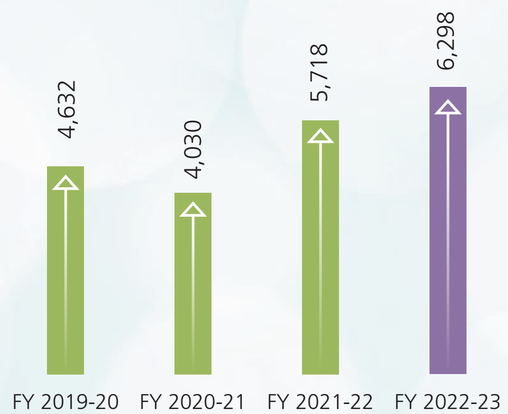
FINANCIAL HIGHLIGHTS

PERFORMANCE SNAPSHOT

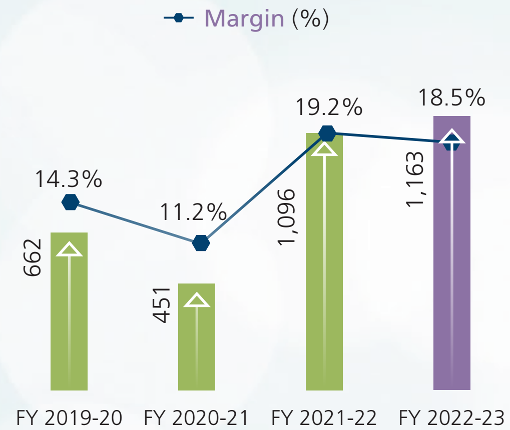
FY 2019-20 - FY 2022-23

Consolidated Financials

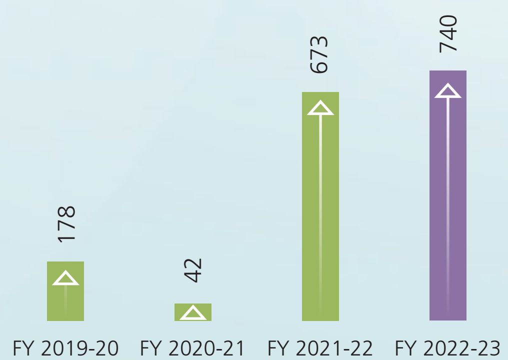
Operating Income (₹ crores)



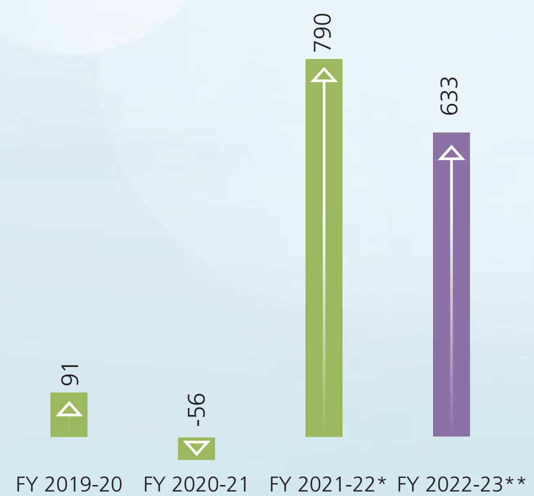
EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) (₹ crores)



PBT (Profit Before Tax) (Before Exceptional Items) (₹ crores)



PAT (Profit After Tax) (₹ crores)

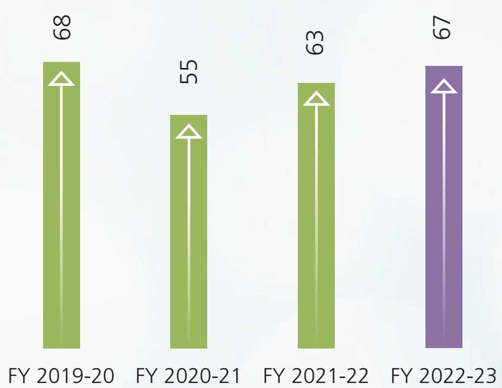


*Includes exceptional gain of ₹ 315 crores for the year

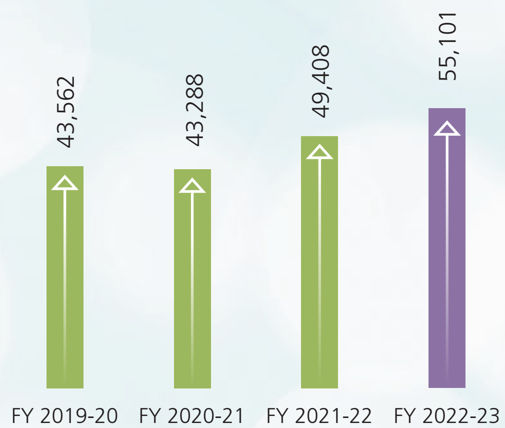
**Includes exceptional gain of ₹ 73.6 crores for the year

Hospital Business

Hospital Business Occupancy (%)

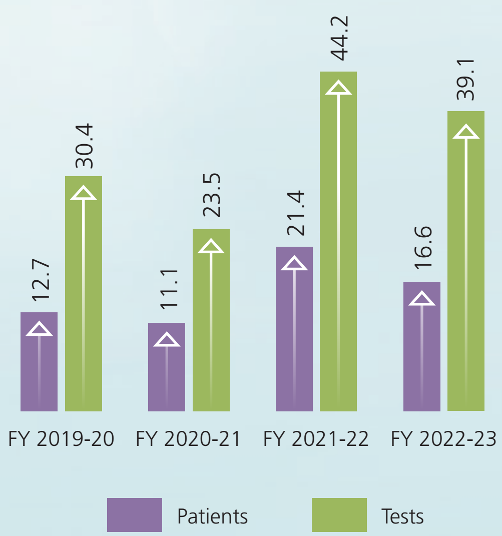


ARPOB (Average Revenue Per Occupied Bed) (₹ per day)

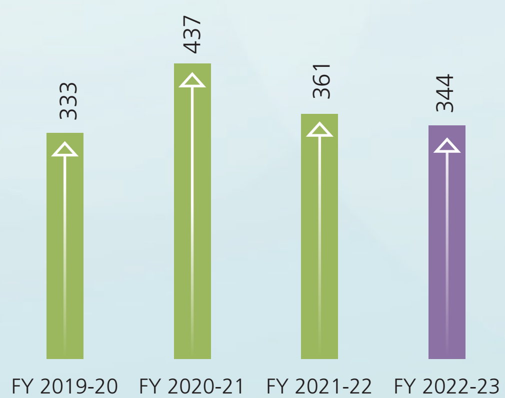


Diagnostics Business

No. of Patients (Million)
No. of Tests (Million)



Average Realisation Per Test (₹)



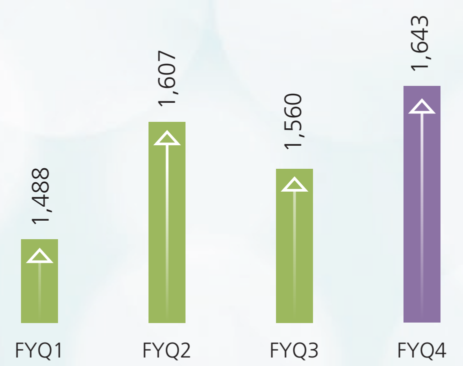
FINANCIAL HIGHLIGHTS

PERFORMANCE SNAPSHOT

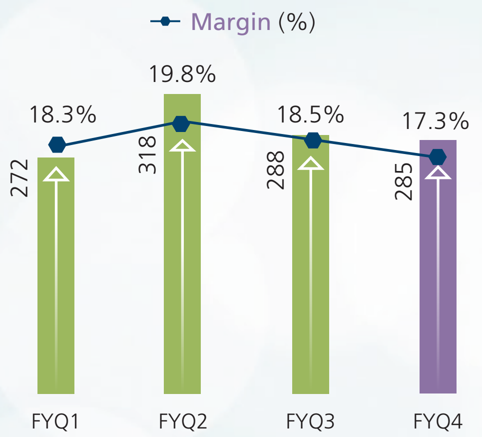
Q1- Q4 (FY 2022-23)

Consolidated Financials

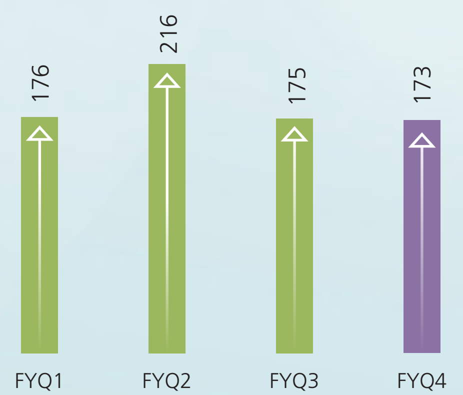
Total Revenue (₹ crores)



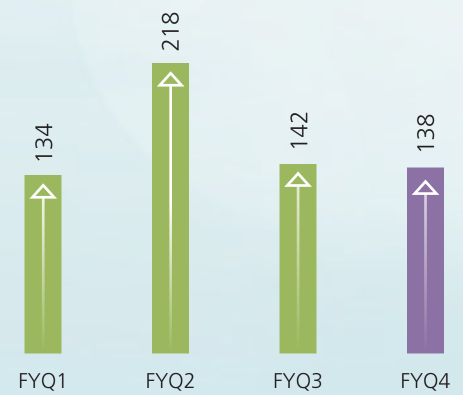
EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) (₹ crores)



PBT (Profit Before Tax)
(Before Exceptional Items)
(₹ crores)

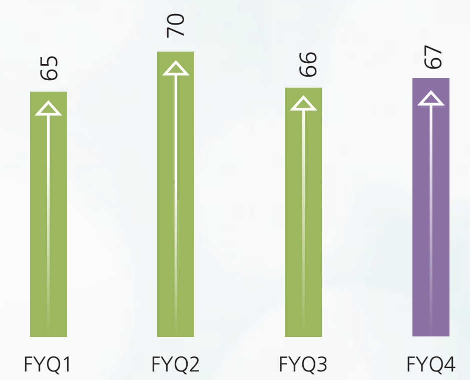


PAT (Profit After Tax)
(₹ crores)



Hospital Business

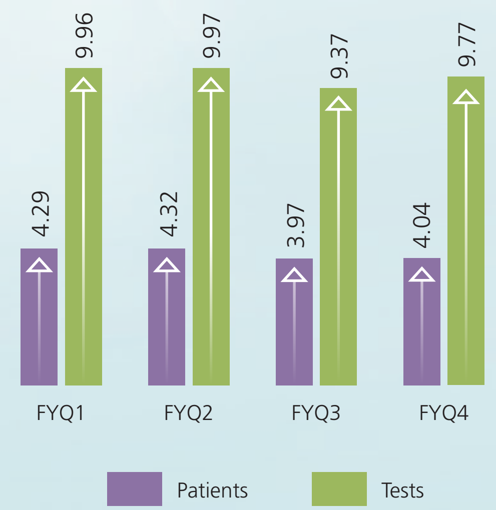
Hospital Business Occupancy (%)



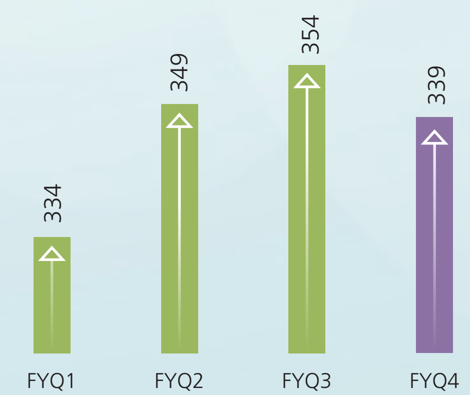
ARPOB (Average Revenue Per Occupied Bed) (₹ per day)

Diagnostics Business

No. of Patients (Million)
No. of Tests (Million)



Average Realisation Per Test
(₹)



CLINICAL FOCUS

Capacity Expansion

- **June 2022:** Fortis Cancer Institute was inaugurated at Defence Colony, New Delhi
- **June 2022:** A new floor with 42 additional beds was inaugurated at Fortis Hospital, Mulund
- **October 2022:** A new 200-bedded multi-speciality hospital was launched in Greater Noida
- **February 2023:** Fortis Cancer Institute was launched at Fortis Vasant Kunj, New Delhi
- **February 2023:** Bhoomi Poojan ceremony was held to mark the commencement of construction for Fortis Noida's new block that will house 200 beds and 5 new OTs
- **March 2023:** Fortis Medical Centre was inaugurated in Srinagar, Jammu & Kashmir
- **March 2023:** Bhoomi Poojan was held for a new block at Fortis Memorial, Gurugram that will have 225 beds, OTs, BMT unit and several other facilities

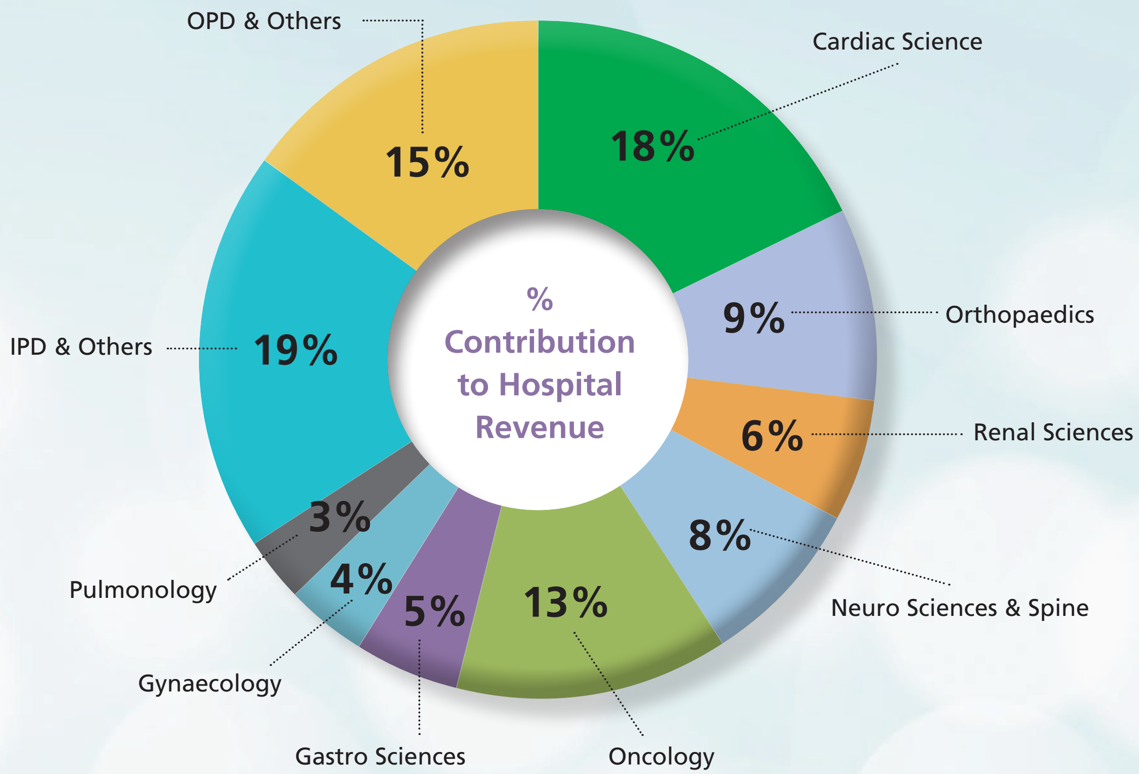
Clinical Technology

- **April 2022:** SOMATOM Drive with Dual Source Technology CT was inaugurated at Fortis BG Road, Bengaluru
- **April 2022:** State-of-the-art CT Simulator Machine for management of Cancer patients was launched at Fortis Memorial, Gurugram
- **November 2022:** Stealth Station TM S8 Surgical Navigation System for neurosurgeries was unveiled at Fortis Amritsar
- **November 2022:** DaVinci Xi robotic System was acquired by Fortis Shalimar Bagh, New Delhi
- **November 2022:** Mako Robotic Technology for joint replacements was launched at Fortis BG Road, Bengaluru
- **December 2022:** Accurate Neo Transcatheter Heart Valve was introduced for the first time in India at Fortis Escorts Heart Institute, Okhla, New Delhi
- **January 2023:** AZURION 7C12 Cath Lab was inaugurated at Fortis Hospital, Nagarbhavi, Bengaluru

Clinical Capabilities & Programmes

- **April 2022:** Hepatology Clinic was launched at Fortis Escorts, Okhla, New Delhi
- **June 2022:** High Dose Radiolodine Therapy Isolation Ward was inaugurated at Fortis BG Road, Bengaluru
- **July 2022:** Joint Replacement Care Centre was launched at Fortis Hospital, Shalimar Bagh, New Delhi
- **July 2022:** Lung Transplant Clinic and Pulmonary Medicine Unit was launched at Fortis Escorts, Jaipur
- **August 2022:** Fortis Institute of Blood Disorders was inaugurated at Fortis Hospital, Mulund
- **September 2022:** Advance Heart Failure Clinic launched at Fortis Shalimar Bagh, New Delhi
- **February 2023:** Preventive Oncology Department inaugurated at Fortis BG Road, Bengaluru
- **February 2023:** Heart & Lung Failure Clinic launched at Fortis Hospital Anandapur, Kolkata

SPECIALITY MIX*



* On network basis

OPERATIONAL REVIEW

FY 23 was a robust performance year for Fortis as we registered healthy revenue growth and enhanced profitability. Throughout the year, our focus was on delivering strong execution on all our key strategic pillars. Major growth levers for the year included bed addition through brownfield expansion and new facility additions, compelling revenue growth across our focus specialties, significant contribution of digital channels in driving revenues, and a strong rebound in international business.

BUSINESS REVIEW SUMMARY

FORTIS HEALTHCARE LIMITED

Clinical Programs

We continued strengthening medical programs across our focus specialties comprising Cardiac Sciences, Oncology, Neuro Sciences, Gastroenterology, and Orthopedics. New clinical teams in these specialties were added across our key facilities. State-of-the-art medical equipment including LINAC, PET CT, Da Vinci Surgical Robot, Cath Labs, Neuro-Navigation Systems and Ortho Robot were commissioned in select facilities further strengthening our medical infrastructure.

Growth and Expansion

In line with our stated strategy to expand presence in our focus geographic clusters, we pursued both organic and inorganic opportunities during the year. We signed definitive a greements w ith t he V PS G roup f or t he acquisition of Medeor Hospital in Manesar, Gurugram (NCR) that will add 350 beds to our network. We launched a 200-bedded multi-specialty hospital in Greater Noida (NCR) in O&M association. Further a 12 bedded state-of-the-art chemotherapy, Cancer Daycare Centre, was launched at Defence Colony, New Delhi. As part of our brownfield expansion, we added 140 beds across our key units across the country.

Operational Efficiencies

We continued our journey towards in-housing of OP Pharmacies across our network. At 25 units, OP Pharmacies are now being managed in-house that has positively impacted our operating margins. Throughout the year, we also continued to focus on implementing our comprehensive cost optimisation programme that has been aimed at rationalising drugs and consumables cost and bringing in capex procurement efficiencies.

High Performance Teams

In line with our focus on developing a high-performing organisation, we launched leadership development programs for different categories of employees including nurses and administration staff as well. Also, our Employee Engagement Survey 2022 received 94% participation with 90% overall satisfaction, a strong improvement compared to last year.

Digital Transformation

During the year, we embarked on a journey to implement EMR solution – Cerebral Plus – together with Acibadem and IHH teams. The solution will enable efficient recording and flow of health information of our patients digitally. This will further enhance the efficiency of clinical and non-clinical staff and improve the overall patient experience. We also significantly enhanced the capabilities of myFortis – our digital platform for customer lifecycle management.

₹ 300 Crores

Capex in FY23 for growth and expansion purposes

140 Beds

New brownfield beds added across key units

25 Facilities

Where OP Pharmacies are now being managed in-house

~35%

YoY Growth

Revenue from digital channels

~98%

YoY Growth

Revenue from International Business

agilus diagnostics

BUSINESS REVIEW SUMMARY

AGILUS DIAGNOSTICS LIMITED

Agilus Diagnostics, in sync with the Healthcare industry as a whole, has been nimble and fast moving, transforming itself to cater to the patients' needs for high-end diagnostics services with lowest turnaround times. With the help of new initiatives such as home collections and other digital initiatives, Agilus Diagnostics serviced the increasing demand of diagnostics services from patients while conforming to the highest patient safety standards.

For the FY 23, Agilus Diagnostics reported operating revenues of ₹ 1,347 Crores compared to ₹ 1,605 Crores reported during the FY 22. The overall revenues had declined compared to FY 22 due to huge Covid revenue in FY 22. The COVID revenue as a percentage of total revenue has declined from 28% in FY 22 to only 4% in FY 23. On the contrary, our non-covid business has grown by 12% in FY 23 as compared to FY 22. The Company operating EBITDA stood at ₹ 263 Crores, representing a margin of 19% compared to a margin of 27% reported during the previous financial year.

The business served a total of over 16.6 Million patients during the year, compared to 21.4 Million during FY22. Through these patients (Accessions), it undertook 39 Million tests during the year compared to 44 Million tests performed in FY22.

In an endeavour to go closer to the customer and provide services at their doorstep, we have increased our total number of touchpoints to more than 3,700. Our B2C:B2B stands at 54:46 in FY 23 compared to 55:45 in FY 22. The business continued to have a well-diversified geographical mix with no over-dependence on any region, allowing it to capitalise on the pan-India network optimally. Regional FY 23 revenue contributions were 33% from the North, 23% from the West, 28% from the South, 14% from East, and 2% from International. Our preventive portfolio also went up by 29% in FY 23 compared to previous financial year.

3,700+
Customer touchpoints

17 Million
Patients annually

2,000+
Health camps

At Fortis, we remain committed towards enabling operations with technology, ensuring simplementation of state-of-the-art applications, thereby ensuring standardised reporting and organisational alignment to deliver best-in-class results for our internal and external stakeholders. We remain committed towards ensuring secured access and complying with data retention regulations.

KEY INITIATIVES OF 2022-23

FORTIS HEALTHCARE LIMITED

Picture Archival Communication System (PACS)

As part of PACS upgradation, we have implemented the centralized PACS solution in 7 additional units, taking overall count of units with PACS deployed to 19. It has enabled centralized reporting across and organized image storage.

Non intensive cardiac Reporting (NIC)

To standardize NIC reporting, a solution for NIC reporting is implemented in 2 hospital units. This solution is integrated with One Fortis application for seamless flow of patient information and order management.

Queue Management

Committed to enhancing patient experience, a digital token generating system was implemented, that prioritizes the patient billing queue. Pilot project has been successfully implemented in Fortis VasantKunj.

Board Management Software

BoardPAC application provides a seamless end user experience in planning / updating and managing board meetings. This has provided a secure, collaborative and user-friendly robust platform for the Board Members and Secretarial team.

Business Intelligence

Building further on management insights such as daily revenue, occupancy and consumption trend developed using Business Intelligence solution, further in roads have been made to segregate data at much granular level. This has further empowered the management team in enhancing patient experience by taking informed decisions on capacity planning and ensuring optimum supply chain planning.

Information Security

Primary focus is to protect Fortis Digital Assets through end user training and implementation of industry standard IT security solutions as Fortis embarks on digital transformation journey. Information Security has taken a two-pronged approach for strengthening overall security posture: Administrative Controls and Technical Controls:

- **Administrative Control** focuses on improving user knowledge and awareness through regular cadence of user education (via emails) and phishing campaigns.
- **Technical Controls** focuses on cyber threat detection (End point detection and Response) and securing user access to internet / Software as a Service (SaaS) (Zscaler perimeter security)

IT Infrastructure

To accelerate and augment the digital transformation journey and align with long term digital strategy, underlying IT infrastructure of Wide Area Network (WAN) upgrade was completed in pan India. To enhance IT operations at units, restructuring of existing networks has been completed for 10 units across the network.

IT Application (Core)

OP Pharmacy and Point of Sale (PoS) application have been implemented in 5 units, to provide an integrated end to end software solution and enhancing patient and staff experience. Centralized One Fortis (HIS) application has been extended to two new units that came up during the year. Centralized, real-time, patient occupancy dashboard was also implemented to enhance our unit administration capabilities.

KEY INITIATIVES OF 2022-23

AGILUS DIAGNOSTICS LIMITED

Brand Initiatives

The industry is undergoing swift consumerization and we are committed to remaining future ready with multiple new initiatives that enhance our customer experience. This year, we significantly improved our network presence by adding new laboratories and patient touch points apart from strengthening our test offering.

One of our relentless pursuits in enabling high quality care is to regularly launch relevant and most recent diagnostic solutions. In FY23, we launched niche specialized tests like Tuberculosis Whole Genome Sequencing, Chromosomal Microarray, Complete Care Geno – Wellness, Dual Marker (FMF) By TRF Method, Fatty Liver Index, Myasthenia Gravis Panel, Heart Assure (High Sensitive Troponin - I), Monsoon Fever Panel With Leptospira, Endometrial Receptivity Gene Expression, Kidney Stone Analysis (X-Ray Method) and H3n2 Test.

We also launched our e-dos (Directory of Service) which is easily accessible from our website. With a Google like search, the e-dos is designed as per international standards, complete with LOINC codes, and serve as a one-stop solution for any test-related query. We believe that our customers will greatly benefit from this.

We are ever cognizant of the current trends that are shaping the diagnostic industry. Consumer choice, consumer wellness, and consumer empowerment in terms of heightened awareness of not just one's health and well-being but also choosing a healthcare provider of choice is one of the prominent developments driven by the pandemic. Along with expanding our home collection services and offering a superior omnichannel customer experience, we have also introduced a new line of preventive healthcare packages that are intended to satisfy customers' needs for wellness and preventive care. We have launched 14 new packages with new age tests like cardiac - high sensitive troponin I and Fatty Liver Index, keeping in mind the prevalence of non-communicable diseases in urban and semi-urban India.

To remain updated with the latest in diagnostic science, we communicate frequently with our key stakeholders, the doctors. Accordingly, we organise Continuous Medical Education sessions (CMEs), round table meetings and scientific conferences throughout the year. We also believe in educating consumers on good health and wellbeing and we conduct health awareness campaigns throughout the year. In addition, we published a YouTube series about "diagnostic intricacies" that was hosted by Agilus doctors. This series aims to raise awareness about lesser-known diagnostic tests and their uses in patient management and diagnosis. We also held webinar sessions on World Cancer Day, CML (Chronic Myeloid Leukemia) Day, Breast Cancer Awareness Month, and Ovarian Awareness Month.

One of our constant endeavors is to offer a superior and convenient customer experience in terms of maintaining aesthetic and comfortable patient touch points, seamless booking of services through our website and mobile app, and providing reliable test reports. Our WhatsAppchatbot delivers more than 10,000 reports each day, SMART reports that provide detailed insights including diet and lifestyle interventions, and live tracking of phlebotomist feature that reduces the anxiety of customers awaiting sample collection are a few examples of how we are enriching patient experience.

We are constantly upgrading the UI/UX of the Agilus website & mobile App to improve the user experience and customer adaptability of the digital medium. ClubAgilus is the consumer loyalty program of Agilus Diagnostics and allows our customers to earn discounts on their subsequent test orders. We believe this will help build customer loyalty.

This year, Agilus won more than 10 Industry awards for Outstanding Pathology Services, Excellence in High-End Diagnostics, Excellence in Home Healthcare Services, and Customer Experience. Our brand PR efforts led to building our share of voice across financial, mainline, regional, online, and trade media publications.

Retail Network Expansion

The opportunity to increase sales and generate demand is appealing when acquiring new customers and exploring untapped markets. Agilus has established its presence across 1000+ cities, 30 states, and union territories as of March 31, 2023, with a PAN India network and equal distribution of centers. Over the past year, Agilus has expanded its reach by adding over 1100+ customer touchpoints and including 1700+ direct clients. As of

FY23, our network comprises 410+labs, 3700+ customer touchpoints, and 12000+ direct clients.

International Business

Agilus' International Division carries a rich history of over 2 decades and during this period it has witnessed different market situations across geographies. Agilus' international network consists of 3 labs, collection centers and direct clients as of March 31, 2023 spread across the SAARC region, Sub-Saharan Africa, Southeast Asia, CIS, Gulf, and the Middle East. We completed new client acquisitions in Asia and Africa and have also finalised a new lab set up in Kazakhstan. A central hub for logistics in Maldives was a key initiative taken to overcome logistics challenges and inclusion of oncology and genetics tests under Aasandha, a govt. health insurance company has helped in growing the business.We also started Digital pathology services in Maldives by installing a Grundium scanner at Indira Gandhi Hospital, a Govt hospital. During FY 23, we continued with our business in Maldives, Sri Lanka, Nepal, Bangladesh, Ethiopia, Kenya, Uganda, Nigeria, Ghana, Oman, Mauritius, Kazakhstan, and Uzbekistan.

Information Technology

In the Year 2022-23, we have initiated and implemented a large number of IT integrations with aggregators as well as Integrated Lab systems with New Lab Analyzers to improve efficiency within a lab. Major technology upgradation was made in the current year to enhance our capability to service our CC-Portal Applications used by Collection centers and Patient Service Centres. We have also undertaken upgradation in CLIMS application to meet customer needs and Information Security.Agilus has continued to prioritize data security and privacy by implementing various measures to safeguard sensitive patient data. This has involved the implementation of robust security protocols and the use of advanced encryption technologies.

Agilus' Mumbai and Gurgaon IT Systems at Datacenters were recertified for ISO 27001: 2013. Currently, the domain security posture of Agilus stands best in the industry with 905/950 points. Through our various initiatives, we are focused on cutting-edge technology with future-ready CLIMS, various process automation to reduce manual intervention, digital integrations, Security enhancements, Cloud journey & Business continuity plans.

Research and Development

This year in addition to launching whole genome sequencing for tuberculosis, we launched several new genomic tests in the area of reproductive genetics, oncology, and hereditary and rare disorders.

Continuing with our transformative efforts in the field of Genomics, several state-of-the-art technologies were implemented, notably the Golden Helix software for exome and NGS panel reporting. We also installed S5 NGS PLUS and Sanger Sequencing 24 capillary with a better turnaround time.

Our R&D team undertakes clinical research studies, co–marketing projects, contract validations, and collaborations. Under clinical research and co–marketing studies, we have assessed the feasibility of 22 studies and 8 studies have been awarded to Agilus. We are progressing well on contract validations and collaborations for publications.

Quality & Compliance

Agilus' Quality team plays a pivotal role in ensuring the implementation of all good laboratory practices, ISO 15189 standards, accreditation guidelines, and local regulatory requirements across our labs and SCFs. In FY 23, the team worked towards the continuation of all current accreditation status – NABL ISO 15189: 2012, CAP - College of American pathologists and NABH (1 Radiology centers) as per their cycle of assessment. In FY 23, we added two new labs to the NABL list - Agilus Bhubaneswar and Agilus Jaipur Franchisee. NABL M(EL)T recognition was achieved for the first time for 3 Labs at AgilusDankuni, Goa, and AgilusMulund. Two of our company's national labs are affiliated with NTEP/RNTCP - National Tuberculosis Elimination Program/ Revised National Tuberculosis Control Programme. Achieved RNTCP Affiliation for TB Drug Resistance Testing by LPA Method for 1st and 2nd Line drugs for your company's lab at AGILUS Limited Goregaon.

The new version of ISO 15189:2022 standard has been released by the International Organization of Standardization which is being adopted by NABL from July 01, 2023 (with a window period of three years), we have made a phase-wise plan to implement compliance as per the new standard at PAN India level including review and updating of QMS documents, Training programs on the new standard and finally the gradual transition of NABL accreditation as per new ISO 15189:2022 standard.

CLINICAL HIGHLIGHTS

April 2022

In a first in India, surgeons at SL Raheja Hospital, Mahim, removed cucumber-sized stones from the knee of a 70-year daily-wage earner from Amravati, Maharashtra, who was suffering from Multiple Giant Synovial Chondromatosis, a rare disease.

May 2022

Doctors at Fortis Escorts Heart Institute, New Delhi, performed a challenging Transcatheter Aortic Valve Replacement (TAVR) procedure on a 74-year-old male born with his heart on the right side (dextrocardia). **This is the first such case reported in India and only the fourth in the world.**

May 2022

A 104-year-old man's hip fracture successfully treated through Complex Primary Revision Hip Replacement Surgery at Fortis Anandapur, Kolkata.

June 2022

Doctors at Fortis Memorial, Gurugram, used the extremely challenging Intra-Arterial delivery of Chemotherapy (IAC) procedure to treat a Nigerian infant's eye cancer.

July 2022

Doctors at Fortis Escorts Hospital, Faridabad, saved the life of a 28-year-old salesman who had suffered a 20-cm deep wound on his neck, caused by a sharp kite string, that slashed several blood vessels and injured his voice box.

August 2022

Cardiothoracic and Vascular Surgeons at Fortis Anandapur, Kolkata, successfully treated the country's first reported case of Rosai-Dorfman Disease (RDD), a rare immune system disorder, involving the heart of a 53-year-old male.

October 2022

A multi-disciplinary clinical team at Fortis Hospital, Vasant Kunj, New Delhi, successfully treated a woman with extremely high BMI of 88.3 and suffering from multiple complications.

November 2022

A team of surgeons at Fortis Hospital & Kidney Institute, Kolkata, conducted India's first laparoscopic Urinary Bladder & Ureter Reconstruction surgery (Laparoscopic ileal ureter & bladder augmentation) for a male patient.

January 2023

Doctors at Fortis Rajajinagar, Bengaluru, successfully removed over 410 stones from the gallbladder of a 62-year-old female patient.

February 2023

A team of doctors at Fortis Hospital, Ludhiana, successfully resuscitated a one-hour old newborn suffering from poor supply of oxygen to the brain.

AWARDS & RECOGNITIONS

April 2022

Fortis Memorial Research Institute, Gurugram, Fortis Hospital, Mulund, Fortis Hospital, Mohali and Fortis Escorts Heart Institute, Okhla, New Delhi received prestigious AHPI Awards for Excellence in Healthcare-2022.

July 2022

COVID newsletter, 'Fortis Healing Touch,' was adjudged the 'Best Internal Communications Campaign - Healthcare' at the PRmoment India Health Comms Awards 2022.

November 2022

Fortis Mohali won the National Award for Excellence in Energy Management-2022 for the record 8th time.

February 2023

Fortis Escorts, Okhla Road, Fortis Memorial, Gurugram, Fortis Vasant Kunj, Fortis Ludhiana and Fortis Noida received AHPI's coveted 'Excellence Award 2023.'

February 2023

Fortis Mumbai's #AllisWellMumbai social media campaign won the bronze medal at Economic Times Digiplus Awards 2023.

HUMAN RESOURCES –
FORTIS HEALTHCARE LIMITED

INSPIRING TRUST THROUGH PEOPLE POWER

Employee Wellbeing

At Fortis we believe that all our employees should **FLOURISH** both in their personal & work life. Wellbeing extends beyond physical health, to be our best selves, we need to focus on all dimensions of well-being which is a holistic integration of physical, mental & spiritual wellbeing . This year we focused on Mental & Emotional Dimension for our People Leaders equipping them with skills to enrich their own wellbeing & create a culture of wellness at work.

HR Tech

Embedding technology to build an intelligent ecosystem across the HR value chain with Oracle Fusion as ERP for we have initiated implementation with 'Reimagine HR' as our core theme this year.

Future Operational Leadership Development

We are committed to providing our employees structured developmental opportunities to further strengthen their capabilities to take on future operational leadership roles in our network. An exclusive partnership with TISS for Hospital management and Quality management courses has been signed for providing the first batch of our nursing & paramedic talent with one-year long hybrid learning opportunity.

Fortis Apprentice Scheme

To ensure steady flow of skilled frontline talent Fortis has launched an integrated scheme to engage apprentices under NAPS, NATS and BOAT programs of Government of India under various ministries.

Competency Framework for Executive Category

An integrated performance management system has been formalised which balances our focus between 'what' and 'how' aspect of achievements at individual levels for executive category of employees. Fortis Leadership traits have been embedded through competency framework approach for the same

Learning and Development

9,35,611
Training manhours

14,893
Total participation count (unique)

28,209
Total programme conducted

HUMAN RESOURCES – AGILUS DIAGNOSTICS LIMITED

Training and Development

In the last few years, Agilus has progressed to bring many tailor-made competency enhancement programs for a different set of employees. Agilus' training curriculum includes robust Technical, Skills, and specialized Behavioural training programs.

The Company's induction training program 'Nneev' was conducted twice during the year. The company continued leveraging the e-learning platforms 'MedGurukul' where Agilus doctors conducted various learning interventions to share their expertise amongst the diverse specialties at Agilus and 'TechTalk' for Technologists for Agilus Technical team members (Technologists) where technologists presented the topic of their expertise under the guidance of respective Lab Heads.

The Company also conducted an online refresher on POSH for all the employees to ensure a safe workplace. We trained our front desk staff on creating ABHA IDs (Ayushman Bharat Health Account) for patients thereby strengthening Govt. of India's efforts to extend the benefits of the Ayushman Bharat initiative to all citizens. We rolled out Future Ready Leadership Development Program for identified CEO-2 positions with the help of Gallup® Strengths Coach. This initiative is in line with mitigating Enterprise Risk with effective succession planning. We also rolled out the Strengths Based Leadership Development Program for Agilus' identified high-potential employees (HiPOs). Agilus believes that effective performance review plays a critical role in improving employees' performance with objective feedback and guidance. On this line, we conducted workshops on Effective Performance Review and Feedback for the managers/ people leaders across departments.

Learning and Development

42,256
Training manhours

4,500
Total participation count (unique)

389
Total programme conducted

SOCIAL INITIATIVES

FORTIS HEALTHCARE LIMITED AND AGILUS DIAGNOSTICS LIMITED

For FY 2022-23, the Fortis and Agilus Diagnostics Group Companies contributed towards research initiatives within healthcare along with an education initiative.

Research:

SUDHA GOPALAKRISHNAN BRAIN RESEARCH CENTRE

- The brain research centre is the brainchild of Mr. Kris Gopalakrishnan, Co-founder, Infosys Ltd., to undertake research and development in areas related to the human brain, etc.
- Additionally, a project for digital cellular imaging of human brains was sanctioned by the Office of Principal Scientific Adviser in 2020.
- The centre is focusing on **fully digitising the brains at a cellular level which would enable the healthcare infrastructure to analyse the whole adult brain with a focus on aging and neurodegeneration.**

Sustainability Development Goal

3 GOOD HEALTH AND WELL-BEING

41.49%

CSR Expenditure

Research:

INDIAN COUNCIL OF MEDICAL RESEARCH

- The contribution was made to ICMR to support research initiatives in the fields of science, technology, engineering, and medicine.
- It is aimed **to enable ICMR to address the growing demands of scientific advances in biomedical research** on the one hand and practical solutions to the health problems of the country, on the other.
- This contribution will benefit the nation and will also help in fostering innovative solutions for the nation's health problems.

Sustainability Development Goal

3 GOOD HEALTH AND WELL-BEING

41.14%

CSR Expenditure

Education:

YUVA UNSTOPPABLE

- The contribution was made towards the School Transformation Programme by converting existing classrooms into smart classrooms in 155 Government schools across 7 states (Punjab, Delhi, Haryana, Karnataka, Uttar Pradesh, Maharashtra, Rajasthan).
- The programme aims to **use digital tools and content to improve access to quality education in primary schools** that are believed to impact the classroom environment and learning outcomes among children positively. It also aims to build the digital capacity of students and teachers by equipping them with technology and teaching-learning resources.

Sustainability Development Goal

4 QUALITY EDUCATION

17.37%

CSR Expenditure

	Fortis Group	Agilus Diagnostics Group	Total Expenditure
Prescribed CSR Expenditure	**936.24**	**512.73**	**1,448.97**
Yuva Unstoppable	249.91	0	249.91
IIT, Madras	87.26	509.73	596.99
ICMR Funds	592.06	0	592.06
Total Expenditure*	**929.23**	**509.73**	**1,438.97**

Note: All figures are in INR, lakhs

*A total sum of ₹ 10 Lakh was spent on actuals for all entities as Administrative Overheads

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting herewith the Twenty Seventh Annual Report of your Company along with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the Year ended March 31, 2023.

FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars		Consolidated	
		Year ended March 31, 2023	Year ended March 31, 2022
1.	Revenue from operations	629,763	571,761
2.	Other income	6,172	2,734
3.	**Total income (1+2)**	**635,935**	**574,495**
4.	Expenses		
	(a) Purchases of medical consumable and drugs	145,465	140,337
	(b) Changes in inventories of medical consumable and drugs	6	(4,614)
	(c) Employee benefits expense	104,688	97,294
	(d) Finance costs	12,909	14,685
	(e) Professional charges to doctors	131,146	110,130
	(f) Depreciation and amortisation expense	31,574	30,084
	(g) Other expenses	138,324	121,718
Total expenses		**564,112**	**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)**	**71,823**	**64,861**
6.	Add: Share in profit of associate companies and joint ventures	2,184	2,415
7.	**Net profit / (loss) before exceptional items and tax (5+6)**	**74,007**	**67,276**
8.	**Exceptional gain (refer note 4)**	**7,361**	**31,503**
9.	**Profit / (loss) before tax from continuing operations (7+8)**	**81,368**	**98,779**
10.	Tax expense / (credit)	18,070	19,784
11.	**Net profit / (loss) for the period from continuing operations (9-10)**	**63,298**	**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)**	**63,298**	**78,995**
16.	**Profit / (loss) from continuing operations attributable to:**		
	Owners of the Company	58,873	55,512
	Non-Controlling Interest	**4,425**	**23,483**
17.	**Profit / (loss) from discontinuing operations attributable to:**		
	Owners of the Company	-	-
	Non-Controlling Interest	-	-

Directors' Report (Contd.)

Particulars		Consolidated	
		Year ended March 31, 2023	Year ended March 31, 2022
18.	Other Comprehensive Income (including OCI relating to associates and joint venture) (after tax)	(787)	(4,650)
19.	**Other comprehensive Income / (Loss) attributable to:**		
	Owners of the Company	(771)	(4,640)
	Non-Controlling interest	(16)	(10)
20.	**Total comprehensive Income / (Loss) (15+18)**	**62,511**	**74,345**
21.	**Total comprehensive Income / (Loss) attributable to:**		
	Owners of the Company	58,102	50,872
	Non-Controlling interest	4,409	23,473

The highlights of standalone financial performance are as follows:

(₹ in Lakhs)

Particulars		Standalone	
		Year ended March 31, 2023	Year ended March 31, 2022
Continuing Operations			
1.	Operating Income	105,293	86,261
2.	Other Income	14,957	13,410
3.	**Total Income (1+2)**	**120,250**	**99,671**
4.	Total Expenditure (Excluding finance cost, depreciation & tax expenses)	91,979	74,721
5.	**Operating Profit (EBITDA) (3-4)**	**28,271**	**24,950**
6.	Finance Charges, Depreciation & Amortisation	22,212	24,221
7.	**Profit before exceptional items and tax (5-6)**	**6,059**	**729**
8.	Exceptional items	4,829	(1,628)
9.	**Profit before tax (7+8)**	**10,888**	**(899)**
10.	Tax Expenses	1,264	426
11.	**Net Profit for the year (9-10)**	**9,624**	**(1,325)**
12.	Share in profits of associate companies		-
13.	**Profit for the year from continuing operations (11+12)**	**9,624**	**(1,325)**
14.	**Discontinuing Operations**		
	Profit / (Loss) before tax from discontinuing operations	-	-
	Tax expense of discontinuing operations	-	-
	Profit / (Loss) after tax and before minority interest from discontinuing operations	-	-
	Share in profits / (losses) of associate companies	-	-
	Profit for the year from discontinuing operations	-	-
15.	**Profit for the year (13+14)**	**9,624**	**(1,325)**
	Other comprehensive income	(127)	28
	Total comprehensive income (15+16)	**9,497**	**(1,297)**

STATE OF COMPANY'S AFFAIR, OPERATING RESULTS AND PROFITS

For the FY 23, the Company reported a consolidated revenue from operations of ₹ 6,298 Crores compared to ₹ 5,718 Crores reported for FY 22. Revenue from Hospital business stood at ₹ 5,107 Crores compared to ₹ 4,264 Crores reported during the corresponding year. Agilus Diagnostics Limited ("Agilus"), the diagnostic business of the Company, reported gross revenues of ₹ 1,347 Crores compared to ₹ 1,605 Crores in the previous financial year. Considering elimination of inter-company revenue (within the group), net revenue of Agilus was at ₹ 1,190 Crores compared to ₹ 1,453 Crores in FY 22.

The growth in hospital business was led by higher occupancy at 67% versus 63% in FY 22 and also due to 11.5% growth in ARPOB at ₹ 2.01 Crores compared to ₹ 1.80 Crores. The Company's focus specialties comprising oncology, gastroenterology, neurosciences, renal sciences, orthopaedics and cardiac sciences grew 31.5% YoY. Revenue from International business recorded growth of 97.9% in FY 23 to reach ₹ 425 Crores compared to ₹ 215 Crores in FY 22.

Decline in diagnostics business revenue in FY 23 was primarily due to significant drop in covid volumes and associated revenues. Covid business revenues contributed 4% to overall diagnostic revenues in FY 23 compared to 28% in FY 22. However, Non Covid revenue witnessed 12% growth over FY 22.

The consolidated EBITDA of the Company stood at ₹ 1,163 Crores compared to ₹ 1,096 Crores for the previous corresponding year. EBITDA margin of the Company stood at 18.5% versus 19.2% in FY 22. Hospital business EBITDA for FY 23 was at ₹ 900 Crores (excluding the dividend income of 21.9 Crores) compared to ₹ 672 Crores reported for FY 22. EBITDA margin of the hospital business stood at 17.6% versus 15.8% in FY 22.

The diagnostic business of the Company reported EBITDA of ₹ 263 Crores compared to ₹ 425 Crores reported in the previous corresponding year. EBITDA margin of the diagnostic business stood at 19.5% versus 26.5% (basis gross revenue) for the year FY 22. The decline in EBITDA was primarily due to higher covid mix in 2021-22 and significantly lower contribution of Covid revenues in 2022-23.

Profit after tax for FY 23 stood at ₹ 633 Crores compared to ₹ 790 Crores in FY 22. PAT of ₹ 633 Crores include exceptional gain of ₹ 74 Crores which pertains to reversal of impairment in an associate Company while PAT of ₹ 790 Crores in FY 22 includes an exceptional gain of ₹ 306 Crores on remeasurement of the previously held equity interest of Agilus in the DDRC SRL Diagnostics Limited*- JV, at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.

The Company maintained a comfortable liquidity position with net debt of ₹ 330 Crores as on March 31, 2023 compared to ₹ 549 Crores as on March 31, 2022 (net debt to equity of 0.04x vs 0.08x, respectively). Gross debt of the Company stood at ₹ 703 Crores as on March 31, 2023 versus ₹ 966 Crores as of March 31, 2022.

All decisions at your Company are taken keeping in mind the patient at the center. Fortis' primary objective is to become the most trusted healthcare provider in India. Accordingly, your Company makes efforts to consistently improve the quality of all its services. Your Company has put together ultra-modern healthcare facilities equipped with best-in-class diagnostic and therapeutic technology and a competent team comprising of some of the finest clinical and paramedical talent available in the country. All the Fortis facilities, whether owned or operated by your Company follow globally accepted medical protocols and procedures and are focused on delivering the best possible clinical outcomes. Your Company's healthcare facilities provide high standards of secondary, tertiary and quaternary healthcare services in the specialties of Cardiac Sciences, Orthopaedics, Neurosciences, Oncology Sciences, Renal Sciences, Gastro Sciences and Mother and Child care.

During the year 2022-23, your Company further strengthened its prime medical programs in key facilities across India with addition of several eminent clinicians in Cardiac Sciences, Oncology, Neuro-Sciences, Gastroenterology and Orthopedics. The organisation invested heavily in high-end medical infrastructure and equipment including LINAC, PET CT, Gamma Knife, Da Vinci Surgical Robot, Cath Labs, Neuro-Navigation Systems and Ortho Robot.

Your Company continued to work on cluster synergies and focused its efforts towards developing synergies in Sales and Marketing, Supply Chain and Human resources. Also, several eminent clinicians were engaged with multiple units in a cluster, providing synergy to medical programs. The focus on cost transformation continued through our efforts on implementing a comprehensive program that aims to rationalise drugs and consumables cost and bring in capex efficiencies. Additionally, your Company endeavors to commission over 1,400 new

Note: **The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.*

Directors' Report (Contd.)

beds over the next 2 to 3 years in existing facilities to leverage economies of scale – majority of bed additions are planned in Noida, BG Road, Anandapur, Mulund, Shalimar Bagh, FMRI, and Mohali.

The healthcare vertical of the Company primarily comprise day care specialty, diagnostics and tertiary and quaternary care. As of March 31, 2023, the Company had a network of 27 healthcare facilities in India with approximately 4,500 operational beds including beds under the O&M model.

In addition, its Indian diagnostics business has a presence in over 1000+ cities and towns, with an established strength of over 410+ laboratories, 43+ Accreditations (NABL/NABH/CAP) and a footprint spanning 3700+ customer touch points.

There has been no change in the nature of business of the Company during the year under review. The Company continues its endeavor to provide quality healthcare services with an emphasis on high degree of clinical outcomes and an unparalleled patient experience.

Further information on Company performance is detailed in the Company section of the "Management Discussion and Analysis" in the Annual Report.

SIGNIFICANT MATTERS DURING THE YEAR UNDER REVIEW

The Company strategically reviewed and prioritized key areas to drive revenues and operational performance. These include aspects related to evaluating the current portfolio of the Company's facilities and planned bed expansion, initiating cost optimisation measures across the network, investing in technology and medical equipment and further strengthening its clinical excellence program. Details about which are mentioned in the Business Strategy section of the Management Discussion and Analysis Report ('MDA').

Further, the Board has from time to time during the year under review updated its stakeholders regarding the key developments that took place by disseminating necessary information to the stock exchanges and through various means of communications to the investors. Some of key matters are mentioned below:

Post a successful bid, your Company had entered into share subscription Agreement dated July 13, 2018, for issuance of 235,294,117 Shares at a price of INR 170 per share for an aggregate consideration upto INR 4,000 Crores (Rupees Four Thousand Crores only) to Northern TK Venture Pte Limited ("NTK"), an indirect wholly owned subsidiary of IHH Berhad ('IHH'). Consequently, after obtaining regulatory and statutory approvals such as from Securities and Exchange Board of India, Competition Commission of India and in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, IHH made Mandatory Open Offer for acquisition of upto 197,025,660 Equity Shares representing additional 26% of the expanded voting share capital of your Company ("Fortis Open Offer") and another Mandatory Open Offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of INR 10 each, representing 26% of the fully diluted voting equity share capital of Fortis Malar Hospitals Limited ("Fortis Malar Open Offer").

After the Preferential Allotment on November 13, 2018, public announcement was made on December 07, 2018 regarding Fortis Open Offer and Fortis Malar Open Offer, thereafter the Hon'ble Supreme Court of India had on December 14, 2018 passed an order ("Status Quo Order") directing "status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained". In light of the Status Quo Order, Fortis Open Offer and Fortis Malar Open Offer were put on hold until further order(s)/ clarification(s)/ direction(s) issued by the Hon'ble Supreme Court of India. Vide its order dated November 15, 2019, the Hon'ble Supreme Court had issued suo-moto contempt notice to, among others, your Company, and directed its Registry to register a fresh contempt petition in regard to alleged violation of the Status Quo Order ("Contempt Petition").

Petitions before the Hon'ble Supreme Court including the suo-moto contempt have been disposed of vide judgement dated September 22, 2022 ("Judgement"). No finding of contempt has been made against either your Company, or its independent directors. Based on legal advice, the Company is of the clear view that the Status Quo Order dated 14th December 2018 no longer exists. Therefore, your Company is continuing to pursue actions which are in the best interest of its shareholders and itself. Our promoter is simultaneously seeking legal counsel for pursuing and securing the Open Offer.

In the Judgement, it has been stated by the Hon'ble Supreme Court that RHT Transaction appeared prima facie to be an acquisition of proprietary interest to subserve the business structure of the Company. It also passed certain directions inter alia, that the High Court of Delhi may consider issuing appropriate process and appointing forensic auditor(s) to analyze the transactions entered into between FHL and RHT and other related transactions. Your Company plans to strenuously object to any contemplation of a forensic given that in the Judgment, no wrongdoing by the Company had even been alluded to. The Company's stated position is that these transactions were done in compliance with applicable laws, post requisite corporate and regulatory approvals and necessary disclosures/ announcements. Currently, Your Company, is vehemently opposing the application filed by Daiichi before the High court for appointment of forensic auditor.

OTHER RELEVANT MATTERS

Based on complaint filed by your Company with the Economic Offences Wing ("EOW") in November 2020 against the erstwhile promoters/ erstwhile promoters group company in respect of certain transactions, First Information Report (FIR) was registered on July 3, 2021, against them. EOW is investigating the matter. The said Complaint is also being investigated by the Enforcement Directorate and the Company is co-operating and providing requisitioned documents/information to it. Further, pursuant to the order dated 17th February 2018 of MCA, SFIO has been investigating into the affairs of your Company/ its subsidiaries. The Company is co-operating in the said investigation.

Fortis Hospitals Limited had filed a civil suit for recovery of Rupees 52,019 lacs before Hon'ble Delhi High Court against the ex-promoters and certain entities which is sub-judice.

DIVIDEND AND TRANSFER TO RESERVES

The Board of Directors has recommended a final dividend ₹ 1 (One) per equity share at the rate of 10% of the face value of the shares of the Company for the year ended March 31, 2023, be paid subject to the approval of the shareholders, to those shareholders whose names appear in the register of members as on the record date in proportion to the paid up value of the equity shares.

Refer the Company's policy on Dividend Distribution available on the website of the Company at https://www.fortishealthcare.com/drupal-data/investors/Policy%2Bon%2BDividend%2BDistribution.pdf.

MATERIAL CHANGES

There are no material changes and commitments, affecting the financial position of your Company which have occurred between the end of the FY 23 and the date of this report.

Post closure of the financial year, as part of our inorganic growth strategy, your Company pursuant to the approval of the Board of Directors signed definitive agreements with the VPS Group for the acquisition of Medeor Hospital in Manesar, Gurugram, Haryana which will add 350 beds to your Company's network. The acquisition fits well within your Company's strategic approach of expanding its presence in focus geographic clusters, including Delhi NCR.

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

Statutory Auditors in their report to the Board of Directors on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act") have given the opinion that the Company and such companies incorporated in India which are its subsidiary companies and joint venture companies (jointly controlled company), have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and the financial statements of the Company and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements and the financial statements of the Company, criteria established considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. The Auditor's opinion on adequacy and operating effectiveness of internal control is self-explanatory.

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

During the year under review there has been no change in the subsidiaries / joint venture and associate Companies.

Further note that your Board of Directors have adopted a policy for determining "material subsidiary" pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available at https://www.fortishealthcare.com/drupal-data/investors/Policy%2BOn%2BMaterial%2BSubsidiary.pdf

In terms of the said policy, as on April 01, 2023, Fortis Hospitals Limited (FHsL), International Hospital Limited (IHL), Fortis Hospotel Limited (FHTL) and Agilus Diagnostics Limited are considered as Material Subsidiary(ies). Necessary compliances w.r.t. material subsidiaries have been duly carried out. The copies of the Secretarial Audit Reports of the material subsidiaries issued by the Company Secretary in Practice forms part of this report.

Directors' Report (Contd.)

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

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

The contribution of the subsidiary/associates/joint venture companies to the overall performance of your Company is outlined in Note No. 26 of the Consolidated Financial Statements for the year ended March 31, 2023.

LOANS/ADVANCES/INVESTMENTS/GUARANTEES

Particulars of Loans / Advances / Investments /guarantees given and outstanding during the FY 23 forms part of the Notes to the Financial Statements.

PUBLIC DEPOSITS

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

UTILISATION OF FUNDS

The details of utilisation of funds earlier raised through preferential allotment are mentioned in Notes to Financial Statements. During the year under review, no preferential allotment was made by the Company.

AUDITORS

M/s B S R & Co. LLP, (Registration No. 101248W/W- 100022), Chartered Accountants, were appointed as Statutory Auditors of your Company for a period of five years i.e. up to the conclusion of the Annual General Meeting to be held in the year 2024.

The statutory auditors have, in their report to the Board of Directors on the consolidated financial statements of the Company made the following comments which are self-explanatory and are categorised as "Emphasis of Matter", hence no comments in this regard have been offered by your Board of Directors:

a) Note 27 and 28 of the consolidated financial statements which deals 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 of Fortis in the year ended March 31, 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 March 31, 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 March 31, 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 29 of the consolidated financial statements relating to the order dated September 22, 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 Holding Company are to subserve the business structure of the Holding Company.

Further, as per the requirement of Companies Auditor Report Order (CARO), Rules, 2016, there was no fraud other than as disclosed pertaining to earlier years reported by the above stated auditors during the year under review.

- **Cost Auditor**

  Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the cost audit records maintained by your Company in respect of its hospital activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Jitender, Navneet & Co., Cost Accountants to audit the cost accounts of your Company for the FY 23 at a remuneration of ₹ 3.5 Lakhs (plus out of pocket expenses and taxes). As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s Jitender, Navneet & Co., Cost Auditors is included in the Notice convening the ensuing Annual General Meeting. Further, in terms of the Companies (Accounts) Rules, 2014, it is confirmed that maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is applicable on your Company and accordingly such accounts and records are properly made and maintained.

- **Secretarial Auditor**

  Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Sanjay Grover & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Company has complied with the provisions of Secretarial Standards. The Secretarial Audit Report is enclosed herewith as **"Annexure - II"**.

  Further, pursuant to the provisions of Regulation 24A, the secretarial audit reports of material subsidiaries are attached as **Annexure- II(A)**.

- **Internal Auditors**

  Upon the recommendation of the Audit Committee, the Board of Directors has appointed Mr. Rajiv Puri, Head Risk and Internal Audit as the Chief Internal Auditor of your Company and authorised him to engage independent firm(s), if needed, for conducting the internal audit for the FY 23 to enable him to extend adequate coverage of internal audit checks.

  For FY 23, Internal Audit(s) were performed in accordance with the Internal Audit plan approved by the Audit Committee. In addition to the internal IA team conducting audit(s) covering key business processes as per approved plan, Deloitte was engaged as an external service provider to perform Internal Audit for specific processes.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During FY 2017-18 the Company, the Securities and Exchange Board of India (SEBI), initiated investigation w.r.t. siphoning of approx. INR 5 billion by its ex-promoters. Post investigation, SEBI had issued two Show Cause Notices i.e., dated November 12, 2020 (SCN 1) and April 9, 2021 (SCN 2), respectively.

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. The new promoter of the Company

Directors' Report (Contd.)

(i.e. NTK Venture Pte. Ltd.) assumed control of the Company pursuant to a preferential allotment, which was approved by both Competition Commission of India and SEBI, which approved the open offer that had got triggered pursuant to 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. SEBI passed an order dated 19.04.2022 w.r.t SCN -1 directing 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 had imposed a penalty of Rs. 50 lakh and Rs. 1 Crore on FHsL and the Company respectively.

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 show cause notice, with respect to EHIRCL, it was 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 was stated in the said Show cause notice that a structured rotation of funds was carried out to portray that the loan extended by the Company for the purchase of land had been paid back with interest in the year 2011. It is alleged that the Company was actually paid back by RHC Holding over a period of four years ending on July 31, 2015. In this respect, the Company and FHsL funds were allegedly routed through various layers in order to camouflage the transactions, and to circumvent legal provisions with respect to related party transactions.

In the Show cause Notice dated April 9, 2021 EHIRCL had been clubbed along with the other noticees, and had 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.

Further, after adjudicating the Show Cause Notice dated April 9, 2021, SEBI passed an order dated 18.5.2022 wherein it held that EHIRCL is responsible for fraudulent scheme perpetrated at the behest of the then management of FHL/FHsL for the benefit of their then promoters and therefore has violated the relevant provisions of SEBI (PFUTP) Regulations. SEBI acknowledged the fact that EHIRCL working under a completely new management presently and the said revamped management has already taken steps against the erstwhile promoters for the fraud perpetrated under their watch, shall serve as a mitigating factor while computing the penalty under section 15HA of the SEBI Act. Having said this, SEBI vide order dated 18.5.2022 imposed a penalty of INR 1 crore on EHIRCL for violation of certain provisions of SEBI laws. The reasoning that was adopted for imposition of penalty on EHIRCL appears to be exactly on the same lines as the reasoning in the case of FHL and FHsL.

SEBI vide order dated May 18, 2022, passed in the Show Cause Notice dated April 9, 2021, imposed a penalty of INR 1 (one) Crore on EHIRCL after finding that there has been violation of certain provisions of SEBI laws. While imposing the said penalty, SEBI acknowledged that EHIRCL working under a completely new management presently and the said revamped management have already initiated civil and criminal actions against the erstwhile promoters for the fraud perpetrated under their watch.

Both the orders dated 19.4.2022 and 18.5.2022 passed by SEBI have been appealed against by the Company, FHsL and EHIRCL before Securities Appellate Tribunal, Mumbai ("SAT"). Pursuant thereto, SAT has stayed both the SEBI Orders dated 19.4.2022 and 18.5.2022 respectively subject to deposit of 50% of the penalty amount with SEBI, which has been deposited in compliance of SAT orders. Appeals are pending adjudication.

CAPITAL STRUCTURE/STOCK OPTION

During the year under review, there is no change in the capital structure of the Company.

The Company currently manages its stock options through "Employee Stock Option Plan 2007" and "Employee Stock Option Plan 2011" ("Schemes") as approved by the shareholders. The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Schemes of the Company. Each option when exercised would be converted into one fully paid up equity share of ₹ 10 each of the Company. During the year under review, no option was granted by the Company. Disclosure pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the year ended March 31, 2023 is available at the website of the Company at https://www.fortishealthcare.com/investors-Annual Report / ESOP Disclosure 2022-23.

During the year under review, "no stock options were granted or exercised under the terms of the "Employee Stock Option Plan 2007 and "Employee Stock Option Scheme 2011".

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

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

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

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website at https://www.fortishealthcare.com/drupal-data/2023-07/Annual%20Return%20MGT-7%20 2022-23_0.pdf.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The particulars required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, regarding Conservation of Energy and Technology Absorption, is given in **"Annexure – III"**, forming part of the Board's Report. Further, details pertaining to Foreign Exchange Earnings and Outgo is as given below:

TOTAL FOREIGN EXCHANGE EARNED AND USED (BASED ON STANDALONE FINANCIAL STATEMENTS)

(₹ in Crores)

Particulars	Amount
Foreign Exchange earned in terms of Actual Inflows	10.79
Foreign Exchange outgo in terms of Actual Outflows	2.34

Note: Earning and expenditure in foreign currency is on accrual basis.

CORPORATE SOCIAL RESPONSIBILITY - OUR JOURNEY THROUGH THE PAST YEAR

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

With the above in mind the policy seeks as an objective to bring focus, leveraging its inherent skills, experience and knowledge.

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

The policy as approved by the Board is available on the Company's web site at
https://www.fortishealthcare.com/drupal-data/investors/Corporate%2BSocial%2BResponsibility%2BPolicy%2B2022.pdf

During the year, the Company has engaged Sattva Media and Consulting Private Limited ("Sattva Consulting") as an external agency/ advisor for undertaking CSR activities of the Company and its subsidiaries for the financial year 2022-23 to 2023-2024. Further, Sattva Consulting is engaged in the business of, inter alia, providing consultancy services in the social impact sector and implementation of corporate social responsibility programmes/initiatives.

Directors' Report (Contd.)

This year Company and its subsidiaries contributed their CSR Fund to ICMR, Yova Unstoppable, IIT Madras as detailed hereinbelow:

Entity	CSR Obligation for FY 23	CSR PROJECT			Administrative Overheads (max. 5% of CSR Budget)
		IIT Madras	ICMR	YUVA	
Fortis Healthcare Limited	4,66,32,689	-	2,12,91,744	2,49,90,945	3,50,000*
Fortis Hospotel Limited	4,69,91,400	87,26,591	3,79,14,809	-	3,50,000*
Agilus Diagnostics Limited	2,84,60,639	2,83,60,639	-	-	1,00,000*
SRL Diagnostics Private Limited[1]	73,14,615	72,14,615	-	-	1,00,000*
DDRC SRL Diagnostics Limited[2]	1,54,98,155	1,53,98,155	-	-	1,00,000*
Total CSR Spend	**14,48,97,498**	**5,97,00,000**	**5,92,06,553**	**2,49,90,945**	**10,00,000***

**Actual amount paid to Sattva Consulting for FY 23.*

Note: *[1] The new name of the said companies has been reserved by Registrar of Companies ('RoC') as Agilus Pathlabs Private Limited vide letter dated June 08, 2023. The said company is in the process of making application to the RoC for seeking approval of the new name.*

[2] The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company as on date of this report comprises Eleven (11) directors, of which one (1) is a Managing Director and CEO (Executive Director), four (4) are Independent Directors and rest of the six (6) directors are Non-Executive & Non-Independent Directors. Pursuant to Sections 152 of the Companies Act, 2013, Mr. Joerg Ayrle and Mr. Heng Joo Joe Sim are liable to retire by rotation and being eligible offers themselves for re-appointment at the forthcoming Annual General Meeting of your Company.

During the year under review, Dr. Kelvin Loh resigned from the directorship w.e.f. February 22, 2023; and Mr. Takeshi Saito and Dr. Farid Bin Mohamed Sani resigned from the directorships of the Company w.e.f. March 28, 2023. The Board expressed its gratitude for the service provided by the aforementioned Directors and acknowledged that they took their Board duties with dedication, grace and seriousness. It may be noted that, pursuant to Shareholder Subscription Agreement ("SSA") with Northern TK Venture Pte. Ltd. ("NTK") dated July 13, 2018, NTK has a right to appoint 2/3rd of the Directors on the Board of the Company and accordingly, to fill the aforesaid vacancies, NTK nominated new candidates on the Board of the Company. The Board appointed, pursuant to the recommendation of the Nomination & Remuneration Committee, Mr. Mehmet Ali Aydinlar and Mr. Tomo Nagahiro, as Additional Non-Executive Directors, of the Company w.e.f. March 28, 2023. Further, pursuant to Regulation 17(1C) of SEBI LODR, the Company obtained approval of shareholders for confirming the appointment of Mr. Mehmet Ali Aydinlar and Mr. Tomo Nagahiro as Non-Executive Directors of the Company vide a postal ballot on May 10, 2023.

Post closure of the financial year, the Board of Directors has also appointed Mr. Lim Tsin-Lin as Additional Non-Executive Director on the Board w.e.f May 04, 2023. As per regulation 17(1C) of SEBI LODR, the Company is seeking approval of shareholders for confirming the appointment of Mr. Lim Tsin-Lin on the Board of the Company by way of postal ballot dated May 23, 2023.

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

During the FY 23, Six (6) meetings were held by the Board of Directors. The details of board/committee meetings and the attendance of Directors are provided in the Corporate Governance Report.

Details of Key Managerial Personnel are as under:

Name	Designation
Dr. Ashutosh Raghuvanshi	Managing Director and Chief Executive Officer
Mr. Vivek Kumar Goyal	Chief Financial Officer
Mr. Murlee Manohar Jain*	Company Secretary
Mr. Sumit Goel**	Company Secretary

** Appointed with effect from April 05, 2022.*

***Resigned with effect from April 04, 2022.*

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

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

BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board and the respective committees are required to carry out performance evaluation of the Board as a body, the Directors individually, Chairman as well as that of its Committees.

The Nomination of Remuneration Committee ("NRC") and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, it's committees and individual directors is required to be made.

The following process of evaluation was approved by the Nomination and Remuneration Committee and the Board of Directors:

Sr. No.	Process	Remarks	Criteria for Evaluation (including Independent Directors)
1.	Kick Off Board Evaluation Program	The NRC Chairperson kick starts the process. The relevant questionnaires were circulated to the Board members.	-
2.	Evaluation forms	The feedback so received from the members on the process was collated by Chief Human Resource Officer (CHRO).	This includes Board focus (Strategic inputs), Board Meeting Management, KPI's, suggestions to improve Board performance Board Effectiveness Management Engagement, governance, risk management and addressing of follow up requests.
3.	Evaluation by the Board and of Independent Directors	A compilation of the individual self-assessments was placed at the meetings of the Independent Director's (ID's) and the Board of Directors (BoD) for them to review collectively.	This includes demonstration of integrity, commitment, attendance at the meetings, contribution and participation, professionalism, contribution while developing Annual Operating Plans, demonstration of roles and responsibilities, review of high risk issues & grievance redressed mechanism, succession planning, working of Board Committees etc.
4.	Final recording and reporting	Based on the findings of the assessment, CHRO circulated a report to the Board members for further discussion and action planning. Based on the above, a final report on Board Evaluation 2022-23 was presented at a meeting of the Board of Directors.	The report includes key highlights, a presentation of an analysis of each response, actionable insights and comments.

Directors' Report (Contd.)

MANAGERIAL REMUNERATION

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

(a) Comparison and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 23*

Name of the Director	Designation	Remuneration of Director (₹ in Crores)	Median Remuneration of Employees	Ratio
1. Dr. Ashutosh Raghuvanshi*	Managing Directors & CEO	8.15	0.0237	344:33
2. Mr. Ravi Rajagopal#	Chairman (Independent Director)	1.03		43:1
3. Dr. Kelvin Loh Chi Keon@	Non- Executive Director	0.05		2:1
4. Mr. Dilip Kadambi	Non- Executive Director	0.09		3:1
5. Dr. Farid Bin Mohamed Sani&	Non- Executive Director	0.00		-
6. Mr. Heng Joo Joe Sim	Non- Executive Director	0.06		2:1
7. Mr. Indrajit Banerjee#	Independent Director	0.92		38:1
8. Mr. Joerg Ayrle	Non- Executive Director	0.12		5:1
9. Ms. Shailaja Chandra#	Independent Director	0.91		38:1
10. Ms. Suvalaxmi Chakraborty#	Independent Director	0.83		35:1
11. Mr. Takeshi Saito&	Non- Executive Director	0.03		0.42:1
12. Mr. Mehmet Ali Aydinlar$	Non-Executive Director	0.01		0.42:1
13. Mr. Tomo Nagahiro$	Non-Executive Director	0.01		0.42:1

** Annual Salary paid including the perquisites (if any) which is considered for taxation, however, does not include the reimbursements paid against the expense bills submitted.*

 # The Non-Executive/Independent Directors are paid sitting fees & commission on the basis of their attendance at the Board/ Committee Meetings. Any variation highlighted above in remuneration of these Directors is on account of number of meetings held or attended during the year.

@ Dr. Kelvin Loh Chi Keon resigned w.e.f. February 22, 2023

& Dr. Farid Bin Mohamed Sani and Mr. Takeshi Saito have resigned as Directors of the Company w.e.f. March 28, 2023.

$ Mr. Mehmet Ali Aydinlar and Mr. Tomo Nagahiro were appointed as Non-Executive Directors of the Company w.e.f. March 28, 2023.

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

Employee Name	Designation	% of increment
Dr. Ashutosh Raghuvanshi	Managing Director and Chief Executive Officer	0%
Mr. Vivek Kumar Goyal	Chief Financial Officer	6%
Mr. Sumit Goel*	Company Secretary	0%
Mr. Murlee Manohar Jain**	Company Secretary	0%

**Resigned w.e.f April 04, 2022.*

***Appointed w.e.f April 05, 2022.*

(c) The percentage increase in the median remuneration of employees in the financial year- 9%

Increases in annual CTC of the employees between the current and last financial year are considered.

(d) The number of permanent employees on the rolls of the Company is 2975 as on March 31, 2023.

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

Particulars	For the FY 23
(A) Average percentile increases already made in the salaries of employees other than the managerial personnel	8.42%
(B) Percentile increase in the managerial remuneration	6%
Comparison of (A) and (B)	+2.42%
Justification	8.42% is the Company average salary increment excluding KMPs. The increment rates vary based on the Job grades and performance ratings of the employees.
Any exceptional circumstances for increase in the managerial remuneration	-

*** Salary increases % (percentage) considered in comparison between salary as on 31/3/2022 and 31/3/2023 of the active employees as on 31/3/2023*

**** KMP Salary revision- only one member had a salary increase hence the increment rate applied with the same rate.*

(f) During the financial year 2022-23, ₹ 2,85,95,850.00 variable pay was paid to Dr. Ashutosh Raghuvanshi, MD and CEO, ₹ 93,20,000.00 to Mr. Vivek Kumar Goyal, Chief Financial Officer, and ₹ 11,18,218.00 to Mr. Sumit Goel, erstwhile Company Secretary, and ₹ 5,00,000.00 to Mr. Murlee Manohar Jain, Company Secretary for year 2022-23. ******

******Variable pay includes Annual Variable Payments and Leave balance encashments.

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

REMUNERATION POLICY

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

Your Company has from time to time familiarised the Board of Directors with the Company's operations, their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, business model of your Company, etc. The same is governed by a template viz Board of Directors Governance Standard and it is available on the website of the Company at https://www.fortishealthcare.com/drupal-data/investors/Board%2Bof%2BDirectors%2BGovernance%2BStandards.pdf

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of your Company, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members.

RELATED PARTY TRANSACTIONS

Disclosures as required under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in **"Annexure - V"** in Form AOC- 2 as specified under the Companies Act, 2013.

The Related Party Transactions are placed before the Audit Committee for approval as required under SEBI (Listing

Directors' Report (Contd.)

Obligations and Disclosure Requirements) Regulations, 2015. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their review on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at https://www.fortishealthcare.com/drupal-data/investors/Policy%2Bon%2BRelated%2BParty%2BTransactions.pdf

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

RISK MANAGEMENT POLICY

Your Company has designed a risk management policy and framework for risk identification, assessment, mitigation plan development and monitoring of action to mitigate the risks. The key objective of the Enterprise Risk Management Policy ("ERM Policy") policy is to provide a formalised framework to enable judicious allocation of resources on the critical areas which can adversely impact your Company's ability to achieve its objectives. The policy is applicable to the Company and its subsidiaries. This framework enables the management to develop and sustain a risk-conscious culture, wherein, there is a high degree of organisation-wide awareness and understanding of external and internal risks associated with the business. The policy defines an architecture and oversight structure to assist effective implementation. By clearly defining terms and outlining roles and responsibilities, ERM promotes risk ownership, accountability, self-assessment and continuous improvement to minimise adverse impact on achievement of business objectives and enhance your Company's competitive advantage. Your company has also defined quantitative key risk indicators (KRIs) to monitor the effectiveness of actions take to mitigate the identified risks. The details thereof are covered under the Management and Discussion Analysis Report which forms part of the Annual Report.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT

Your Company has adopted a Policy for Prevention, Prohibition and Redressal of Sexual Harassment. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, your Company has received 5 complaints on sexual harassment and all 5 complaints have been resolved with appropriate action taken and no complaint was pending as on March 31, 2023. The same may also be read in terms of Companies (Accounts) Rules, 2014.

DISCLOSURE REQUIREMENTS

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

CODE OF CONDUCT

Declaration by Dr. Ashutosh Raghuvanshi, Managing Director and Chief Executive Officer confirming compliance with the 'Fortis Code of Conduct' is enclosed with Corporate Governance Report.

CERTIFICATE BY STATUTORY AUDITORS FOR DOWNSTREAM INVESTMENT

A certificate from the Statutory Auditors of your Company stating that your Company has duly complied with the requirements of downstream investment made by your Company to second level entities in accordance with Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 would be available at the Annual General Meeting for inspection by members.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures therefrom, if any;

(b) The selection and application of accounting policies were assessed for their consistent application and judgements and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of your Company at the end of the financial year and of the profit of your Company for the Financial Year ended March 31, 2023;

(c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(d) the Statements have been prepared on a going concern basis;

(e) Proper internal financial controls have been laid down and that such internal financial controls are adequate and are operating effectively; and

(f) There are proper systems in place to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Central Government, State Governments and all other Government agencies for the assistance, co-operation and encouragement they have extended to the Company. Your Directors also take this opportunity to extend a special thanks to the medical fraternity and patients for their continued cooperation, patronage and trust in the Company.

Your Directors are glad to place on record that your Company has posted a strong financial performance during the year and greatly appreciate the commitment and dedication of all the employees, that has contributed to the growth and success of the Company. Your Directors also thank all the strategic partners, business associates, Banks, financial institutions for their assistance, co-operation and encouragement to the Company during the year.

Last but not the least your Directors thank the Shareholders of the Company for their continued faith in the Company.

By Order of the Board of Directors
For **Fortis Healthcare Limited**

Sd/-	Sd/-
Ashutosh Raghuvanshi	**Ravi Rajagopal**
Managing Director & CEO	Chairman (Independent Director)
DIN: 02775637	DIN: 00067073
Date: May 23, 2023	Date: May 23, 2023
Place: Gurugram	Place: Gurugram

ANNEXURE- I TO DIRECTOR'S REPORT- FORM AOC-1

STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION(3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 RELATED TO SUBSIDIARIES

(₹ in Lakhs)

S. NO.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding *
1	Escorts Heart Institute and Research Centre Limited	March 31, 2023	₹	1.00	256.29	61,413.67	86,806.41	25,136.46	66,264.60	41,188.23	3,271.31	-	3,271.31	-	100.00%
2	Fortis Healthstaff Limited	March 31, 2023	₹	1.00	510.00	(1,960.64)	22.09	1,472.72	-	6.76	(88.69)	-	(88.69)	-	100.00%
3	Fortis Asia Healthcare Pte. Limited	March 31, 2023	US$	82.11	16,219.40	(1,41,103.79)	5,205.12	1,30,089.51	5,197.85	1,336.57	(480.83)	-	(480.83)	-	100.00%
4	Fortis Healthcare International Pte. Limited	March 31, 2023	SGD	61.76	95,168.12	(86,968.37)	8,935.36	735.61	7,367.98	90.19	1,975.11	-	1,975.11	-	100.00%
5	Mena Healthcare Investment Company Limited	March 31, 2023	AED	22.36	19.82	(1,079.61)	41.03	1,100.82	41.03	-		-	-	-	82.54%
6	Medical Management Company Limited	March 31, 2023	AED	22.36	32.55	893.15	1,068.16	142.46	-	-	-	-	-	-	82.54%
7	SRL Diagnostics FZ-LLC(i)	March 31, 2023	AED	22.36	282.00	(1,513.01)	2,140.58	3,371.58	-	1,595.53	(419.82)	-	(419.82)	-	57.11%
8	Hiranandani Healthcare Private Limited	March 31, 2023	₹	1.00	561.33	6,380.57	9,221.47	2,279.57	-	12,951.88	1,753.63	74.13	1,679.50	-	100.00%
9	Fortis La Femme Limited	March 31, 2023	₹	1.00	7.00	(107.67)	40.43	141.10	-	-	(8.27)	-	(8.27)	-	100.00%
10	Fortis CSR Foundation	March 31, 2023	₹	1.00	5.00	25.88	31.54	0.66	-	1.56	0.78	-	0.78	-	100.00%
11	SRL Limited(ii)	March 31, 2023	₹	1.00	7,842.55	1,29,556.68	1,60,992.59	23,593.36	78,670.61	89,341.76	10,049.70	1,957.58	8,092.13	-	57.11%
12	SRL Diagnostics Private Limited(iii)	March 31, 2023	₹	1.00	395.82	17,325.21	37,033.94	19,312.91	950.88	28,141.02	4,495.30	680.48	3,814.81	-	57.11%
13	SRL Reach Limited(iv)	March 31, 2023	₹	1.00	800.00	(770.52)	866.15	836.68	-	973.72	102.41	6.14	96.27	-	57.11%
14	Fortis Healthcare International Limited	March 31, 2023	US$	82.11	227.30	1,695.90	2,664.05	740.85	2,451.96	0.70	(96.57)	-	(96.57)	-	100.00%

ANNEXURE- I TO DIRECTOR'S REPORT- FORM AOC-1 (Contd.)

(₹ in Lakhs)

S. NO.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding *
15	Fortis Global Healthcare (Mauritius) Limited	March 31, 2023	US$	82.11	373.53	(41,403.03)	37.97	41,067.47	-	28.17	(1,542.97)	-	(1,542.97)	-	100.00%
16	Fortis Hospitals Limited	March 31, 2023	₹	1.00	7,998.76	(66,641.84)	3,22,880.20	3,81,523.28	33,819.02	3,30,583.89	5,796.65	-	5,796.65	-	100.00%
17	Fortis Cancer Care Limited	March 31, 2023	₹	1.00	15.00	(4,331.55)	3.59	4,320.14	-	-	(311.97)	-	(311.97)	-	100.00%
18	Fortis Malar Hospitals Limited	March 31, 2023	₹	1.00	1,875.70	4,320.04	13,569.12	7,373.38	5.00	9,250.86	(707.75)	845.57	(1,553.32)	-	62.71%
19	Malar Star Medicare Limited	March 31, 2023	₹	1.00	5.00	221.50	235.87	9.37	-	16.31	7.33	1.85	5.49	-	62.71%
20	Fortis Health Management (East) Limited	March 31, 2023	₹	1.00	7.00	(1,396.48)	41.65	1,431.14	-	0.71	(101.09)	-	(101.09)	-	100.00%
21	Birdie and Birdie Realtors Private Limited	March 31, 2023	₹	1.00	71.00	(14,253.52)	16.86	14,199.38	-	6.73	(238.49)	-	(238.49)	-	100.00%
22	Stellant Capital Advisory Services Private Limited	March 31, 2023	₹	1.00	1,750.00	2,457.91	4,376.49	168.58	900.54	272.31	(413.57)	-	(413.57)	-	100.00%
23	Fortis Hospotel Limited	March 31, 2023	₹	1.00	56,117.02	1,92,686.98	2,56,634.73	7,830.73	95,340.90	42,639.58	28,516.60	7,311.15	21,205.45	-	100.00%
24	RHT Health Trust Manager Pte Limited	March 31, 2023	SGD	61.76	609.45	9,373.85	10,386.16	402.86	9,713.30	68.57	(438.94)	-	(438.94)	-	100.00%
25	Fortis Emergency Services Limited	March 31, 2023	₹	1.00	5.00	(8,303.12)	872.81	9,170.93	-	69.10	(486.12)	-	(486.12)	-	100.00%
26	DDRC SRL Diagnostics Private Limited[v]	March 31, 2023	₹	1.00	50.00	15,686.17	23,730.00	7,993.83	-	25,044.15	6,467.51	1,671.48	4,796.03	-	57.11%
27	Escorts Heart and Super Speciality Hospital Limited	March 31, 2023	₹	1.00	3,392.52	13,254.24	85,546.27	68,899.51	17,775.00	14,831.11	2,815.95	719.18	2,096.77	-	100.00%
28	International Hospital Limited	March 31, 2023	₹	1.00	33,963.13	82,366.47	3,03,366.34	1,87,036.74	94,568.15	48,030.95	14,714.85	3,542.42	11,172.43	-	100.00%

ANNEXURE- I TO DIRECTOR'S REPORT- FORM AOC-1 (Contd.)

(₹ in Lakhs)

S. NO.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding *
29	Hospitalia Eastern Private Limited	March 31, 2023	₹	1.00	5.10	(15,914.90)	13,305.68	29,215.49	-	3.03	(1,926.37)	-	(1,926.37)	-	100.00%
30	Fortis Health Management Limited	March 31, 2023	₹	1.00	250.00	(72,773.41)	65,169.99	1,37,693.40	52,050.01	7,108.69	(6,940.84)	-	(6,940.84)	-	100.00%

** The percentage of shareholding is considered on fully diluted basis and also includes indirect shareholding*

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

1. Names of subsidiaries which are yet to commence operations-Nil
2. Names of subsidiaries which have been liquidated or sold during the year-Refer the section "details of subsidiary, Joint Venture / Associate Companies under Board Report.

Company Note (not part of signed financial statements):

(i) The name of the said company has been changed to Agilus Diagnostic FZ-LLC with effect from July 3, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies of the Dubai Healthcare City Authority vide the certificate of Company name change dated July 3, 2023.

(ii) The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.

(iii) The new name of the said company has been reserved by Registrar of Companies ('RoC') as Agilus Pathlabs Private Limited vide letter dated June 08, 2023. The said company is in the process of making application to the RoC for seeking approval of the new name.

(iv) The name of the said company has been changed to Agilus Pathlabs Reach Limited with effect from July 5, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated July 5, 2023.

(v) The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.

ANNEXURE- I TO DIRECTOR'S REPORT- FORM AOC-1 (Contd.)

STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION(3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 RELATED TO JOINT VENTURE / ASSOCIATE COMPANIES

(₹ in Lakhs)

Sl. No	Name of Associates / Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate / Joint Ventures held by the Company on the year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates / Joint Venture	Extend of Holding % *				i. Considered in Consolidation	i. Not Considered in Consolidation
1.	RHT Health Trust	March 31, 2023	2,257.48	2,628.28	27.82%	Associate	Not Applicable	2,628.28	(62.03)	-
2.	Lanka Hospitals Corporation PLC	December 31, 2022	641.21	18,082.02	28.60%	Associate	Not Applicable	18,082.02	2,244.95	-
3.	Fortis Cauvery	March 31, 2023	NA, a partnership firm		51.00%	Joint Venture	Not Applicable	27.44	-	-
4.	SRL Diagnostics (NEPAL) Private Limited @	March 31, 2023	2.40	319.04	50.00%	Joint Venture	Not Applicable	319.99	0.95	-

** The percentage of shareholding also includes indirect shareholding.*

Company Note (not part of signed financial statements): *@ SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.*

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

1. Names of Joint Venture/Associate Companies which are yet to commence operations-Nil
2. Names of Joint Venture/Associate Companies which have been liquidated or sold during the year-Refer the section "details of subsidiary, Joint Venture/Associate Companies under Board Report.

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

ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

SHAILAJA CHANDRA
Independent Director
DIN: 03320688

MURLEE MANOHAR JAIN
Company Secretary
Membership No.F9598

VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

ANNEXURE TO DIRECTOR'S REPORT - FORM AOC-2

PARTICULARS OF CONTRACT / ARRANGEMENT MADE WITH RELATED PARTIES

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

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

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

There were no contracts or arrangement or transactions entered into during the year ended March 31, 2023, which are not at arms' length basis.

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

There were no material contracts or arrgements or transactions (as per the Company's Policy on 'Materiality on Related Party Transactions') entered into during the year ended March 31, 2023.

The details of certain contracts or arrangements entered into with the related parties in the past are provided herein below:

(₹ in Lakhs)

Name of Related Party	Nature of Relationship	Nature of Contract / arrangement / transaction	Duration of the Contract / arrangement / transaction	Salient terms of the Contract / arrangement / transaction including the value, if any	Date of approval by the Board, if any	Amount paid in advance
Fortis Hospitals limited	Subsidiary Company	Corporate guarantee	-	Corporate guarantee given to Banks / Financial Institution for loan availed by Subsidiary Company - Closing Balance ₹ 498.75 Crores	Approved by Board of Directors on March 02, 2020	NA
Fortis Hospitals limited (FHsL)	Subsidiary Company	Corporate guarantee	10 Years	Corporate guarantee given to Fortis Hospotel Limited for loan availed by Fortis Hospitals Limited- Closing balance ₹ 486.24 Crores*	Approved by Board of Directors on August 04, 2016	NA

Note: (i) Details of all other related party transactions entered into by the Company during the year under review are given in the financial statements forming part of this Annual Report.

(ii) *Post closure of the financial year, pursuant to the approval of the Board of Directors of Fortis Hospitals Limited and Fortis Hospotel Limited the aforesaid corporate guarantee is withdrawn.

Fortis

ANNEXURE- II TO DIRECTOR'S REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

To,
The Members
Fortis Healthcare Limited
(CIN: L85110PB1996PLC045933)
Fortis Hospital Sector-62,
Phase-VIII, Mohali, Punjab-160062

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

We report that:-

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

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

c) We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.

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

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

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

g) The auditor adhered to best professional standards and practices as could be possible while carrying out audit. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

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

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

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

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

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

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

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

ANNEXURE- II TO DIRECTOR'S REPORT (Contd.)

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018{Not applicable during the audit period};

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021{Not applicable during the audit period};

(e) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021 {Not applicable during the audit period};

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021{Not applicable during the audit period};

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018{Not applicable during the audit period}; and

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

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

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

(vi) The Company is primarily engaged in the healthcare delivery services and networks of multi-specialty hospitals and diagnostic centers in India and overseas through its subsidiaries, joint ventures and associate companies. Following are some of the laws specifically applicable to the Company:-

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

On the basis of management representation and our check on test basis, we are on the view that the Company has adequate system to ensure compliance of laws specifically applicable on it.

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

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

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

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

We further report that during the Audit period the Members of the Company passed following resolutions through postal ballot:

- amalgamation of Fortis Emergency Services Limited, Fortis Cancer Care Limited, Fortis Health Management (East) Limited and Birdie & Birdie Realtors Private Limited with Fortis Hospitals Limited (collectively wholly-owned subsidiaries), dated April 08, 2022.
- providing financial support to THR Infrastructure Private Limited up to a maximum amount of SGD 3 Million,

by Fortis Healthcare International Private Limited, an indirect wholly owned subsidiary of the Company, dated July 01, 2022.

- amalgamation of Fortis Asia Healthcare Private Limited ('FAHPL') and Fortis Healthcare International Private Limited ('FHIPL'), step-down subsidiaries of the Company, including conversion of outstanding inter corporate loan into redeemable preference shares and amendment in terms of the existing redeemable preference shares of Fortis Asia Healthcare Private Limited ('FAHPL'), dated September 17, 2022.
- acquisition of Land and Building adjacent to Fortis Hospital, Anandpur, Kolkata by way of transfer of license to International Hospital Limited, a subsidiary of the Company from Artistery Properties Private Limited dated September 17, 2022.

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.:1352/2021

Vijay K. Singhal
Partner
CP No.: 10385, M. No.: A21089
UDIN: A021089E000358173

May 23, 2023
Place: New Delhi

Secretarial Audit Report of Material Subsidiaries

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

To,
The Members,
International Hospital Limited
Fortis Memorial Research Institute,
Sector - 44 Gurgaon -122002

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INTERNATIONAL HOSPITAL LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering April 01, 2022 to March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **INTERNATIONAL HOSPITAL LIMITED** for the period covering April 01, 2022 to March 31, 2023 according to the provisions of:

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

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

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India

During the period under review the Company has duly complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial standards etc. mentioned above.

WE FURTHER REPORT THAT

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent reasonably in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried through majority and recorded as part of the minutes.

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

We further report that during the audit period the Company has:

(i) To consider and approve the appointment of Mr. Akshay Oleti as additional director

(ii) To consider and approve the appointment of Mr. Akshay Oleti as WTD.

For **Mukesh Agarwal & Company**

Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN:- F005991E000320877

Place: Delhi
Date: 17.05.2023

Note - This report is to be read with our letter of even date which is annexed as "Annexure-A" and forms an integral part of this report.

Secretarial Audit Report of Material Subsidiaries (Contd.)

ANNEXURE-A

To,
The Members,
International Hospital Limited
Fortis Memorial Research Institute,
Sector - 44 Gurgaon -122002

The Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mukesh Agarwal & Company**

Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN: F005991E000320877

Place: Delhi
Date: 17.05.2023

Secretarial Audit Report of Material Subsidiaries

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2023

To,
The Members,
Fortis Hospitals Limited
Escorts Heart Institute & Research Centre
Okhla Road, New Delhi-110025

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Fortis Hospitals Limited** for the financial year ended on March 31, 2023 according to the provisions of:

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

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

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial Standards etc. mentioned above.

WE FURTHER REPORT THAT

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent reasonably in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried through requisite majority and recorded as part of the minutes.

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

We further report that during the audit period the Company has

(i) Approved Scheme of Merger by Absorption of Fortis Emergency Services Limited ("FESL"), Birdie & Birdie Realtors Private Limited ("B&B"), Fortis Health Management (East) Limited ("FHMEL") and Fortis Cancer Care Limited ("FCCL") are wholly-owned subsidiaries of the Company;

(ii) Appointed Mr. Pradeep Kumar as Chief Financial Officer and designate him as Key Managerial Personnel of the Company.

For **Mukesh Agarwal & Company**

Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN: F005991E000346166

Place: Delhi
Date: 22.05.2023

Note: This report is to be read with our letter of even date which is annexed as "Annexure-A" and forms an integral part of this report.

ANNEXURE-A

To,
The Members,
Fortis Hospitals Limited
Escorts Heart Institute & Research Centre
Okhla Road, New Delhi-110025

The Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mukesh Agarwal & Company**

Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN: F005991E000346166

Place: Delhi
Date: 22.05.2023

Secretarial Audit Report of Material Subsidiaries

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

To,
The Members,
Fortis Hospotel Limited
Fortis Memorial Research Institute,
Sector - 44 Gurgaon -122002

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **FORTIS HOSPOTEL LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering April 01, 2022 to March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **FORTIS HOSPOTEL LIMITED** for the period covering April 01, 2022 to March 31, 2023 according to the provisions of:

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

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

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India

During the period under review the Company has duly complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial standards etc. mentioned above.

WE FURTHER REPORT THAT

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent reasonably in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried through majority and recorded as part of the minutes.

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

We further report that during the audit period the Company has:

(i) Re-appointment of Dr. Ritu Garg as Whole-Time Director of the Company.

For **Mukesh Agarwal & Company**

Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN: F005991E000311835

Place: Delhi
Date: 18.05.2023

Note: This report is to be read with our letter of even date which is annexed as "Annexure-A" and forms an integral part of this report.

Secretarial Audit Report of Material Subsidiaries (Contd.)

ANNEXURE-A

To,
The Members,
Fortis Hospotel Limited
Fortis Memorial Research Institute,
Sector - 44 Gurgaon -122002

The Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mukesh Agarwal & Company**

Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN: F005991E000311835

Place: Delhi
Date: 15.05.2023

Secretarial Audit Report of Material Subsidiaries

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2023

To,
The Members,
SRL LIMITED*
Fortis Hospital Sector 62, Phase-Viii,
Mohali - 160062

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering April 01, 2022 to March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SRL LIMITED for the period covering April 01, 2022 to March 31, 2023 according to the provisions of:

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

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

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder in respect to issue and allotment of shares;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India

During the period under review the Company has duly complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial standards etc. mentioned above.

WE FURTHER REPORT THAT

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

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent reasonably in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried through majority and recorded as part of the minutes.

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

We further report that during the audit period the Company has:

(i) Declared dividend of ₹ 4.75 per Equity shares.

(ii) Appointed Mr. Murlee Manohar Jain as Company Secretary and Key Managerial Personnel of the Company in place of Mr. Sumit Goel.

For **Mukesh Agarwal & Company**

Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN: F005991E000331613

Place: Delhi
Date: 18.05.2023

Note: This report is to be read with our letter of even date which is annexed as "Annexure-A" and forms an integral part of this report.

Company Note: **The name of the said company has been changed to Agilus Diagnostic Limited with effect from May 31, 2023, subsequent to the issue of the report by the Secretarial Auditors. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

Secretarial Audit Report of Material Subsidiaries (Contd.)

ANNEXURE-A

To,
The Members,
SRL LIMITED*
Fortis Hospital Sector 62, Phase-Viii,
Mohali - 160062

The Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Mukesh Agarwal & Company**

Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN: F005991E000331613

Place: Delhi
Date: 18.05.2023

Company Note: **The name of the said company has been changed to Agilus Diagnostic Limited with effect from May 31, 2023, subsequent to the issue of the report by the Secretarial Auditors. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

ANNEXURE- III TO DIRECTOR'S REPORT

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

Energy Efficiency Design and processes in Hospital Buildings - is a concept that is beginning to redefine how healthcare facilities are built to protect the environment while saving human lives. The greater the amount of energy consumed in a hospital, the greater the release of toxic wastes to the environment, causing damage which may put human lives at risk of other diseases and death. The shift to constructing sustainable healthcare facilities is largely centred on reducing the carbon burden in hospitals while ensuring that the occupants - staff and patients - are kept safe.

In a typical healthcare centre, lighting, water heating, and space heating account for more than 65% of the energy consumption. Therefore, it remains essential for the construction of healthcare facilities to involve incorporation of green designs and concepts into the process to reduce the impact on the environment, cut down operational costs, and increase energy efficiency.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy: Not Applicable

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

For FY 23, various energy saving initiatives specific to electricity consumption was initiated by the Company despite, the progressive growth across the network, our endeavors has been to reduce the consumption. The details of consumption is as under:

Sr. No	Unit Name	Electrical Unit Consumption 21-22	Electrical Unit Consumption 22-23	Electrical Consumption Increase or Decrease in %
1	Mulund	6,050,975	6,295,722	4.04%
2	S.L.Raheja	4,215,718	4,060,016	(3.69%)
3	Vashi	2,863,982	2,634,170	(8.02%)
4	Kalyan	983,914	993,978	1.02%
5	B.G. Road	7,427,420	7,626,070	2.67%
6	C.G Road	1,562,106	1,559,110	(0.19%)
7	Nagar Bhavi Road	585,832	737,294	25.85%
8	Rajaji Nagar	334,822	364,084	8.74%
9	Richmand Road	556,333	596,144	7.16%
10	Mohali	5,917,736	6,003,638	1.45%
11	Ludhiana	3,612,707	3,685,361	2.01%
12	Amritsar	3,737,486	3,757,666	0.54%
13	Anandpura	5,504,152	5,358,162	(2.65%)
14	FHKI	1,042,313	1,067,052	2.37%
15	Arcot Road	3,145,897	3,487,454	10.86%
16	Malar Unit	2,726,659	2,862,142	4.97%
17	Jaipur	5,242,414	5,490,900	4.74%
18	FMRI	9,712,850	10,569,581	8.82%
19	Def Con	-	-	0.00%
20	Escort Okhla	7,912,409	8,286,372	4.73%
21	C Doc	381,453	410,183	7.53%
22	Shalimar Bagh	5,403,426	5,916,481	9.49%
23	Noida	5,306,986	5,604,982	5.62%
24	Vasant Kunj	3,004,277	3,171,229	5.56%
25	Faridabad	3,842,376	4,032,736	4.95%
26	La Femme GK	1,052,749	1,166,294	10.79%
27	Greater Noida	-	933,245	0.00%
	Total	**92,126,991**	**96,670,066**	**5%**

B. TECHNOLOGY ABSORPTION

1. **Research & Development (R & D):**
   - Project Team is working on various models of Hospital Design to reduce Hospital Acquired Infection by segregation of staff and services movement.

2. **Technology Absorption, Adaptation & Innovation:**

   a) Efforts made towards technology absorption, adaptation & innovation at FMRI:
   - Variable Frequency Drives (VFDs) have been used in Chillers and critical AHUs.
   - Rain Water Harvesting Pits have been provided to conserve rain water and improve the water table.
   - Recirculation of treated water to reduce water consumption.

   b) Efforts made towards technology absorption, adaptation & innovation at other units:
   - All new projects are Ministry of Environment and Forest approved.

   c) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.
   - The above steps are helping us across our network to conserve energy.

3. **Expenditure incurred on Research and Development: No expenditure was incurred on Research and Development by the Company during the period under review.**

C. MEASURE TAKEN FOR ENERGY CONSERVATION IN NEW PROJECTS.

- Use of energy-efficient lighting systems and medical equipment a use of tech-enhanced renewable energy systems. More daylight exposure and natural ventilation into the environment.
- Improving the air quality is an essential component of designing the hospital. Efficient ways of reducing the air content of toxins and contaminants across all corners of the building are being explored.
- The addition of VFDs to motors is one of the most commonly used methods to achieve energy efficiency in the power distribution system.
- Use of a low-flow plumbing system in a bid to save significant amount of water, rainwater from the roof and use it to irrigate the landscaping. In addition, the collected rainwater will also be used to operate cooling towers which the hospital uses for their air conditioning system. By using back wash water of WTP and RO plant for flushing will reduce the pumping cost.
- Some of these design features include use of high-efficiency windows, super insulated roofs, use of sensors which automatically turn the lights off or on in a room depending on whether it is occupied. In addition to these, the patient rooms have been redesigned to allow more exposure to natural light and ventilation.
- Use of renewable energy – solar etc to reduce the energy consumption. Monitoring, controlling & efficient operation of heavy equipment's by technological means like Building Management System (BMS) to save the energy.
- Use of locally extracted material to save on the energy used for transporting the materials.

By Order of the Board of Directors
For **Fortis Healthcare Limited**

	Sd/-	**Sd/-**
	Ashutosh Raghuvanshi	**Ravi Rajagopal**
Place: Gurugram	Managing Director & CEO	Chairman- Independent Director
Date: May 23, 2023	DIN: 02775637	DIN: 00067073

ANNEXURE – IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

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

With the above in mind the policy seeks as an objective to bring focus, leveraging its inherent skills, experiences, and knowledge.

The 2022-23 fiscal year signifies a strategic shift in our company's CSR initiatives, transitioning from one-time contributions to government projects towards providing need-based solutions for stakeholders across our value chain. This year, we maintained our focus on research by funding both the ICMR and the IIT (Madras) Brain Research Centre, while simultaneously introducing a new aspect in the form of Digital Classrooms. Looking ahead, our CSR efforts will span the realms of Education, Healthcare, and Skill Development, all underpinned by an inherent element of employee engagement. Our aim is to enable holistic growth and development within the community.

The policy seeks to define the specific roles and responsibilities associated with administration, program design and execution. It further clarifies the governance, monitoring, reporting and disclosure requirements. As an enterprise in the critical domain of healthcare, the Company has participated and implemented various socially responsive programs since its inception.

The policy as approved by the Board is available on the Company's web site at

https://www.fortishealthcare.com/drupal-data/investors/Corporate%2BSocial%2BResponsibility%2BPolicy%2B2022.pdf

DETAILS OF THE PROJECTS / INITIATIVES:

During the year, the Company has undertaken the following projects / initiatives:

(i) Indian Council of Medical Research (ICMR)

The Indian Council of Medical Research (ICMR), is the apex body in India for the formulation, coordination and promotion of biomedical research, is one of the oldest medical research bodies in the world.

This year, Fortis Healthcare Limited remained dedicated to its mission of promoting research and development. The Company maintained continuity in making a contribution to support the initiatives of the Indian Council of Medical Research (ICMR), specifically in the fields of science, technology, engineering, and medicine. The funds are aimed to enable ICMR to address the growing demands of scientific advances in biomedical research on the one hand, and to the need of finding practical solutions to the health problems of the country, on the other.

(ii) YUVA Unstoppable

Yuva Unstoppable is India & US registered non-profit which has benefited over 4100 schools and 6 Million underprivileged beneficiaries across 41 cities of India. The Company added a new dimension to enable delivery of quality education in collaboration with YUVA Unstoppable. The two entities have joined hands to fund the School Transformation Programme by installing smart classrooms in 155 Government schools across 7 states (Punjab, Delhi, Haryana, Karnataka, Uttar Pradesh, Maharashtra, Rajasthan). Using digitised content to improve delivery of quality education in primary schools, the project aims to positively impact the classroom environment, learning outcomes among children.

Annexure – IV (Contd.)

Brief details of CSR amounts spend on the said projects / initiatives are mentioned hereunder:

Sr. No.	CSR Project or activity identified	Sector in which the Project / initiatives is covered (schedule VII of the Companies Ac, 2013)	Projects or programs local Area or other specify the state and districts where projects were undertaken	Amount outlay (budget) project or programs	Amount spent: Direct or through implementing agency
(i)	Indian Council of Medical Research (ICMR)	ix(b)	PAN India	21,291,744	Direct
(ii)	YUVA Unstoppable	ii	Punjab, Delhi, Haryana, Karnataka, Uttar Pradesh, Maharashtra, Rajasthan	24,990,945	Implementing Agency

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year (FY 23)	Number of meetings of CSR Committee attended during the year (FY 23)
1.	Mr. Indrajit Banerjee	Member (Independent Director)	3	3
2.	Mr. Ravi Rajagopal	Member (Independent Director)	3	3
3.	Dr. Ashutosh Raghuvanshi	Member (Managing Director)	3	3

3. PROVIDE THE WEB-LINK(S) WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY.

https://www.fortishealthcare.com/drupal-data/2023-04/Composition%20of%20Committees%20as%20on%20March%2021%2C%202023.pdf

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE: Not applicable

5.

a. Average net profit of the Company as per sub-section (5) of section 135. ₹ 2,331,634,466/-

b. Two percent of average net profit of the Company as per sub-section (5) of section 135. ₹ 46,632,689/-

c. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. NIL

d. Amount required to be set-off for the financial year, if any. NIL

e. Total CSR obligation for the financial year [(b)+(c)-(d)]. ₹ 46,632,689/-

6.

a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹ 46,282,689/-

b. Amount spent in Administrative Overheads. ₹ 350,000/-

c. Amount spent on Impact Assessment, if applicable. Not Applicable

d. Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹ 46,632,689/-

Annexure – IV (Contd.)

e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
46,632,689/-	-	-	-	-	-

f. Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
i	Two percent of average net profit of the Company as per sub-section (5) of section 135	46,632,689/-
ii	Total amount spent for the Financial Year	46,632,689/-
iii	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
iv	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
v	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS: Not Applicable

1	2	3	4	5	6		7	8
S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY-1	-	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-	-

Annexure – IV (Contd.)

8. WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:

☐ Yes ☑ No

If Yes, enter the number of Capital assets created / acquired

-

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property of asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
	-	-	-	-	-	-	-

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office / Municipal Corporation / Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PERCENT OF THE AVERAGE NET PROFIT AS PER SUB- SECTION (5) OF SECTION 135: Not Applicable

Sd/-
Ashutosh Raghuvanshi
Managing Director & CEO
DIN: 02775637

Sd/-
Ravi Rajagopal
Chairman of CSR Committee
DIN: 00067073

Date: May 23, 2023

REPORT ON CORPORATE GOVERNANCE

1. INTRODUCTION

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

2. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Corporate Governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our Corporate Governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate Governance ensures fairness, transparency and integrity of the management. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. As a part of growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company has for set itself the objective of expanding its capacities and becoming globally competitive in its business. The Company not only adheres to the prescribed Corporate Governance practices as per the Listing Regulations but is also committed to sound Corporate Governance principles and practices. It constantly strives to adopt emerging best practices being followed worldwide. It is our endeavor to achieve higher standards and provide oversight and guidance to the management in strategy implementation, risk management and fulfilment of stated goals and objectives.

3. BOARD OF DIRECTORS - COMPOSITION OF THE BOARD

The Board of Directors ("the Board") is at the core of the Company's Corporate Governance practices and oversees how management serves and protects the long-term interests of its stakeholders. It is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. The Board is committed to the goal of sustainably elevating the Company's value creation.

Our policy towards the composition of Board is to have an appropriate mix of Executive, Non-Executive, Women and Independent Directors, representing a judicious mix of professionalism, diversity and wide spectrum subject to specific competence in areas critical to the organisation, knowledge and experience.

This helps to drive value-based guidance whilst maintaining the independence of the Board and to separate its function of Governance and Management.

As on March 31, 2023, the Board consisted of 10 (Ten) Members, of which 1 (One) was an Executive Director (Managing Director & CEO) and rest all being Non-Executive Directors. Out of the 9 (Nine) Non-executive Directors, 4 (Four) were Independent Directors including 2 (Two) Woman Independent Directors. The Non-Executive Directors bring an external and wider perspective in Board's deliberation and decisions.

The size and composition of the Board conforms to the requirements of Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations' in this report) and the Companies Act, 2013. Other details relating to the Directors as on March 31, 2023 are as follows:

Name of the Director	Position held in the Company	Directorship in other Companies@	Membership of the Committee in Companies#	Chairmanship of the Committee in Companies#	Name of the Indian Listed Entity in which holding other directorship$
Mr. Ravi Rajagopal	Non-Executive Chairman and Independent Director	3	2	0	Fortis Malar Hospitals Limited
Dr. Ashutosh Raghuvanshi	Managing Director and CEO	3	2	1	-
Mr. Dilip Kadambi	Non-Executive Director	2	0	0	-
Mr. Heng Joo Joe Sim	Non-Executive Director	0	0	0	-
Mr. Indrajit Banerjee	Independent Director	4	3	1	Endurance Technologies Limited
Mr. Joerg Ayrle	Non-Executive Director	0	1	0	-
Dr. Kelvin Loh Chi Keon[1]	Non-Executive Director	2	0	0	-
Ms. Shailaja Chandra	Independent Director	4	4	1	Fortis Malar Hospitals Limited & Birla Corporation Limited
Ms. Suvalaxmi Chakraborty	Independent Director	4	3	1	-
[2]Mr. Tomo Nagahiro	Non-Executive Director	0	0	0	-
[2]Mr. Mehmet Ali Aydinlar	Non-Executive Director	0	0	0	-
[3]Dr. Farid Bin Mohamed Sani	Non-Executive Director	0	0	0	-
[3]Mr. Takeshi Saito	Non-Executive Director	0	0	0	-

@ *Excluding Foreign Companies, Limited Liability Partnerships and Companies formed under Section 8 of Companies Act, 2013.*

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

$ *holds position as Independent Directors.*

1 *Resigned as Directors w.e.f. February 22, 2023.*

2 *Appointed as Additional Director by the Board of the Company on March 28, 2023.*

3 *Resigned as Directors w.e.f March 28, 2023.*

Post closure of the financial year, the Board of Directors had appointed Mr. Lim Tsin-Lin as an Additional Director on the Board of the Company w.e.f May 04, 2023.

None of the Directors on Board of the Company is a member in more than 10 (Ten) Committees and / or act as a Chairman / Chairperson of more than 5 (Five) Committees across all the Companies in which he / she is a Director. Further, no independent director serves in more than 7 (seven) listed companies and none of the person who is serving as whole time director in the Company is serving as an independent director in more than 3 (Three) listed companies.

None of the Directors, as on date, are related to one another.

Further, the Board has identified the following core skills / expertise / competencies as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.

Core skills / Expertise	Mr. Ravi Rajagopal	Dr. Ashutosh Raghuvanshi	Mr. Dilip Kadambi	Mr. Heng Joo Joe Sim	Mr. Indrajit Banerjee	Mr. Joerg Ayrle	Mr. Lim Tsin Lin	Mr. Mehmet Ali Aydinlar	Ms. Shailaja Chandra	Ms. Suvalaxmi Chakraborty	Mr. Tomo Nagahiro
People of proven business capability, people of integrity and reputation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Experience in handling senior level responsibility (especially in large complex organisations) either business or otherwise	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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Core skills / Expertise	Mr. Ravi Rajagopal	Dr. Ashutosh Raghuvanshi	Mr. Dilip Kadambi	Mr. Heng Joo Joe Sim	Mr. Indrajit Banerjee	Mr. Joerg Ayrle	Mr. Lim Tsin Lin	Mr. Mehmet Ali Aydinlar	Ms. Shailaja Chandra	Ms. Suvalaxmi Chakraborty	Mr. Tomo Nagahiro
Ensure members are from diverse background that bring different perspective and experiences	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Exposure and understanding of Corporate Governance, systems and control	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Altleast some members to have capability and experience in healthcare industry	-	✓	✓	✓	-	-	-	✓	✓	-	✓
Background in finance, risk management and control	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓

Disclosure regarding appointment or re-appointment of Directors

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

During the FY 23, the Board of Directors had on the recommendation of the Nomination and Remuneration Committee approved re-appointment of Mr. Ravi Rajagopal, Mr Indrajit Banerjee and Ms. Suvalaxmi Chakraborty as Independent Directors of the Company for a second term of five years effective from April 27, 2023 and the same was also approved by the shareholders of the Company at the Annual General Meeting of the Company held on August 01, 2022. Further, the Board of Directors on the recommendation of the Nomination and Remuneration Committee approved the appointment of Mr. Tomo Nagahiro and Mr. Mehmet Ali Aydinlar as Additional Director(s) (Non-Executive & Non-Independent) with effect from March 28, 2023. Further, their appointment have also been regularised by the shareholders by way of ordinary resolution through postal ballot on May 10, 2023.

Dr. Kelvin Loh Chi-Keon resigned from the position of Non-Executive & Non-Independent Director of the Company with effect from February 22, 2023. Mr. Takeshi Saito and Dr. Farid Bin Mohamed Sani resigned from the position of Non-Executive & Non-Independent Director(s) of the Company with effect from March 28, 2023.

Post closure of the financial year, the Board of Directors had appointed Mr. Lim Tsin-Lin as an Additional Director on the Board of the Company w.e.f May 04, 2023. As per regulation 17(1C) of SEBI LODR, the Company has Bought approval of shareholders for appointment of Mr. Lim Tsin-Lin on the Board of the Company by way of a Postal Ballot dated May 23, 2023.

The details of changes in the Board of Directors are forming part of this report.

Mr. Heng Joo Joe Sim and Mr. Joerg Ayrle are liable to retire by rotation at the forthcoming Annual General Meeting of the Company.

Profile of the directors seeking re-appointment are provided in the Notice convening the ensuing Annual General Meeting.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, all the Independent Directors hold office for a tenure of five consecutive years and are not liable to retire by rotation. In the opinion of the Board of Directors, the independent directors fulfil the conditions specified in the relevant listing regulations and are independent of the management.

Board Functioning and Procedure

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

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

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

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

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

Familiarisation Programs for Independent Directors

Independent Directors inducted on the Board are given a formal introduction about the Company and its operations. This is enabled through a meeting with the Managing Director and members of senior management team. The objective is to provide them an insight about the industry in which the Company operates and comprehensive information about Company's business, its operations and management.

Various familiarisation initiatives are carried out throughout the year on an on-going basis which include comprehensive update at Board and Committee meetings on Company's performance and industry scenario, and information on specific functions/ departments through presentations by senior executives and hospital visits. Further, an analysis on amendments in corporate laws and regulations applicable to the Company including its implications thereof are also compiled and circulated for information of Board members.

The aim of familiarisation programmes is to give independent directors an update on:

i. the industry in which the Company operates;

ii. Business strategy and financial model of the Company;

iii. Risk management;

iv. Important developments in legal and auditing matters;

v. Change in government policies having impact on the business;

vi. Development in statutory compliances; and

vii. Development in business undertaken by the Company.

The Directors have unrestricted access to information and are free to interact with the senior management officials/ Key Managerial Personnel. Such forums provide an opportunity to the Board members to interact with project/ functional teams which gives an insight from business perspective and provides a platform for the management to receive strategic inputs from the directors. The time devoted by each of the Independent Directors on such forums are not included in the details of familiarisation program published.

Details of familiarisation initiatives undertaken by the Company are made available on the website of the Company at https://www.fortishealthcare.com/drupal-data/2023-06/Familiarization%20Program%202022-23.pdf

The details of Board Evaluation including criteria for evaluation of Independent Directors form part of Board's Report.

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

During the year under review, Five (5) Board Meetings were held on (i) May 25, 2022 (ii) August 05, 2022 (iii) November 11, 2022 (iv) February 10, 2023 and (v) March 31, 2023.

The following table gives the attendance record of the directors at the above said Board meetings and also at the last Annual General Meeting, which was held on August 01, 2022.

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S. No.	Name of the Director	No. of Board Meetings attended	Attendance at last AGM
1.	Mr. Ravi Rajagopal	5	Yes
2.	Dr. Ashutosh Raghuvanshi	5	Yes
3.	[1]Dr. Kelvin Loh Chi Keon	3	Yes
4.	Mr. Dilip Kadambi	5	Yes
5.	[2]Dr. Farid Bin Mohamed Sani	1	Yes
6.	Mr. Heng Joo Joe Sim	5	Yes
7.	Mr. Indrajit Banerjee	5	Yes
8.	Mr. Joerg Ayrle	5	Yes
9.	Ms. Shailaja Chandra	5	Yes
10.	Ms. Suvalaxmi Chakraborty	5	Yes
11.	[2]Mr. Takeshi Saito	3	Yes
12.	[3]Mr. Tomo Nagahiro	1	NA
13.	[3]Mr. Mehmet Ali Aydinlar	1	NA

[1] *Resigned with effect from February 22, 2023.*

[2] *Resigned with effect from March 28, 2023.*

[3] *Appointed with effect from March 28, 2023.*

Save as elsewhere provided in this report, the information / documents as required under Listing Regulations, to the extent applicable, were placed before the Board.

Statutory Compliances

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

Code of Conduct

The Board has prescribed a Code of Conduct ("the Code") for all employees of the Company including Senior Management and Board Members, which covers the ethics, transparency, behavioral conduct, a gender friendly workplace, legal compliance and protection of the Company's property and information. Further, in terms of Schedule IV of Companies Act, 2013, the Company has adopted an additional code of conduct for the Independent Directors. Both the codes are hosted on the website of the Company. In terms of Listing Regulations, the Senior Management and Board Members have confirmed the compliance with the Codes for the year ended on March 31, 2023. A declaration to this effect signed by the Managing Director and CEO of the Company, forms part of this Report.

4. COMMITTEES OF THE BOARD

In terms of Listing Regulations and the Companies Act, 2013, the Board has constituted 5 (Five) Committees viz. Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

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

A. Audit Committee

➢ **Composition**

As on March 31, 2023, Audit Committee comprised of the following members, namely:

(i) Ms. Suvalaxmi Chakraborty, Chairperson;

(ii) Mr. Indrajit Banerjee;

(iii) Mr. Joerg Ayrle; and

(iv) Ms. Shailaja Chandra

All members of the Committee are financially literate and have requisite accounting and financial management expertise. Company Secretary, acts as the Secretary to the Audit Committee.

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

- to review, with the management, the financial statements and auditor's report thereon before submission to the board for approval,
- to review management discussion and analysis of financial condition and results of operations,
- to review the financial statements, in particular, the investments made by the unlisted subsidiary company(ies),

- to review and approve all related party transactions as reported by the Management or any subsequent modification thereof,
- to review, with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter,
- to scrutinise the inter corporate loans and investments,
- to review valuation of undertakings or assets of the Company, wherever it is necessary and appointment of valuer(s),
- to recommend appointment, remuneration and terms of appointment of auditors of the Company after taking into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as auditor,
- to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- to review and oversee the Whistle Blower mechanism, and
- to approve appointment of CFO.

The detailed and exhaustive Mandate of the Audit Committee reflecting the terms of reference and responsibilities for the Committee is available on the website of the Company for reference at https://www.fortishealthcare.com/drupal-data/investors/0.50340400_1507181603_Audit-%26-Risk-Management-Committee-Mandate.pdf

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

➢ **Meetings of Audit Committee during the year**

Seven (7) Meetings of the Audit Committee were held during the year under review on (i) May 25, 2022 (ii) June 10, 2022 (iii) August 05, 2022 (iv) November 10, 2022 (v) November 25, 2022 (vi) February 09, 2023 and (vii) March 30, 2023.

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

Sr. No.	Name of the Member	No. of meetings attended
1.	Ms. Suvalaxmi Chakraborty, Chairperson	7
2.	[1]Mr. Dilip Kadambi	4
3.	Mr. Indrajit Banerjee	7
4.	Mr. Joerg Ayrle	7
5.	[1]Mr. Ravi Rajagopal	4
6.	Ms. Shailaja Chandra	7

[1] Ceased to be Member w.e.f. March 01, 2023.

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

B. Risk Management Committee

➢ **Composition**

As on March 31, 2023, Risk Management Committee comprised of the following members, namely:

(i) Mr. Heng Joo Joe Sim, Chairperson;

(ii) Dr. Ashutosh Raghuvanshi;

(iii) Mr. Anil Vinayak;

(iv) Dr. Bishnu Panigrahi; and

(v) Ms. Shailaja Chandra.

The Company Secretary, acts as the Secretary of the Risk Management Committee.

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

- to review and amend risk management policy and procedures,

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- to monitor the Company's risk profile including but not limited to strategic, financial, operational, people, medical, information technology (including cyber security), regulatory, safety, i.e. on-going and potential exposure to various risks both medical and non-medical,
- to take periodic review from Management Risk Committee on the key risk assessed and their mitigation plans. Further, to call upon the members of the Management Risk Committee of the Company for specific updates;
- to obtain reasonable assurance from the Management that all known and emerging risks have been identified;
- to review the measures / action plan taken by the management to mitigate the key / material / existing and emerging risks, deliberate upon the specific actions proposed for risk mitigation and provide inputs where considered necessary;
- to review and assess the effectiveness of the Company's risk assessment process and recommend improvement wherever appropriate;
- to communicate with Audit Committee at least once a year to exchange information and coordinate on issues related to risks and internal controls;
- to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity; and
- to carry out such other functions as may be delegated by the Board from time to time.

The detailed and exhaustive Mandate of the Risk Management Committee reflecting the terms of reference and responsibilities for the Committee is available on the website of the Company for reference at https://www.fortishealthcare.com/drupal-data/investors/Risk%2BManagement%2BCommittee%2BMandate.pdf

➢ **Meetings of Risk Management Committee during the year**

Two (2) Meeting of the Risk Management Committee were held during the year under review on July 07, 2022 and December 06, 2022.

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

Sr. No.	Name of the Member	No. of meetings attended
1.	Mr. Heng Joo Joe Sim, Chairperson	1
2.	Dr. Ashutosh Raghuvanshi	2
3.	Mr. Anil Vinayak	2
4.	Dr. Bishnu Panigrahi	2
5.	Ms. Shailaja Chandra	2

Chief Financial Officer and Head- Risk and Internal Audit are invited to the meetings of the Committee.

C. Stakeholders Relationship Committee

➢ **Composition**

As on March 31, 2023, the Stakeholders Relationship Committee comprised of the following members, namely:

(i) Ms. Shailaja Chandra, Chairperson;

(ii) Mr. Indrajit Banerjee; and

(iii) Dr. Ashutosh Raghuvanshi

The Company Secretary, acts as the Secretary to the Stakeholders Relationship Committee and the Compliance Officer pursuant to Listing Regulations.

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

- to issue the Share Certificates under the seal of the Company, which shall be affixed in the presence of and signed by any two Directors (including Managing or Whole-time Director, if any), and Company Secretary / Authorised Signatory;
- to authorise affixation of the Common Seal of the Company on Share Certificates of the Company;

- to monitor redressal of stakeholder's complaints / grievances including relating to non-receipt of allotment / refund, transfer / transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends etc; and
- to authorise to maintain, preserve and keep in its safe custody all books and documents relating to the issue of share certificates, including the blank forms of share certificates.

The detailed and exhaustive Mandate of the Stakeholders Relationship Committee reflecting the salient terms of reference and responsibilities is available for reference on the website of the Company at https://www.fortishealthcare.com/drupal-data/2023-06/Stakeholder%20Relationship%20Committee%20Mandate.pdf.

➢ Meetings of Stakeholders Relationship Committee during the year

Four (4) meetings of Stakeholders Relationship Committee were held during the year ended March 31, 2023 on (i) May 23, 2022 (ii) August 05, 2022 (iii) November 10, 2022 and (iv) February 09, 2023.

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

Sr. No.	Name of the Member	No. of meetings attended
1.	Ms. Shailaja Chandra, Chairperson	4
2.	Mr. Indrajit Banerjee	4
3.	Dr. Ashutosh Raghuvanshi	4

➢ Details of Investors' Grievances received during the FY 23:

Nature of Complaints	Pending as on April 01, 2022	Received during the year	Resolved / attended during the year	Pending as on March 31, 2023	Complaints not solved to the satisfaction of shareholder
Non-receipt of Dividend warrants / non-receipt of Annual Reports / Non-receipt of Securities / Non-receipt of securities after transfer / clarification regarding shares / others etc.	0	15	15	0	0
Total	**0**	**15**	**15**	**0**	**0**

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

D. Corporate Social Responsibility Committee

➢ Composition

As on March 31, 2023, Corporate Social Responsibility Committee comprised of the following members, namely:

(i) Dr. Ashutosh Raghuvanshi;

(ii) Mr. Indrajit Banerjee; and

(iii) Mr. Ravi Rajagopal.

At every meeting, the chairperson is elected with mutual consent of the members present.

The Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.

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

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

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- reviewing the various proposals of CSR programmes / projects as submitted by CSR department of the Company and if thought fit, approval thereof, provided that the same is within the framework of CSR Policy;
- identification and appointment of various eligible agencies / entities for execution of CSR programmes or projects of the Company;
- fix the schedule of implementation of CSR projects and programmes and supervise and review the same;
- liaising with management on the Company's corporate social responsibility program, including significant sustainable development, community relations and procedures;
- satisfying itself that management of the Company monitors trends and emerging issues in the corporate social responsibility field and evaluates the impact on the Company;
- scheduling reports from CSR Departments and / or various eligible agencies or entities on the Company's corporate social responsibility performance to assess the effectiveness of the corporate social responsibility program;
- identifying the principal areas of risks and impacts relating to corporate social responsibility and ensuring that sufficient resources are allocated to address these liabilities;
- reviewing the Company's corporate social responsibility performance to assess the effectiveness of the Company's corporate social responsibility program and to determine whether the Company is taking all appropriate action in respect of those matters and has been duly diligent in carrying out its responsibilities and to make recommendations for improvement, where appropriate;
- recommendation of the amount of expenditure to be incurred on the CSR activities as per the framework of CSR Policy; and
- reviewing the annual budget for the Company's CSR activities to confirm that sufficient funding is provided for compliance with this mandate.

The detailed and exhaustive mandate of the Corporate Social Responsibility Committee reflecting the salient terms of reference and responsibilities for the Committee is available on the website of the Company for reference at https://www.fortishealthcare.com/drupal-data/investors/Corporate%2BSocial%2BResponsibility%2BPolicy%2B2022.pdf

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

3 (Three) Meetings of Corporate Social Responsibility Committee were held during the year ended March 31, 2023 on (i) May 23, 2022, (ii) March 13, 2023 and (iii) March 26, 2023.

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

Sr. No.	Name of the Member	No. of meetings attended
1.	Dr. Ashutosh Raghuvanshi	3
2.	Mr. Indrajit Banerjee	3
3.	Mr. Ravi Rajagopal	3

E. Nomination and Remuneration Committee

➢ **Composition**

As on March 31, 2023, the Nomination and Remuneration Committee comprised of the following members:

(i) Mr. Indrajit Banerjee, Chairperson;

(ii) Mr. Heng Joo Joe Sim; and

(iii) Ms. Shailaja Chandra

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

- assist in identifying and finalising suitable candidates as members of the Board and recommendation of compensations norms;
- assist the Board in discharging its responsibilities relating to compensation of the Company's Directors, Key Managerial Personnel (KMPs) and other employees;

- formulate the criteria for determining qualifications, positive attributes and independence of a director and for performance evaluation of the Board, its directors on the Board and its Committees;
- formulate criteria for the Company's nomination process for appointment of KMP's and Senior Management (SMs);
- recommend appointment and removal of Directors and KMP;
- recommend a policy on Board;
- devising of remuneration policy and Board diversity policy for the Board Members;
- monitor and Evaluation of Board Evaluation Framework;
- identification of the persons who may be appointed in senior management, evaluation of performances of Key Managerial Personnel, monitoring their compensation packages, employment arrangements and remuneration policy;
- review and approve succession and emergency preparedness plan for the Key Managerial Personnel and all senior Management personnel;
- review grant of stock options or pension rights to the employees under different ESOP Plans of the Company;

The detailed and exhaustive Mandate reflecting the salient terms of reference and responsibilities for the Nomination and Remuneration Committee is available on the website of the Company for reference at https://www.fortishealthcare.com/drupal-data/investors/NRC%2BMandate-January%2B2021.pdf

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

➢ Meetings of Nomination and Remuneration Committee during the year

2 (Two) meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2023. These were held on (i) April 25, 2022 and (ii) July 19, 2022.

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

Sr. No.	Name of the Member	No. of meetings attended
1.	Mr. Indrajit Banerjee	2
2.	[1]Mr. Kelvin Loh Chi-Keon	2
3.	[2]Mr. Heng Joo Joe Sim	NA
4.	Ms. Shailaja Chandra	2

[1] *Ceased to be Member w.e.f. February 22, 2023.*

[2] *Appointed as Member w.e.f. March 21, 2023.*

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

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

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

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

Non-Executive Independent Directors may be paid remuneration upto ₹ 70,00,000 each per annum and upto ₹ 90,00,000 per annum to the Chairman, if he is Independent or commission upto 1% of the Net Profits of the Company plus applicable taxes, calculated in accordance with the provisions of Section 198 of Companies Act, 2013, as approved by the shareholders at Annual General Meeting

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held on July 30, 2021 (valid upto March 31, 2024). For the year under review, the following commission has been paid to Independent Directors:

Sr. No.	Name of the Independent Director	(Amount in ₹)
1.	Mr. Ravi Rajagopal	90,00,000
2.	Mr. Indrajit Banerjee	70,00,000
3.	Ms. Suvalaxmi Chakraborty	70,00,000
4.	Ms. Shailaja Chandra	70,00,000

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

- compensation will be competitive and benchmarked with industry practice;
- compensation will be fully transparent and tax compliant.

The Governance Document for Board which inter alia includes the Remuneration Policy of the Company is made available on the website Company at https://www.fortishealthcare.com/drupal-data/investors/Board%2Bof%2BDirectors%2BGovernance%2BStandards.pdf

➢ Remuneration to Directors

a) Executive Director

Dr. Ashutosh Raghuvanshi was re-appointed as Managing Director and Chief Executive Officer w.e.f. March 19, 2022 for a period of 3 years, and the same was approved at the Annual General Meeting (AGM) of the Company held on July 30, 2021. He has been paid Gross salary of ₹ 8,15,68,246/- during the financial year ended March 31, 2023 as per terms of appointment. Further, in terms of his agreed contract his notice period is 3 months.

The details of his remuneration for the FY 23 are as under:

Sl. No.	Particulars of Remuneration*	(Amount in ₹)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,99,49,998
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16,18,248
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil
2.	Stock Options (in Nos.)	Nil
3.	Sweat Equity	Nil
4.	Commission	Nil
5.	Others	Nil
	Total	**8,15,68,246**

* *Remuneration does not include Employer Contribution to Provident Fund as the same is not covered under Section 17(1) of the Income Tax Act, 1961.*

** *Perquisites include the Car perk, Employer contribution of Provident Fund over and above ₹ 7.5 Lakhs for the year, however perquisite towards the PF and NPS interest accretion ` 3,48,698/- to the respective fund not included.*

b) Non-Executive Directors

During the period under review, sitting fees paid to Non-Executive Directors and their shareholding as on March 31, 2023 is as follows:

S. No.	Name of the Director	Gross Sitting Fees (₹)	Shareholding in the Company as on March 31, 2023 or as on the date of resignation, whichever is earlier
1.	Mr. Ravi Rajagopal	13,00,000	Nil
2.	[1]Dr. Kelvin Loh Chi Keon	5,00,000	Nil
3.	Mr. Dilip Kadambi	9,00,000	Nil
4.	[2]Dr. Farid Bin Mohamed Sani	N.A	Nil
5.	Mr. Heng Joo Joe Sim	6,00,000	Nil
6.	Mr. Indrajit Banerjee	22,00,000	Nil
7.	Mr. Joerg Ayrle	12,00,000	Nil
8.	Ms. Shailaja Chandra	21,00,000	Nil
9.	Ms. Suvalaxmi Chakraborty	13,00,000	Nil
10.	[2]Mr. Takeshi Saito	3,00,000	Nil
11.	[3]Mr. Tomo Nagahiro	1,00,000	Nil
12.	[3]Mr. Mehmet Ali Aydinlar	1,00,000	Nil

[1] Resigned w.e.f. February 22, 2023

[2] Resigned w.e.f. March 28, 2023

[3] Appointed w.e.f. March 28, 2023

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

F. Independent Directors

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

One (1) Meeting of Independent Directors was held during the year on March 31, 2023. All the Independent Directors attended the same.

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

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

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

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

5. SUBSIDIARY COMPANIES

As on April 01, 2023, Fortis Hospitals Limited (FHsL), International Hospital Limited (IHL), Fortis Hospotel Limited (FHTL) and Agilus Diagnostics Limited (Agilus) are considered as Material Subsidiaries and accordingly necessary compliances w.r.t. material subsidiaries have been duly carried out.

The Audit Committee of the Company reviews the financial statements and the investments made by the subsidiary company(ies).

Report on Corporate Governance (Contd.)

The minutes of the Board Meeting(s) of subsidiaries as well as the statement of significant transactions and arrangement entered into by the unlisted subsidiaries, if any, are placed before the Board of Directors of the Company from time to time.

The policy for determining 'material' subsidiaries is available at https://www.fortishealthcare.com/drupal-data/investors/Policy%2BOn%2BMaterial%2BSubsidiary.pdf

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

The Managing Director & CEO and CFO certification as stipulated in Regulation 17(8) of Listing Regulations was placed before the Board along with financial statement(s) for the year ended March 31, 2023. The board reviewed and took note of the same. The said certificate forms part of the Annual Report.

7. GENERAL BODY MEETING(S)

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

Financial Year	Date	Time (IST)	Venue	Special Resolution(s) passed
			Annual General Meetings	
FY 22	August 01, 2022	02.00 P.M.	Through Video Conferencing / Other Audio Visual Means	1. Re-appointment of Mr. Ravi Rajagopal (DIN: 00067073), as an Independent Director of the Company for another period of five years with effect from April 27, 2023. 2. Re-appointment of Mr. Indrajit Banerjee (DIN: 01365405), as an Independent Director of the Company for another period of five years with effect from April 27, 2023. 3. Re-appointment of Ms. Suvalaxmi Chakraborty, (DIN: 00106054), as an Independent Director of the Company for another period of five years with effect from April 27, 2023.
FY 21	July 30, 2021	02.00 P.M.	Through Video Conferencing / Other Audio Visual Means	1. Re-appointment of Dr. Ashutosh Raghuvanshi (DIN:02775637), as Managing Director (designated as 'Managing Director & CEO') of the Company, with effect from March 19, 2022 for a period of three years, not liable to retire by rotation. 2. Payment of Remuneration / Commission to Independent Directors of the Company with effect from April 01, 2021 for a period of 3 years.
FY 20	August 31, 2020	02.00 P.M.	Through Video Conferencing / Other Audio Visual Means	Payment of Commission to all Independent Directors of the Company with effect from April 01, 2019 for a period of 3 years.

Except to the proposal with respect to appointment of Mr. Lim Tsin Lin as a Non Executive Director of the Company and approval of entering into a Composite Scheme of Arrangement between International Hospital Limited, Fortis Hospitals Limited and Fortis Hospotel Limited (collectively referred as wholly-owned subsidiaries) and their respective shareholders and creditors, there is no immediate proposal for passing any resolution through Postal Ballot as on the date of this report.

Details of resolutions passed by way of Postal Ballot.

Pursuant to Regulation 44 of Listing Regulations and Section 108, 110 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, the members of the Company have during the year under review, approved the following resolutions by way of postal ballot.

1. Postal ballot Notice dated May 25, 2022 (result declared on July 01, 2022):

a) Approval for providing financial support to THR Infrastructure Pte Limited up to a maximum amount of SGD 3 Million, by Fortis Healthcare International Pte Limited, an indirect wholly owned subsidiary of the Company (Special Resolution).

For conducting the aforementioned postal ballot / electronic voting exercise, Mr. Mukesh Agrawal of Mukesh Agarwal & Co, Company Secretaries (C.P. No. 3851), was appointed as the Scrutiniser.

Summary of the results of aforementioned Postal Ballot / electronic voting process announced by the Company Secretary of the Company on July 01, 2022:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
To consider appointment of Mr. Tomo Nagahiro (DIN: 10074111) as a Non-Executive Director of the Company.	568,443,128	549,342,345 (96.64%)	19,100,783 (3.36%)
To consider appointment of Mr. Mehmet Ali Aydinlar (DIN: 10073483) as a Non-Executive Director of the Company.	568,443,203	549,341,226 (96.64%)	19,101,977 (3.36%)

2. Postal Ballot Notice dated August 05, 2022 (result declared on September 17, 2022):

a) Approval for amalgamation of Fortis Asia Healthcare Pte Limited ('FAHPL') and Fortis Healthcare International Pte Limited ('FHIPL'), step-down subsidiaries of the Company, including conversion of outstanding intercorporate loan into redeemable preference shares and amendment in terms of the existing redeemable preference shares of FAHPL (Special Resolution).

b) Approval for acquisition of Land and Building adjacent to Fortis Hospital, Anandpur, Kolkata by way of transfer of license to International Hospital Limited, a subsidiary of the Company from Artistery Properties Private Limited (Special Resolution).

For conducting the aforementioned postal ballot / electronic voting exercise, Mr. Mukesh Agrawal of Mukesh Agarwal & Co, Company Secretaries (C.P. No. 3851), was appointed as the Scrutiniser.

Summary of the results of aforementioned Postal Ballot / electronic voting process announced by the Company Secretary of the Company on September 17, 2022:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Approval for amalgamation of Fortis Asia Healthcare Pte Limited ('FAHPL') and Fortis Healthcare International Pte Limited ('FHIPL'), step-down subsidiaries of the Company, including conversion of outstanding intercorporate loan into redeemable preference shares and amendment in terms of the existing redeemable preference shares of FAHPL.	54,47,38,075	54,47,30,037 (99.999%)	8,038 (0.001%)
Approval for acquisition of Land and Building adjacent to Fortis Hospital, Anandpur, Kolkata by way of transfer of license to International Hospital Limited, a subsidiary of the Company from Artistery Properties Private Limited.	54,47,38,098	53,57,40,219 (98.348%)	8,038 (1.652%)

Report on Corporate Governance (Contd.)

Procedure for Voting by Postal Ballot and E-voting

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

The members are required to carefully read the instructions printed in the Postal Ballot Form, fill up the Form, give their assent or dissent on the resolution(s) at the end of the Form and return the duly completed and signed postal ballot form via registered email id so as to reach the scrutiniser before the close of working hours of the last date fixed for the purpose or post their assent or dissent through e-voting module. Postal Ballot Form received after this date, is strictly treated as if the Form has not been received from the member.

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

For the members who opted for e-voting facility, they casted their votes via E-voting portal of Depositories (NSDL or CDSL) or through KTL e-voting system of KFIN Technologies Limited (KFIN) as detailed in Notice of Postal ballot.

The scrutiniser appointed for the purpose scrutinises the postal ballots and e-votes received and submit his consolidated report to the Company. The results are also displayed on the website of the Company- https://www.fortishealthcare.com/investors and the last date for voting is deemed to be the date of passing the resolution(s).

Post closure of financial year, two ordinary resolutions were passed through postal ballot on May 10, 2023 for appointment of Mr. Mehmet Ali Aydinlar and Mr. Tomo Nagahiro as Non Executive Directors of the Company and result of the same were disclosed to stock exchange in accordance with applicable provision.

Summary of the results of Postal Ballot/electronic voting process announced by the Company Secretary of the Company are as under:

Item	**Net Valid Votes Polled (No. of Equity Shares)**	**Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)**	**Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)**
To consider appointment of Mr. Tomo Nagahiro (DIN: 10074111) as a Non-Executive Director of the Company.	568,443,128	549,342,345 (96.64%)	19,100,783 (3.36%)
To consider appointment of Mr. Mehmet Ali Aydinlar (DIN: 10073483) as a Non-Executive Director of the Company.	568,443,203	549,341,226 (96.64%)	19,101,977 (3.36%)

8. DISCLOUSRES

- **Related Parties Transactions**

  The details of transactions with related parties as prescribed in the Listing Regulations, are placed before the Audit Committee periodically. Further, the details of all material transactions if any with related parties, are also disclosed quarterly along with the compliance report on Corporate Governance.

  In the cases of material transaction, the same are pursued under direct guidance of the Audit Committee with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, independent Advisory Committees are constituted and external expert opinion is sought for Board consideration. Further, in accordance with the Listing Regulations, the Company has adopted a Policy on 'Materiality on Related Party Transactions' and the same is viewed at https://www.fortishealthcare.com/investors on 'Materiality on Related Party Transactions.

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

- **Accounting Treatment**

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

- **Compliances by Company**

  The Company has complied with the requirements of the Stock Exchange(s), Securities and Exchange Board of India or other authorities on any matter related to Capital Market during the last 3 (three) years, except, as disclosed from time to time.

  During the under review, there were no non compliance of requirements of Corporate Governance Report of Sub para 2 to 10 of Clause C of Schedule V of SEBI (LODR), 2015.

  There were no penalties levied by the Stock Exchanges during the FY 23.

9. MANAGEMENT

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

10. WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company strongly supports and strives to provide a structured platform via Whistle Blower Policy / Vigil Mechanism for reporting of instances of alleged wrongful conduct or gross waste or misappropriation of funds including instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Through this Policy, the Company seeks to provide a procedure for all the employees, Directors and other stakeholders of the Company to report concerns about unethical and improper practice taking place in the Company and provide for adequate safeguards against victimisation of Director(s) / employee(s) / Stakeholder(s) who avail of the mechanism and also provide for direct access to the Chairperson of the Audit Committee, in exceptional cases. It protects employees, officers and Directors who in, good faith, raise a concern about irregularities within the Company. It is hereby confirmed that no personnel have been denied access to the Audit Committee. The Company has adopted a Whistle Blower Policy in line with the requirements laid down under Companies Act, 2013 and Listing Regulations. The same is available at https://www.fortishealthcare.com/drupal-data/investors/Whistle%2BBlower%2BPolicy.pdf

Code of conduct for Prevention on Insider Trading

Code of Conduct for Prevention of Insider Trading of the Company, as approved by the Board of Directors, inter alia, lays down the procedure for dealing in securities of the Company by Directors, Designated Employees and other employees while in possession of unpublished price sensitive information in relation to the Company and its

Report on Corporate Governance (Contd.)

disclosure thereto The same is available at https://www.fortishealthcare.com/drupal-data/investors/FHL%2BPolicy%2Bon%2BProhibition%2Bof%2BInsider%2BTrading-%2BAugust%2B2021%28New%29.pdf

11. MEANS OF COMMUNICATION

a) **Quarterly Results:** The Company's quarterly / half yearly / annual financial results are sent to the Stock Exchanges and generally published in Financial Express (English) and Rozana Spokesman (Punjabi).

The Company also sends an email to its members after declaration of quarterly / yearly results, in order to update them about the Company's quarterly and yearly performance and some of the significant developments.

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

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

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

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

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

g) **Designated Exclusive email-id:** The Company has designated the following email-id for investor servicing: secretarial@fortishealthcare.com. Investors can also mail their queries to Registrar and Transfer Agent at einward.ris@kfintech.com.

12. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date of AGM

The Annual General Meeting of the Company for the FY 23 is proposed to be held on Tuesday, August 01, 2023 at 2:00 P.M. (IST) through Video Conferencing or other Audio-Visual means.

(i) **Financial Year of the Company** is starting from April 01 and ending on March 31 of next year.

(ii) **Dividend payment date:** On or before August 30, 2023

(iii) **Financial calendar 2023-24 (tentative & subject to change)**

S. No.	Tentative Schedule	Tentative Date (On or Before)
1	Financial Reporting for the quarter ended June 30, 2023	August 14, 2023
2	Financial Reporting for the quarter ending September 30, 2023	November 14, 2023
3	Financial Reporting for the quarter ending December 31, 2023	February 14, 2024
4	Financial Reporting for the quarter ending March 31, 2024	May 30, 2024
5	Annual General meeting for the year ending March 31, 2024	On or before September 30, 2024

Report on Corporate Governance (Contd.)

(iv) Listing on Stock Exchanges

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

- National Stock Exchange of India Limited (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400051
- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

The Company has paid listing fees to above stock exchanges for the FY 24 and there are no outstanding payments as on date.

(v) Stock code of Equity Shares

Trade symbol at National Stock Exchange of India Limited is FORTIS.

Scrip Code at BSE Limited is 532843

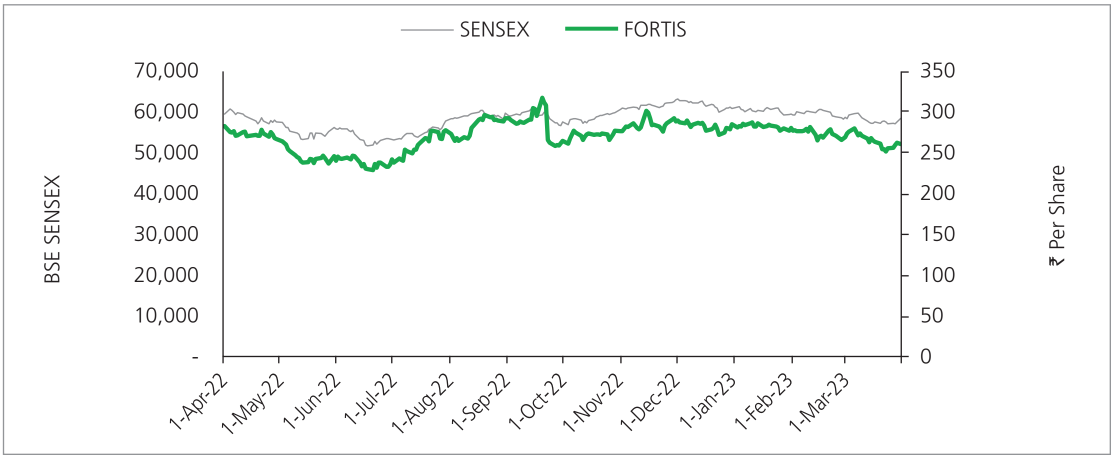
ISIN for equity is INE061F01013

(vi) Stock market Data

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

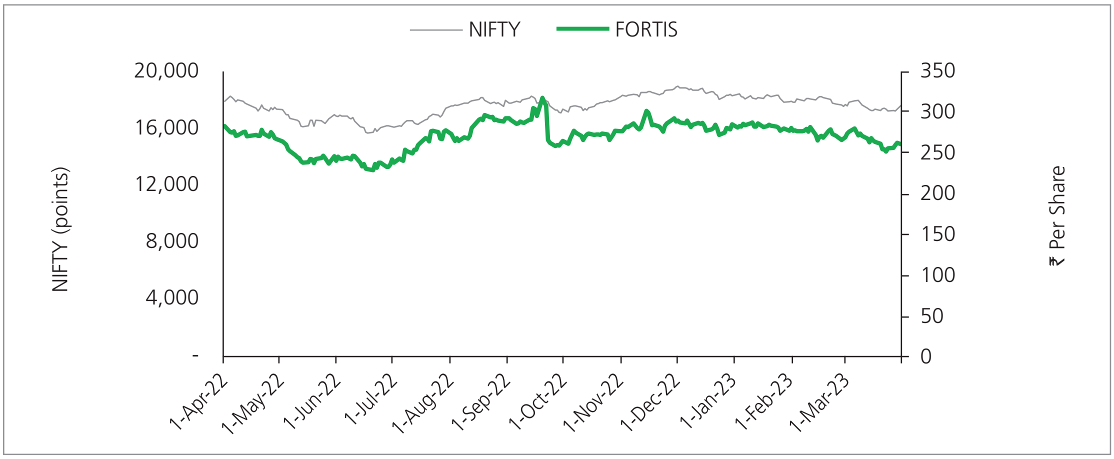
Month	Share Price on BSE (₹)		Share Price on NSE (₹)	
	High	Low	High	Low
Apr-22	284	267	284	267
May-22	264	235	264	235
Jun-22	245	226	245	226
Jul-22	278	236	278	236
Aug-22	299	265	299	264
Sep-22	321	258	321	258
Oct-22	278	261	278	261
Nov-22	305	277	304	277
Dec-22	291	272	291	272
Jan-23	288	277	288	217
Feb-23	283	266	283	265
Mar-23	281	251	281	251

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



Report on Corporate Governance (Contd.)

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



(vii) Registrar and Transfer Agent

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

M/s. KFIN Technologies Limited
Selenium, Tower B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally Mandal
Hyderabad-500032
Toll Fee No.: 1-800 309 4001
E-mail: einward.ris@kfintech.com

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

(viii) Nomination Facility

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

As on March 31, 2023, 75,41,47,695 Equity shares representing 99.89%% of the paid-up Equity Share Capital of the Company have been dematerialised.

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

(ix) Elimination of Duplicate Mailing

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

(x) Share Transfer System

The Company's share transfer authority has been delegated to the officials of the Company. The delegated authority(ies) attend the share transfer formalities to expedite all matters relating to transfer, transmission, transposition, split and re-materialisation of shares and take on record status of redressal of Investors' Grievance, etc., if any. Further in terms of Regulation 40 of Listing Regulations, the board of directors of a listed entity may delegate the power for certain activities to a committee or to compliance officer or to the registrar to an issue and / or share transfer agent(s). The Board of Directors of the Company has authorised M/s. KFIN Technologies Limited (formerly known as KFIN Technologies Private Limited), Registrar and Transfer Agent of the Company for approving certain activities on behalf of the Company upto a threshold limit. Further, any request beyond the specified limit is approved by the Stakeholders Relationship Committee and subsequently placed before the Board for its noting.

As per the requirements of Regulation 7 of Listing Regulations, the Company has obtained the yearly certificates from Compliance Officer and authorised representative of share transfer agent for due compliance of share transfer formalities.

(xi) Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit as stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018) (erstwhile Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996) was carried out by a Practicing Company Secretary for each of the quarter in the FY 23, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit Reports (the Audit report) confirm that the total issued / subscribed paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with the depositories. Such Audit Report for each quarter of the FY 23, has been filed with Stock Exchanges within Thirty days from the end of the respective quarter.

(xii) Details of Demat Suspense Account - To be updated

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

i. Aggregate Number of the Shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 01, 2022: 48 shareholders and 4,677 shares.

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

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

iv. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2023: 48 shareholders and 4,677 shares.

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

(xiii) Share Dematerialisation System and Liquidity

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

Further, w.e.f. April 01, 2019, as per the circular issued by SEBI, no transfer can be affected in physical form.

(xiv) Details on Outstanding Securities as on March 31, 2023 and details of commodity price risk, foreign exchange risk & hedging activity

As on March 31, 2023, the Company has not issued any GDRs, ADRs, Warrants or any other convertible instruments. No FCCBs stand outstanding in the Books of the Company as on date.

Details of commodity price risk, foreign exchange risk & hedging activity (commodity or otherwise), as applicable, during the financial year under review are provided in notes to accounts which forms part of the Annual Report. It is hereby confirmed that the Company is not involved in commodity and / or derivative market.

Report on Corporate Governance (Contd.)

(xv) Distribution of Shareholding as on March 31, 2023

S No	Category	No. of Shareholders	% of Share Holders	% of Total Paid up share Capital
1	1 - 5,000	1,26,895	92.02	1.40
2	5,001 - 10,000	5,338	3.87	0.56
3	10,001 - 20,000	2,490	1.81	0.51
4	20,001 - 30,000	905	0.66	0.31
5	30,001 - 40,000	445	0.32	0.21
6	40,001 - 50,000	350	0.25	0.22
7	50,001 - 1,00,000	592	0.43	0.60
8	1,00,001 & Above	879	0.64	96.18
	Total:	**1,37,894**	**100.00**	**100.00**

(xvi) Shareholding pattern as on March 31, 2023

Sno	Description	No. of Shareholders	Total Shares	% of Total Paid up Share Capital
1	Foreign Promoters	1	235,294,117	31.17
2	Mutual Funds	19	131,198,351	17.38
3	Alternative Investment Fund	6	366,981	0.05
4	Banks	2	9,000,015	1.19
5	Qualified Institutional Buyer	4	15,655,044	2.07
6	Nbfc	6	19,100	0.00
7	Foreign Portfolio - Corp	240	235,720,547	31.23
8	Employees	26	241,341	0.03
9	Resident Individuals	131,907	90,757,444	12.02
10	Trusts	1	100	0.00
11	Non Resident Indian Non Repatriable	882	533,787	0.07
12	Non Resident Indians	1,330	913,967	0.12
13	Foreign Nationals	1	5,000	0.00
14	Foreign Collaborators	1	670,194	0.09
15	Bodies Corporates	751	32,637,763	4.32
16	Resident Individuals	1	150	0.00
17	Trusts	6	51,692	0.01
18	Clearing Members	24	11,351	0.00
19	H U F	2,686	1,881,204	0.25
	Total:	**137,894**	**754,958,148**	**100.00**

(xvii) Lock-in of Equity Shares

As on March 31, 2023, no Equity shares of the Company are under lock in, however out of 23,52,94,117 Equity Shares of the Company, held by Northern TK Ventures Pte Limited, Promoter, 15,09,90,390 Equity Shares were under lock-in upto January 04, 2022 in terms of the regulatory requirements and the same have been unlocked.

(xviii) Employee Stock Option

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

(xix) Hospitals / Unit(s) / Location(s)

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

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

Fortis Hospital
Arcot Road, Vadapalani, Chennai, 600026

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

Fortis O P Jindal Hospital, Raigarh (a Fortis network hospital)
Fortis O P Jindal Hospital, Patrapali, Near JSPL Plant, Kharsia Road, Raigarh - 492001, Chhattisgarh

S L Raheja Hospital, Mumbai (a Fortis network hospital)
S L Raheja Hospital, Raheja Rugnalaya Marg, Mahim West, Mumbai, Maharashtra 400016

(xx) Shareholders Communication – Address for correspondence

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

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

M/s. KFIN Technologies Limited
Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal
Hyderabad-500032, Toll Fee No.: 1-800 309 4001,
E-mail: einward.ris@kfintech.com

For Investor Assistance

The Company Secretary,
Fortis Healthcare Limited
Tower A, Unitech Business Park,
Block F, South city - 1, Sector - 41,
Gurugram, Haryana - 122001
Telephone No. 0124 4921021
Fax No. 0124 4921041
Email: secretarial@fortishealthcare.com,
Website: www.fortishealthcare.com

Report on Corporate Governance (Contd.)

(xxi) Details of Credit Ratings

List of all credit ratings obtained by the entity and its subsidiaries along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad is as given below:

Entity	Credit Rating Agency	Type of Rating	Rating as on March 31, 2022	Movement February 01, 2023	Rating as on March 31, 2023
Fortis Healthcare Limited	CRISIL	Long Term Loan Facility / (ies)	CRISIL AA- / Watch Developing	CRISIL AA- / Positive	CRISIL AA- / Positive
Fortis Healthcare Limited	CRISIL	Working Capital Facility / (ies)	CRISIL A1+ / Watch Developing	CRISIL A1+ / Positive	CRISIL A1+ / Positive
Fortis Hospitals Limited	CRISIL	Long Term Loan Facility / (ies)	CRISIL AA- / Watch Developing	CRISIL AA- / Positive	CRISIL AA- / Positive
Fortis Hospitals Limited	CRISIL	Working Capital Facility / (ies)	CRISIL A1+ / Watch Developing	CRISIL A1+ / Positive	CRISIL A1+ / Positive
Escorts Heart Institute and Research Centre Limited	CRISIL	Long Term Loan Facility / (ies)	CRISIL AA- / Watch Developing	CRISIL AA- / Positive	CRISIL AA- / Positive
Escorts Heart Institute and Research Centre Limited	CRISIL	Working Capital Facility / (ies)	CRISIL A1+ / Watch Developing	CRISIL A1+ / Positive	CRISIL A1+ / Positive
International Hospital Limited	CRISIL	Long Term Loan Facility / (ies)	CRISIL AA- / Watch Developing	CRISIL AA- / Positive	CRISIL AA- / Positive
International Hospital Limited	CRISIL	Working Capital Facility / (ies)	CRISIL A1+ / Watch Developing	CRISIL A1+ / Positive	CRISIL A1+ / Positive
Fortis Hospotel Limited	CRISIL	Long Term Loan Facility / (ies)	CRISIL AA- / Watch Developing	CRISIL AA- / Positive	CRISIL AA- / Positive
Fortis Hospotel Limited	CRISIL	Working Capital Facility / (ies)	CRISIL A1+ / Watch Developing	CRISIL A1+ / Positive	CRISIL A1+ / Positive

(xxii) Details of Utilisation of funds raised through preferential allotment

The details of utilisation of funds raised through preferential allotment forms part of Notes to Financial Statement which forms part of this Annual Report.

(xxiii) Certificate from Practicing Company Secretary

The Company is in receipt of a certificate from M/s Sanjay Grover & Associates, Practicing Company Secretaries confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The said certificate is attached.

(xxiv) Payments to statutory auditors

Particulars of total fees for all services paid by the listed entity and its subsidiaries (including indirect taxes), on a consolidated basis, to the statutory auditor and all entities in the network firm /network entity of which the statutory auditor is a part is given below:-

(₹ in Lakhs)

Particulars	Amount
Statutory Audit Fees	507.11
Tax Audit	36.53
Limited Reviews	311.99
Other services	22.57
Out of Pocket Expenses	77.48
Total	**955.68**

(xxv) Disclosure(s) in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in the Board's Report.

(xxvi) It is confirmed that there was no instance during FY 23 when the Board had not accepted any recommendation of any committee of the Board.

(xxvii) During the year, Company along with its subsidiaries have not entered into any transaction of Loan and advances in the nature of Loan of firms / Companies in which directors are interested.

(xxviii) Details of material subsidiaries of the Company including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries, are as under:

Name of Material Subsidiary	Date	Place of Incorporation	Name of Statutory Auditors	Date of Appointment
Agilus Diagnostics Limited	July 07, 1995	New Delhi, Delhi	M/s. B S R & Co. LLP	September 26, 2019
Fortis Hospitals Limited	June 18, 2009	Gurgaon, Haryana		September 24, 2019
International Hospital Limited	March 08, 1994	New Delhi, Delhi		August 28, 2020
Fortis Hospotel Limited	January 23, 1990	Mohali, Punjab		September 14, 2020

13. MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance i.e. Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations except elsewhere mentioned in this report.

M/s. Sanjay Grover & Associates, Practicing Company Secretaries has audited the compliances of Corporate Governance and after being satisfied on the same, issued a certificate on compliance to the Company, which forms part of this report.

14. DISCRETIONARY REQUIREMENT UNDER PART E TO SCHEDULE II TO THE LISTING REGULATIONS

A. Separate posts of Chairman and CEO

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

B. Reporting of Internal Auditor

The Head- Risk and Internal Audit reports directly to the Audit Committee.

C. Modified Opinion(s) in Audit Report

The statutory Auditors have issued Audit report with unmodified audit opinion.

D. E- mail Communication to the Members

The Company also sends an email to its members after declaration of quarterly / yearly results, in order update to them about the Company's quarterly and yearly performance and some of the significant developments.

15. GO GREEN INITIATIVE

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

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

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

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Fortis Code of Conduct for the Financial Year ended March 31, 2023.

For & on behalf of Board of Directors

Sd/-

Dr. Ashutosh Raghuvanshi
Managing Director & CEO

Date: May 23, 2023
Place: Gurugram

CERTIFICATE

[As per Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members
Audit Committee/Board of Directors
Fortis Healthcare Limited

Dear Sir(s)/ Madam(s),

We, Dr. Ashutosh Raghuvanshi, Managing Director & Chief Executive Officer and Vivek Kumar Goyal, Chief Financial Officer of the Company, certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

For Fortis Healthcare Limited

Sd/-	Sd/-
Vivek Kumar Goyal	**Dr. Ashutosh Raghuvanshi**
Chief Financial Officer	Managing Director & CEO

Place : Gurugram
Date : May 22, 2023

CORPORATE GOVERNANCE CERTIFICATE

To
The Members
Fortis Healthcare Limited
(CIN: L85110PB1996PLC045933)
Fortis Hospital Sector-62,
Phase-VIII, Mohali, Punjab-160062

We have examined the compliance of conditions of Corporate Governance by **Fortis Healthcare Limited** ("the Company"), for the financial year ended March 31, 2023, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

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

For **Sanjay Grover & Associates**
Company Secretaries
Firm Registration No.: P2001DE052900
Peer Review Certificate No.:1352/2021

Vijay K. Singhal
Partner
CP No.: 10385, M. No.: A21089
UDIN: A021089E000358272

Date: May 23, 2023
Place: New Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
FORTIS HEALTHCARE LIMITED("the Company")
Fortis Hospital Sector-62 Phase-VIII, Mohali Mohali PB 160062 IN

We, Mukesh Agarwal & Co., have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Fortis Healthcare Limited, having CIN L85110PB1996PLC045933and having registered office at Fortis Hospital, Sector-62, Phase-VIII,Mohali -160062, (hereinafter referred to as **"the Company"**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications **(including Directors Identification Number (DIN) status at the portal www.mca.gov.in)** as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Ravi Rajagopal	00067073	April 27, 2018
2.	Ms. Suvalaxmi Chakraborty	00106054	April 27, 2018
3.	Mr. Indrajit Banerjee	01365405	April 27, 2018
4.	Mr. Dilip Kadambi	02148022	June 04, 2020
5.	Dr. Ashutosh Raghuvanshi	02775637	March 19, 2019
6.	Ms. Shailaja Chandra	03320688	June 28, 2020
7.	Mr. Heng Joo Joe Sim	08033111	November 26, 2019
8.	Mr. Joerg Ayrle	09128449	March 31, 2021
9.	Mr. Mehmet Ali Aydinlar	10073483	March 28, 2023
10.	Mr. Tomo Nagahiro	10074111	March 28, 2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **Mukesh Agarwal & Company**

Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN : F005991E000352141

Place: Delhi
Date: 22.05.2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A- GENERAL DISCLOSURES

I. Details of the listed entity

I - 1. Corporate Identity Number (CIN) of the listed entity	L85110PB1996PLC045933
I - 2. Name of the listed entity	Fortis Healthcare Limited
I - 3. Year of incorporation	1996
I - 4. Registered office address	Fortis Hospital, Sector 62, Phase VIII, Mohali-160062, Punjab
I - 5. Corporate address	Tower A, 3rd Floor, Unitech Business Park, South City-1, Gurugram, Haryana- 120001
I - 6. E-mail	secretarial@fortishealthcare.com
I - 7. Telephone	+91-124 4921021
I - 8. Website	www.fortishealthcare.com
I - 9. Financial year for which reporting is being done	2022-2023
I - 10. Name of the Stock Exchange(s) where shares are listed	BSE Limited & National Stock Exchange of India Limited
I - 11. Paid-up Capital	₹ 7,549,581,480
I - 12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.	Ms. Richa Debgupta- SVP- Operations, Chief of Strategy & Group Head- ESG, Email- secretarial@fortishealthcare.com Telephone- +91-124 4921021
I - 13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Yes, the disclosures are made on a consolidated basis for the entity and for all the entities which form a part of its consolidated financial statements.

II. Products/services

II-14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Hospital and Medical Care	Hospital activities	100

II-15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Hospital and Medical Care	861	100

III. Operations

III-16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	0	28	28
International	0	0	0

Remarks: Total 27 hospitals and 1 corporate office

Business Responsibility & Sustainability Report (Contd.)

III-17. Markets served by the entity:a. Number of locations

Locations	Number
National (No. of States)	8
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company has national presence and serves around 8 states across the nation. The Company does not export & thus there is no contribution of exports to the turnover of the entity. The patients, however, include Indian citizens as well as citizens of foreign nationalities, who visit our hospitals in India for availing healthcare services.

c. A brief on types of customers

As the Company alongwith its subsidiaries are operating in the healthcare industry (Hospital & Diagnostics), the type of consumers are largely patients availing healthcare services.

IV. Employees

IV-18. Details as at the end of Financial Year: a. Employees and workers (including differently abled):

No	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
			Employees			
1	Permanent (D)	13010	5499	42.27%	7511	57.73%
2	Other than Permanent (E)	11260	7313	64.95%	3947	35.05%
3	Total employees (D + E)	24270	12812	52.79%	11458	47.21%
			Workers			
1	Permanent (F)	0	0	-	0	-
2	Other than Permanent (G)	0	0	-	0	-
3	Total Workers (F + G)	0	0	-	0	-

IV-18. Details as at the end of Financial Year:b. Differently abled Employees and workers:

No	Particulars	Total(A)	Male		Female	
			No(B)	%(B/A)	No(C)	%(C/A)
			Differently Abled Employees			
1	Permanent (D)	5	3	60.00%	2	40.00%
2	Other than Permanent (E)	0	0	0.0%	0	0.0%
3	Total differently abled employees (D + E)	5	3	60.00%	2	40.00%
			Differently Abled Workers			
1	Permanent (F)	0	0	-	0	-
2	Other than Permanent (G)	0	0	-	0	-
3	Total Workers (F + G)	0	0	-	0	-

IV-19. Participation/Inclusion/Representation of women

	Total(A)	No. and percentage of Females	
		No(B)	%(B/A)
Board of Directors	10	2	20.00%
Key Management Personnel	3	0	0.00%

Remarks: The above details are for the Company only as on March 31, 2023.

IV-20. Turnover rate for permanent employees and workers.(Disclose trends for the past 3 years)

	(Turnover rate in current FY)			(Turnover rate in previous FY)			(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	31.45%	31.45%	31.45%	28.45%	43.42%	36.59%	25.44%	41.18%	33.93%
Permanent Workers	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

V. Holding, Subsidiary and Associate Companies (including joint ventures)

V- 21. (a) Names of holding / subsidiary / associate companies / joint ventures.

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	IHH Healthcare Berhad	Ultimate Holding Company	NA	No
2	Integrated Healthcare Holdings Limited	Intermediate Holding Company	NA	No
3	Parkway Pantai Limited	Intermediate Holding Company	NA	No
4	Northern TK Venture Private Limited	Holding Company	NA	No
5	Hiranandani Healthcare Private Limited	Subsidiary Company	100	No
6	Fortis Hospotel Limited	Subsidiary Company	100	No
7	Fortis La Femme Limited	Subsidiary Company	100	No
8	Agilus Diagnostics Limited	Subsidiary Company	56.95	No
9	Fortis Healthcare International Limited	Subsidiary Company	100	No
10	Fortis Hospitals Limited	Subsidiary Company	100	No
11	Escorts Heart Institute and Research Centre Limited	Subsidiary Company	100	No
12	Fortis CSR Foundation	Subsidiary Company	100	No
13	International Hospital Limited	Subsidiary Company	78.4	No
14	Fortis Health Management Limited	Subsidiary Company	52	No
15	Escorts Heart and Super Speciality Hospital Limited Escorts Heart Institute and Research Centre	Subsidiary Company	48.58	No
16	Fortis Cancer Care Limited	Step down Subsidiary Company	No direct holding	No
17	Fortis Malar Hospitals Limited	Step down Subsidiary Company	No direct holding	No
18	Fortis Health Management (East) Limited	Step down Subsidiary Company	No direct holding	No

Business Responsibility & Sustainability Report (Contd.)

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
19	Fortis C-Doc Healthcare Limited	Step down Subsidiary Company	No direct holding	No
20	Birdie & Birdie Realtors Private Limited	Step down Subsidiary Company	No direct holding	No
21	Stellant Capital Advisory Services Private Limited	Step down Subsidiary Company	No direct holding	No
22	Fortis Global Healthcare (Mauritius) Limited	Step down Subsidiary Company	No direct holding	No
23	Fortis Emergency Services Limited	Step down Subsidiary Company	No direct holding	No
24	Malar Stars Medicare Limited	Step down Subsidiary Company	No direct holding	No
25	RHT Health Trust Manager Pte Limited	Step down Subsidiary Company	No direct holding	No
26	Fortis HealthStaff Limited	Step down Subsidiary Company	No direct holding	No
27	Fortis Asia Healthcare Pte Limited	Step down Subsidiary Company	No direct holding	No
28	Fortis Healthcare International Pte Limited	Step down Subsidiary Company	No direct holding	No
29	Mena Healthcare Investment Company Limited	Step down Subsidiary Company	No direct holding	No
30	Medical Management Company Limited	Step down Subsidiary Company	No direct holding	No
31	SRL Diagnostics Private Limited(i)	Step down Subsidiary Company	No direct holding	No
32	Agilus Diagnostics FZ-LLC	Step down Subsidiary Company	No direct holding	No
33	Agilus Pathlabs Reach Limited	Step down Subsidiary Company	No direct holding	No
34	Hospitalia Eastern Private Limited	Step down Subsidiary Company	No direct holding	No
35	DDRC SRL Diagnostics Private Limited(ii)	Step down Subsidiary Company	No direct holding	No
36	SRL Diagnostics (Nepal) Private Limited(iii)	Step down Subsidiary Company	No direct holding	No

Remarks: The shareholding disclosed in serial no. 13 to 15 are direct holding held by the Company, whereas would like to clarify that the rest of the shareholding is held by the fellow subsidiaries.

Note : *(i) The new name of the said company has been reserved by Registrar of Companies ('RoC') as Agilus Pathlabs Private Limited vide letter dated June 08, 2023. The said company is in the process of making application to the RoC for seeking approval of the new name.*

(ii) The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.

(iii) SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.

VI. CSR Details

VI- 22. (i). Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)- Yes

VI- 22. (ii). Turnover (in ₹) - ₹ 1,052.93 Crores

VI- 22. (iii). Net worth (in ₹) - ₹ 8,963.54 Crores

VII. Transparency and Disclosures Compliances

VLL- 23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 23			FY 22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	0	0	0	0
Investors (other than shareholders)	Yes	0	0	0	0	0	0
Shareholders	Yes	0	0		0	0	
Employees and workers	Yes- Through Fortis HRMS system	0	0	0	0	0	0
Customers	Yes	21289	1	-	18693	0	-
Value Chain partners	Yes	0	0	-	0	0	-
Other (please specify)							

Remarks: The Company has adopted Whistle Blower Mechanism which provides a platform to employees/ communities/ investors/ shareholders/ customers/ value chain partners etc. to report any concerns or grievances pertaining to any potential or actual violation of Company's Code of Conduct or any unethical behavior. Further, Right to voice a complaint is included in the Patient Rights displayed in the Hospital. Also, the process for voicing/recording a complaint/ feedback along with an escalation matrix is listed in standardised posters displayed conspicuously in the hospitals. Patient Care being utmost priority for Fortis, all hospital units have designated Patient Experience Department where stakeholders can raise their grievances/ complaints. The contact details of the Patient Experience Officer are also displayed prominently at all hospital locations. All Feedbacks/Complaints are recorded in a Standard Patient Feedback Management System & followed up for closure. patient's feedbacks/ complaints are discussed in the hospitals on a daily basis.

Business Responsibility & Sustainability Report (Contd.)

VLL-24. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Greenhouse Gas Emissions	Risk	GHG emissions are detrimental to the environment, & cause global warming	Approach to mitigate - increasing dependence on renewable energy sources	Positive
2	Energy Management	Opportunity	Opportunity to reduce energy expenditure by using energy efficient equipment	Not applicable	Positive
3	Water Management	Opportunity	Opportunity to reduce water wastage by using water efficient equipment	Not applicable	Positive
4	Waste Management (Hazardous & Non-Hazardous)	Risk	Medical waste, if not properly disposed, can pose hazard to the environment.	approach to mitigate - as per defined protocols by pollution control boards	Negative
5	Diversity, Equity & Inclusion	Opportunity	Opportunity to promote the access of resources & health facilities according to need (equity). Also there is an opportunity to promote gender equality through financial independence & empowerment of women.	Not applicable	Positive
6	Quality of Care & Patient Satisfaction	Opportunity	Opportunity to increase goodwill and Net Promoter Score by maintaining high level of care quality and patient satisfaction	Not applicable	Positive
7	Audits & Certifications	Opportunity	Opportunity to create and maintain a highly efficient organization operating sustainably	Not applicable	Positive

Business Responsibility & Sustainability Report (Contd.)

SECTION B- MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes
1. c. Web Link of the Policies, if available	https://www.fortishealthcare.com/drupal-data/investors/Code-of-Conduct.pdf	https://www.fortishealthcare.com/drupal-data/investors/0.19530300_1468569988_Sustainability-Policy.pdf	https://www.fortishealthcare.com/drupal-data/investors/Policyfor Prevention Prohibition andRedressal ofSexual Harassment.pdf	https://www.fortishealthcare.com/drupal-data/investors/Corporate%2BSocial%2BResponsibility%2BPolicy%2B2022.pdf	https://www.fortishealthcare.com/patient-attendant-rights	https://www.fortishealthcare.com/drupal-data/investors/0.19530300_1468569988_Sustainability-Policy.pdf	-	https://www.fortishealthcare.com/drupal-data/investors/Whistle%2BBlower%2BPolicy.pdf	https://www.fortishealthcare.com/drupal-data/investors/Whistle%2BBlower%2BPolicy.pdf
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NABH	-	NABH	-	-	-	-	-	JCI
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We are in the process of developing goals & targets with timelines & KPI's	same as P1	same as P1	same as P1	same as P1	same as P1	same as P1	same as P1	same as P1

Business Responsibility & Sustainability Report (Contd.)

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	A performance monitoring mechanism & review process will be implemented once goals & targets are developed.	same as P1	same as P1	same as P1	same as P1	same as P1	same as P1	same as P1	same as P1

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	**Sustainability is one of the key focus areas at Fortis Healthcare. We are committed to attaining sustainable development - one that champions 'Care. For good' for our patients, our people, our public and our planet.** In each of our hospitals energy management, water consumption & water discharge parameters are monitored closely by the facility engineering team & are reported centrally for further analytics. As a responsible healthcare provider, we encourage usage of energy from renewable sources & endeavor to maximise recycling of waste water for horticulture. Bio-medical waste segregation & disposal is done as per strict protocol laid down by the state pollution control boards & in accordance with NABH waste management guideliness. We consider governance practices to be essential to creating and preserving value for its shareholders and other stakeholders. This includes a sound approach to corporate governance that aims to comply with all applicable laws, rules, regulations and policies, as well as adherence to corporate values and business principles. We have an effective, committed and highly skilled Board of Directors. We promote board independence and embrace board diversity in all its facets, including skills, experience, gender, ethnicity, and race. Our directors and all employees, including senior management, conduct themselves in accordance with the highest moral and ethical standards. We are committed to ensuring a fair workplace for our employees as well as partners with whom we do business. We have strict policies to protect against unlawful discrimination and harassment. Our Values and business principles encourage honest and direct communication to resolve issues and concerns in an expeditious manner. We also have a channel that provides an alternative and anonymous method of reporting suspected compliance violations, unlawful or unethical behaviour, or fraud. Company's Code also reflects our longstanding dedication to the preservation of basic rights and human dignity in our workplace and beyond. We hold human rights to be an essential component of our business. We reject all forms of forced or child labour, as well as contemporary slavery and human trafficking. This position applies not only to our company but also to our business partners.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Dr. Ashutosh Raghuvanshi- Managing Director and Chief Executive Officer
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	There is no specified committee of the Board/ director responsible for decision making on sustainability related issues. However, the company has a separate ESG department which is headed by Chief of Strategy & Operations, & Group Head ESG.

10. Details of Review of NGRBCs by the Company:Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As the company has started the implementation of ESG principles across the business recently, the review of these principles is planned in phased manner in forthcoming years	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	to be undertaken in phased manner in the forthcoming years	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Part of performance monitoring mechanism mentioned above	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	Part of performance monitoring mechanism mentioned above.	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

S. no	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	As the Company has recently started the implementation of ESG concepts across the business, independent assessment is planned for forthcoming years.	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1	As per P1

12. If answer to question (1) above is No i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	'Not Applicable' as the answer to question (1) above is yes.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Business Responsibility & Sustainability Report (Contd.)

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

EI- 1. PERCENTAGE COVERED BY TRAINING AND AWARENESS PROGRAMMES ON ANY OF THE PRINCIPLES DURING THE FINANCIAL YEAR:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of directors	The Board of Directors are informed about the regulatory changes at every Board Meeting.	Changes in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Companies Act, 2013 and all other applicable sector specific laws	100%
Key Managerial personnel	3 online Traning	Prevention of Sexual harassment, Hospital safety hazards, Hospital fire safety hazards	100%
Employees other than BoD and KMPs	28209 (560 Unique programs conducted including functional program	Department Specific Nursing Practices, Documentation Impacting Service Behavior on Floor, One to One Infection Control Protocols, Medication Administration, Nursing Induction, Functional Nursing Practices, Nursing SOP's, Patient Safety	100%
Workers	Not Applicable	Not Applicable	Not Applicable

Remarks: As the Company has newly embarked towards the journey of ESG, structured training and awareness programmes will be conducted in a phased manner going forward.

EI- 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Not Applicable	-	-	-	-
Settlement	Not Applicable	-	-	-	-
Compounding fee	Not Applicable	-	-	-	-

Remarks: No fines/ penalties/ punishments/ award/ compounding fee/ settlement amount paid in proceedings with regulators/ law enforcement agencies/ judicial institutions relating to NGRBC principles, during the financial year under review.

Non-Monetary

Category	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not Applicable	-	-	-
Punishment	Not Applicable	-	-	-

Remarks: No fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, during the financial year under review.

EI- 3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Sr. No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
1	Not Applicable	-

EI- 4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy. Yes.The Company including its subsidiaries has zero-tolerance against bribery and corruption. It is committed to conduct its business with integrity; promote values of integrity, transparency, accountability and good corporate governance; strengthening internal systems that support corruption prevention and complying with laws relating to fighting corruption. The Anti-Bribery and Anti-Corruption Policy ('ABAC Policy') has been formulated to set out standards of integrity and behavior that is required of the Company, its directors, employees and third parties. ABAC Policy prescribes that no financial and/or other inducements are offered or accepted by or on behalf of the Company, its directors and employees. It is also to encourage them to be vigilant, to act with integrity and report against any individual(s) involved in bribery and corruption.The policy may be referred at www.fortishealthcare.com

EI- 5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	(Current Financial Year)	(Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

EI- 6. Details of complaints with regard to conflict of interest:

Category	Number (CY)	Remarks (CY)	Number (PY)	Remarks (PY)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	0	0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	0	0	0

Business Responsibility & Sustainability Report (Contd.)

EI- 7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.-

None

Leadership Indicators

LI- 1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	None	0	0

LI- 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.- Yes, the Company secures a Declaration of Conflict of Interest from its Senior Management Personnel (SMPs) and Board of Directors on an Annual Basis. The data so collated is then shared with Accounts department for tagging into the Accounting system to track / monitor any actual / potential Related / Interested Party Transaction.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

EI- 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	100%	100%	45 new research projects initiated in FY 23
Capex	100%	100%	Our internal clinical newsletter 'Clinical Connect' published 6 editions with over 200+ specialty specific case studies & clinical research outcomes in FY 23

Remarks: As the Company operates in the healthcare sector, the entirety of R&D (Clinical trials) & Capex (medical equipment purchased) improve the social impact of products & processes, reducing disease burden of the society.

EI- 2.

a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)-** Yes, Being a responsible healthcare organisation committed to sustainability & best ESG practices, Fortis Healthcare actively sources from the leading organisations of the world - ones which are equally committed to sustainable business operations. The medical equipment is sourced from world's top 3 leading medical equipment manufacturers - each of which champion the cause of suatainability in business. Pharmaceutical material is sourced from leading pharma manufacturing companies, both national & international. The IT hardware is sourced from leading IT hardware manufacturers of the world. Each of our leading vendors has dedicated policies towards achieving sustainability in business operations.

b. **If yes, what percentage of inputs were sourced sustainably?-** Our endeavor has always been to employ the services of vendors who are equally committed to sustainability. However, due to the nature of the sector we operate in, some materials are also sourced from local vendors, MSMEs etc., who are still on the path of formalizing sustainability practices. Sustainably sourced inputs percentage has not been quantified yet.

EI- 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.- As per Bio-Medical Waste Management Rules 2016, read in conjunction with the amendments thereafter, all Bio-Medical Waste from the Healthcare Facility is handed over to the State Pollution Control Board authorised Operator of the common Bio-Medical Waste Treatment Facility for collection, reception, storage, transport, treatment and disposal. We handover all waste from each of our Hospitals to the State Pollution Control Board authorised Operator of the common Bio-Medical Waste Treatment Facility for final disposal. We have a Standard Operating Procedure based on the Bio-Medical Waste Management Rules 2016, read in conjunction with the amendments thereafter, for segregation at source, collection, handling transport within the Hospitals, Pre-treatment where needed & temporary storage in a common area before handing over to State Pollution Control Board authorised Operator of the common Bio-Medical Waste Treatment Facility. The staff Health Check-ups, Vaccination, Training etc are done as per the requirements of the Bio-Medical Waste Handling Rules. The SOP compliance is tracked on a monthly basis.

EI- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.- Due to nature of healthcare business, Extended Producer Responsibility is not applicable to the entity's activities. We follow the guidelines notified by CPCB, MOEF and CC for Biomedical waste and Electronic scrap.

Leadership Indicators

LI- 1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

S. No.	NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
1	Not Applicable	-	-	-	-	-

LI- 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

S. No.	Name of Product / Service	Description of the risk / concern	Action Taken
1	Not Applicable	-	-

LI- 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 23	FY 22
None		

Remarks: Owing to strict infection control measures and the very nature of medical and healthcare services sector, reused or recycled input material is not included in providing chargeable services to our patients. However, we ensure that recycled water is used for auxiliary services like horticulture.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

EI- 1. a. Details of measures for the well-being of employees (Permanent Employees).

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	5499	5,499	100%	5,499	100%	0	0.00%	5,499	100%	0	0.00%
Female	7511	7,511	100%	7,511	100%	7,511	100%	0	0.00%	7,511	100%
Total	13010	13,010	100%	13,010	100%	7,511	57.73%	5,499	42.27%	7,511	57.73%
Other than permanent Employees											
Male	7313	1,564	21.39%	1,564	21.39%	0	0%	7,313	100%	0	0%
Female	3947	781	19.79%	781	19.79%	3,947	100%	0	0%	0	0%
Total	11260	2,345	20.83%	2,345	20.83%	3,947	35.05%	7,313	64.95%	0	0.00%

Remarks: Other than permanent employees- Outsourced staff and Visiting Consultants are not managed by Fortis.

For the male (other than permanent) employees, outside of the 21.4% rest of the employees are covered under the ESI benefits.

For the female (other than permanent) employees, outside of the 19.8% the rest of the employees are covered under the ESI benefits.

EI- 1. b. Details of measures for the well-being of workers. (Permanent Workers).

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Female	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other than permanent Workers											
Male	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Female	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total	0	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%

Remarks: We do not have workers.

EI- 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	No. of employees covered as a % of total employees. (CY)	No. of workers covered as a % of total workers. (CY)	Deducted and deposited with the authority (Y/N/N.A.). (CY)	No. of employees covered as a % of total employees. (PY)	No. of workers covered as a % of total workers. (PY)	Deducted and deposited with the authority (Y/N/N.A.). (PY)
PF	100%	Not Applicable	Y	100%	Not Applicable	Y
Gratuity	100%	Not Applicable	Paid to the member with his full and final settlement on his/her retirement or resignation	100%	Not Applicable	Y
ESI	All employees whose monthly gross salary is less than ₹ 21000 is covered under ESI benefits.	Not Applicable	Y	All employees whose monthly gross salary is less than ₹ 21000 is covered under ESI benefits.	Not Applicable	Y
Others – please specify	NPS	Not Applicable	Yes	NPS	Not Applicable	Y

Remarks: NPS scheme is on voluntary basis to the employees.

EI- 3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.- Yes, the premises / offices of the entity are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016

EI- 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.- Yes. We have drafted our Diversity, Equality, Inclusion and Belongingness (DEIB) Strategy which covers the specially abled people.

EI- 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	94%	100%	Not Applicable	Not Applicable
Female	94%	100%	Not Applicable	Not Applicable
Total	94%	100%	Not Applicable	Not Applicable

EI- 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes- Code of conduct, consequence management, Whistle blower policy, POSH Committee and local grievance handling process.
Other than Permanent Employees	Yes- Code of conduct, Whistle blower policy, POSH Committee, and vendor grievance handling process.

Business Responsibility & Sustainability Report (Contd.)

EI- 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 23			FY 22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union(B)	% (B / A)	Total employees / workers in respective category (C)	No.of employees / workers in respective category, who are part of association(s) or Union(D)	% (D / C)
Total Permanent Employees	13010	139	1.07%	12408	138	1.11%
- Male	5499	89	1.62%	5173	88	1.70%
- Female	7511	50	0.67%	7235	50	0.69%
Total Permanent Workers	0	Not Applicable	-	0	Not Applicable	
- Male	0	Not Applicable	-	0	Not Applicable	
- Female	0	Not Applicable	-	0	Not Applicable	

EI- 8. Details of training given to employees and workers:

Category	FY 23					FY 22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	5499	3630	66%	4391	80%	5173	4294	83%	3614	70%
Female	7511	5559	74%	6364	85%	7235	5861	81%	6551	91%
Total	13010	9189	70.6%	10755	83%	12408	10155	81.84%	10165	82%
Workers										
Male	0		-		-	0		-		-
Female	0		-		-	0		-		-
Total	0		-		-	0		-		-

Remarks: Training percentage on health & safety measures has decreased in FY 23 because since FY 23, OSHA training is being provided to newly hired employees only. In FY 22, OSHA training program was launched for all employees.

EI- 9. Details of performance and career development reviews of employees and workers

Category	FY 23			FY 22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	5499	5499	100%	5173	5173	100%
Female	7511	7511	100%	7235	7235	100%
Total	13010	13010	100%	12408	12408	100%
Workers						
Male	0	0	-	-	-	-
Female	0	0	-	-	-	-
Total	0	0	-	-	-	-

Remarks: Above training details are only for the permanent employees.

EI- 10.

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?-** Yes. OHSA trainings are provided to all employees. Reporting of serious and non-serious injuries is non-negotiable with the detailed incident reporting.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?-** Our hospitals are NABH accredited and follow the procedures and practices laid down by NABH on work related hazards.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)-** Not Applicable

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)-** Yes.

EI- 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 23	FY 22
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	0.0616	0.2583
	Workers	Not Applicable	Not Applicable
Total recordable work-related injuries	Employees	194	225
	Workers	Not Applicable	Not Applicable
No. of fatalities	Employees	0	0
	Workers	Not Applicable	Not Applicable
High consequencework-related injury or ill-health (excluding fatalities)	Employees	2	8
	Workers	Not Applicable	Not Applicable

Remarks: Injuries include needle stick injuries.

EI- 12. Describe the measures taken by the entity to ensure a safe and healthy work place. -

Following measures have been taken by the company to ensure a safe & healthy work place:

a. Awareness workshop specific to key areas of fire, chemical, infections, machine handling, and public handling

b. Food and Water audits

c. High cleaning standards of public areas and toilets

d. Mental wellness workshops and helplines

e. Preventive Vaccination against key infections

f. Annual medical health check up

g. Compulsory annual leave

Business Responsibility & Sustainability Report (Contd.)

EI- 13. Number of complaints on the following made by employees and workers :

	FY 23			FY 22		
	Filed during the year	**Pending resolution at the end of year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of year**	**Remarks**
Working Conditions	0		no such complaints received	0	-	no such complaints received
Health & Safety	0		no such complaints received	0	-	no such complaints received

EI- 14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Remarks: No external assessment has been done. However internally this is being monitored.

EI- 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.-

Remarks: No such concerns reported, hence there is no corrective action being undertaken.

Leadership Indicators

LI- 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).- Yes, All employees are covered under group personal accident and life insurance policies..

LI- 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.- Payments to the vendors are dependent on submission of proof of statutory dues, compliances. We have initiated process to verify the CLRA audit by a third party as an additional process.

LI- 3. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)- Yes, We provide depending upon opportunities within and outside Fortis Network

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

EI- 1. Describe the processes for identifying key stakeholder groups of the entity.- Every entity, person or organization which features in the regular day to day running of a medical facility is a stakeholder to us. Our common stakeholders include, but are not limited to: patients, clinicians, nurses, paramedics, hospital administrator, clinical assistants, outsourced vendors, suppliers, payers as well as our shareholders, financial institutions, government agencies, regulatory bodies, non-government organizations and employees. We provide medical services to patients and all others associated with our hospitals help in fulfillment of the services.

EI- 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Shareholders/ Investors	No	Emails, Calls, Analyst Meets etc.	Quarterly	a quarterly engagement with investors is scheduled to brief the investors on the quarterly performance of the Company after the results are declared for each quarter.
2	Patients	Yes - vulnerable due to health related issues	Emails, Website, Calls, SMS	Daily	Feedback on service improvements
3	Suppliers & Vendors	No	Emails, Website, Industry Promotion Conferences	Daily	Sourcing of quality supplies

Leadership Indicators

LI- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.- Feedback and concerns, if any, from stakeholder groups are discussed and resolved in the periodic review meeting between key management personnel, heads of hospitals and functional vertical heads. Summary and critical information from such consultations are presented in board meetings. Changes in policies are implemented after approval from Board.

LI- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.- Yes. For instance, our key managerial personnel have undergone training on diversity, equity, inclusion, and belonging (DEIB) and Occupational Safety and Health Administration (OSHA) as per our training need identification mechanism.

LI- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.- Most of our patients are vulnerable due to their health related issues. There is process & system in our hospitals through which patients and their attendants share their feedback or raise concerns, if any, about our services. To address the concern of vulnerability due to health related issues, we have specific processes which include the following:

a) All wash-rooms have grab bars installed in them.

b) All wash-rooms have either anti-skid flooring or anti skid mats.

c) Education is provided to the patient as well as the attendants regarding fall protection.

d) Bed-side railings are required to be up at all times unless required otherwise.

e) No patient is to be left unattended.

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PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

EI- 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 23			FY 22		
	Total (A)	No. of employees / workers covered (B)	%(B / A)	Total(C)	No. of employees / workers covered (D)	%(D / C)
Employees						
Permanent	13010	13,010	100%	12408	12,408	100%
Other than permanent	11260	11,260	100%	-	-	-
Total Employees	24270	24,270	100%	-	-	-
Workers						
Permanent	0	-	-	0	-	-
Other than permanent	0	-	-	0	-	-
Total Workers	0	-	-	0	-	-

Remarks: Human rights pertaining to workplace are covered in our training strategy programs. Our code of conduct and other governance policies are based on human rights. All these trainings are compulsory at the time of joining and are refreshed from time to time.

EI- 2. Details of minimum wages paid to employees, in the following format:

Category	FY 23					FY 22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total(D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	%(C / A)		No.(E)	% (E /D)	No.(F)	% (F /D)
Employees										
Permanent	13010	0	0.00%	13010	100.00%	13010	0	0%	12408	100%
Male	5499	0	0.00%	5499	100.00%	5499	0	0%	5173	100%
Female	7511	0	0.00%	7511	100.00%	7511	0	0%	7235	100%
Other than Permanent	11260	-	-	-	-	-	-	-	-	-
Male	7313	-	-	-	-	-	-	-	-	-
Female	3947	-	-	-	-	-	-	-	-	-
Workers										
Permanent	0	-	-	-	-	-	-	-	-	-
Male	0		-	-	-	-	-	-	-	-
Female	0		-	-	-	-	-	-	-	-
Other than Permanent	0	-	-	-	-	-	-	-	-	-
Male	0		-	-	-	-	-	-	-	-
Female	0		-	-	-	-	-	-	-	-

Remarks: All Fortis employees are paid wages more than the minimum wages of the respective states. However, salary details of the outsourced staff is not available with Fortis

Remarks: Not Applicable as we do not have workers.

EI- 3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	The Board of Directors are only paid sitting fees for each of the meetings attended for Board and Committees,	2	The Board of Directors are only paid sitting fees for each of the meetings attended for Board and Committees,
Key Managerial Personnel	3	₹ 45190000/- per annum	0	0
Employees other than BoD and KMP	5496	₹ 414507 per annum	7511	₹ 321958 per annum
Workers	Not applicable		Not applicable	

EI- 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)- The whole of HR department at Fortis Healthcare is cognizant of and responsible for ensuring that the working conditions at all Fortis hospitals and the corporate office are fully compliant with the human rights parameters for workplace.

EI- 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.- Code of conduct, consequence management, Whistle blower policy, POSH Committee and local grievance handling process.

EI- 6. Number of Complaints on the following made by employees and workers:

	FY 23			FY 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	11	1	Pending case closed in May-23, post closure of the enquiry by the team	12	1	Pending case closed
Discrimination at workplace	0	-		0	-	
Child Labour	0	-		0	-	
Forced Labour/ Involuntary Labour	0	-		0	-	
Wages	0	-		0	-	
Other human rights related issues	0	-		0	-	

EI- 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.- Whistle blower policy, POSH Committee, Grievence handling committee.

EI- 8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)- Yes

EI- 9. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

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EI- 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.- None

Leadership Indicators

LI - 3: Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the rights of persons with disability act, 2016? Yes. All hospitals are accessible to differently abled visitors/ patients.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

EI- 1. Details of total energy consumption (in Joules or multiples) and energy intensity.

Parameter	FY 23	FY 22
Total electricity consumption (A)	344739.82	329107.98
Total fuel consumption (B)	14963.93	9299.66
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	359703.75	338407.64
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	341.62 GJ / Crores	392.31 GJ / Crores
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

EI- 1. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- We have not done any external assessments for energy, but we have carried out internal assessments for the same.

EI- 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.- No, not applicable.

EI- 3. Provide details of the following disclosures related to water, in the following format: Water withdrawal by source (in kilolitres)

Parameter	FY 23	FY 22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1044202	1036767
(iii) Third party water	511124	497524
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1555326	1534291
Total volume of water consumption (in kilolitres)	1163323	1130605
Water intensity per rupee of turnover (Water consumed / turnover)	1104.84 KL / Crores	1310.68 KL / Crores
Water intensity (optional) – the relevant metric may be selected by the entity. KL / of	-	-

Remarks: Water consumption is equal to water withdrawal minus sewage water after treatment.

EI- 3. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- We have not done any external assessments for water consumption.

EI- 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.- We have the STP and ETP plants as per the guidelines of the Pollution Control Board and the capacity of the hospital. We are doing the wastewater treatment for further utilisation in the gardening and flushing systems.

EI- 5. PLEASE PROVIDE DETAILS OF AIR EMISSIONS (OTHER THAN GHG EMISSIONS) BY THE ENTITY, IN THE FOLLOWING FORMAT:

Parameter	Please specify unit	Current Financial Year	Previous Financial Year
NOx	mg/L	20.78	26.58
SOx	mg/L	11.66	16.62
Particulate matter (PM)	mg/L	62.93	58.94
Persistent organic pollutants (POP)	-	-	NA
Volatile organic compounds (VOC)	-	-	NA
Hazardous air pollutants (HAP)	-	-	NA
Others – please specify	-	-	-

EI- 5. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- We have not done any external assessments for emissions.

EI- 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 23	FY 22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	1120.31	696.24
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	67191.52	61671.82
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO2e / rupee of turnover	64.8778 tCO2e / Crores	72.3016 tCO2e / Crores
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Remarks: Scope 1 and Scope 2 emissions have been calculated by third party ESG consultant of Fortis Healthcare, using their Proprietary eCarbon calculators. Input data for this eCarbon calculator includes diesel consumed and electricity purchased annually.

EI- 6. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- We have not done any external assessments.

EI- 7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.- Our hospitals have regular supply of electricity and Diesel Generator (DG) sets are used less frequently. We have installed scrubbers on our DG sets to reduce emission of green house gases. In many of the hospitals, water heating is being achieved through solar water heating panels and heat pumps, thus reducing our dependence on GHG emitting fuels.

EI- 8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 23	FY 22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste(B)	0	0.65
Bio-medical waste (C)	1787.17	1824.7
Construction and demolition waste (D)	0	0
Battery waste (E)	369.12	664.44
Radioactive waste (F)	-	-

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Parameter	FY 23	FY 22
Other Hazardous waste.Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A + B + C + D + E + F + G + H)	**2,156.29**	**3,139.14**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste - Plastic		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste - E-Waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste - Bio-medical waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste - Construction and demolition waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations		
Total	**0**	**0**
Category of waste - Battery waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
Category of waste - Radioactive waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
Category of waste - Other Hazardous waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**

Parameter	FY 23	FY 22
Category of waste - Other Non-Hazardous waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste - Plastic		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-
Category of waste - E-Waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0.65
Total	**0**	0.65
Category of waste - Bio-medical Waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	1787.17	1824.70
Total	**1787.17**	**1824.7**
Category of waste - Construction and demolition waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-
Category of waste - Battery		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	369.12	664.44
Total	**369.12**	**664.44**
Category of waste - Radioactive		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-
Category of waste - Other Hazardous waste. Please specify, if any		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Business Responsibility & Sustainability Report (Contd.)

Parameter	FY 23	FY 22
Category of waste - Other Non-hazardous waste generated		
(i) Incineration	0	-
(ii) Landfilling	0	-
(iii) Other disposal operations	0	-
Total	**0**	-

Remarks:

a. We have taken the avg weight of UPS battery as 40 kg per piece.

b. Currently separate tracking of plastic waste generation & disposal is not being done. We will be instituting a process to monitor the same in the forthcoming years

c. The e-waste data is for corporate office. While 650kg e-waste was disposed off in FY 21-22, the same was generated over multiple years in the past. In FY 22-23, no e-waste was disposed off from the corporate office. Formulation of e-waste policy is currently underway. Going forward annual monitoring of e-waste generation & disposal will be tracked centrally.

EI- 8. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- We have not done any external assessments.

EI- 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.- Most of our hospitals being NABH/ JCI accredited/ certified, Accredited/certified follow stringent quality norms while handling Bio-Medical waste. The staff is regularly trained on the same & compliance audited regularly. Annually we report the Bio Medical Waste generated to the Pollution Control Board & also publish the same on our website.

As per Bio-Medical Waste Management Rules 2016, read in conjunction with the amendments thereafter, all Bio-Medical Waste from the Healthcare Facility is handed over to the State Pollution Control Board authorised Operator of the common Bio-Medical Waste Treatment Facility for collection, reception, storage, transport, treatment and disposal. We handover all waste from each of our Hospitals to the State Pollution Control Board authorised Operator of the common Bio-Medical Waste Treatment Facility for final disposal. We have a Standard Operating Procedure based on the Bio-Medical Waste Management Rules 2016, read in conjunction with the amendments thereafter, for Segregation at source, collection, handling transport withing the Hospitals, Pre-treatment where needed & temporary storage in a common area before handing over to State Pollution Control Board authorised Operator of the common Bio-Medical Waste Treatment Facility. The staff are trained to segregate the waste at the point of generation, so that there is no mixing of waste. Pre-treatment of the waste where needed is done before handing over to the State Pollution Control Board authorised Operator of the common Bio-Medical Waste Treatment Facility for final disposal. The Bio-Medical Waste practices are audited every month in the Hospitals & compliances tracked regularly.

EI- 10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Not Applicable	-	-

EI- 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

S. No.	Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	Fortis Noida Expansion	EC23B038UP115233	14/02/2023	Yes	No	-
2	FMRI Gurugram Expansion	-	06/09/2022	Yes	No	-

Remarks: In last five years we have undertaken only one Green Field project.

EI- 12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	Compliant with all Laws / Regulations and Guidelines for hospitals.	-	-	-

Leadership Indicators

LI- 1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable sources, in the following format:

Parameter	FY 23	FY 22
From renewable sources		
Total electricity consumption (A)	46110.84	55011.01
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	46110.84	55011.01
From non-renewable sources		
Total electricity consumption (D)	298628.98	274096.97
Total fuel consumption (E)	14963.93	9299.66
Energy consumption through other sources (F)	0	0
Total energy consumed from nonRenewable sources (D+E+F)	313592.91	283396.63

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LI- 6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	We took energy conservation initiatives in FY 22-23 as per the following details: The cost of investment was 5.32 cr. In FY 23-24 we are going to spend around 9.66 cr on similar categories of work in pending units. 1. Replacement of LED lights 2. Installation of VFDs in the AHU and HVAC pump motors 3. Installation of energy-efficient cooling towers 4. Air Compressors 5. Energy-efficient AHU 6. Installation of HVAC pumps along with VFDs	-	5% of the bed utilization increased as compared to last year, and still we managed to keep the energy consumption under control. After the initiative, in FY 21-22, per bed consumption was 92.49 per bed/kWh, and in FY 22-23 we closed at 92.34 per bed/kWh

LI- 7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.- Yes, A standardised security SOP 'Hospital Evacuation' (centrally prepared as a guiding document) is shared with all the Fortis hospitals. Based on this documents, all the Fortis Hospitals have prepared their own unit specifc evacuation plan mentioning the response during different man-made & natural disasters to ensure the preparedness and business continuity. Mock drills are conducted once in a quarter to check efficacy of the plan on ground. A safety training calender is prepared & followed by all the hospitals covering scenarios for natural disasters, eg. earthquakes, floods, storm etc. and man-made disasters, eg fire, bomb threat, terrorist attack etc. Additionally all the Fortis Hospitals have a tie up with a minimum of two hospitals in the near vicinity to ensure the assistance in shifting & treatment of the patients during a disasterous situation.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

EI- 1. a. Number of affiliations with trade and industry chambers/ associations.- 4 (four)

EI- 1. b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. NO	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian chambers of Commerce & Industry	National
2	NATHEALTH	National
3	Confederation of Indian Industry	National
4	Associations of Healthcare Providers	National
5		
6		
7		
8		
9		
10		

EI- 2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

S. No.	Name of authority	Brief of the case	Corrective action taken
1	No adverse orders from regulatory authority	-	-

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

EI- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
1	None	-	-	-	-	-

EI- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
1	None	-	-	-	-	-

Remarks: In last 5 years, we have only one Green Field project which is still under construction and does not categorise as R&R project.

EI- 3. Describe the mechanisms to receive and redress grievances of the community.- For complaints received through social media, our corporate marketing team monitors the social media and complaints, if any, are shared with the hospital's patient experience head for early resolution and closure. There is a feedback/complaint option available on the Fortis website which can be filled and submitted. One can also write to feedback@fortishealthcare.com. This feedback is deposited in the PDMS (patient delight and management system) and specific hospital's Patient Experience team takes action on these complaints. All complaints are tracked for satisfactory closure.Otherwise for any general query, one can reach us on reachus@fortishealthcare.com

EI- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	27%	33%
Sourced directly from within the district and neighbouring districts	Data not measured centrally as our 27 hospitals are spread across country and we focus on buying the best quality for our patients from across the country.	Data not measured centrally as our 27 hospitals are spread across country and we focus on buying the best quality for our patients from across the country.

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Leadership Indicators

LI- 3. **a.** **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)-** Due to nature of healthcare business we don't have a preferential procurement policy for marginalised and vulnerable suppliers.To ensure effective and efficient healthcare delivery, we need to ensure the availability of quality product and services in our hospitals. The specifications, basis both international and Indian standards, as approved by our esteemed doctors and committees are defined to ensure quality product is procured and patient safety is ensured. Suppliers develop these products which are assessed on quality, safety and delivery parameters by respective stakeholders and feedback is provided for further improvements, if required. This helps suppliers to produce quality products and develop robust supply chain so as to compete with established suppliers. Similar process is also followed while procuring non-medical goods and services from suppliers. Periodic suppliers meeting and reviews are conducted to drive continuous improvement in quality of goods and services.

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

EI- 1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.-** We have a dedicated system for complaint management and escalation called Patient Delight Management System (PDMS).For all complaints received in PDMS, a ticket is generated for the relevant department head for resolution and closure. For tickets requiring Root cause analysis (RCA), its done and CAPA (Corrective and Preventive Action) put in place. If ticket is not closed at L1 by the department level, it gets escalated to next levels and subsequently to further levels. At each of our hospitals, there are complaint escalation posters displayed in patient area. In complaint escalation posters there are 3 levels defined for raising a complaint. At level 1, patient can call or write an email to the hospital patient experience team to share his concern. At level 2, patient can escalate the complaint to the hospital medical head if the complainant is not resolved by Patient Experience (PE) team within 24hrs. At level 3, patient can escalate his/her complaint to the corporate PE head if the complaint is not resolved within next 24hrs. For complaints received through social media, our corporate marketing team monitors the social media and complaints, if any, are shared with the hospital's patient experience head for early resolution and closure. . There is a feedback/complaint option available on the Fortis website which can be filled and submitted. One can also write to feedback@fortishealthcare.com. This feedback is deposited in the PDMS and specific hospital's Patient Experience team takes action on these complaints. All complaints are tracked for closure.

EI- 2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	~100%
Safe and responsible usage	~100%
Recycling and/or safe disposal	~100%

Remarks: As per Bio-Medical Waste Management Rules 2016, read in conjunction with the amendments thereafter, 100% Bio-Medical Waste from the Healthcare Facility is handed over to the State Pollution Control Board authorised operator for collection, reception, storage, transport, treatment and disposal.

Being a healthcare services provider, almost all of the products utilized by us for medical consumption is sourced from reputed manufacturers which screen their products for safe usage and promote safe disposal.

EI- 3. Number of consumer complaints in respect of the following:

	FY 23			FY 22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	
Advertising	-	-	-	-	-	
Cyber-security	-	-	-	-	-	
Delivery of essential services	-	-	-	-	-	
Restrictive Trade Practices	-	-	-	-	-	
Unfair Trade Practices	-	-	-	-	-	
Other						

Remarks: No consumer complaints received

EI- 4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	Not Applicable	Not Applicable
Forced recalls	Not Applicable	Not Applicable

Remarks: The company does not manufacture any product - hence product recall is not directly applicable. In the instances of medicine recall by our pharmaceutical vendors due to safety reasons, we facilitate in executing the recall decision.

EI- 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.- We have a robust Information Security policy in place for providing overall Information security governance framework for the organisation in managing different aspects related to Information security. This includes and is not limited to:Cyber threat/Incident detection and responseSecurity Operations Center (SOC) / SIEM Endpoint Detection and response including for email (EDR/XDR) User awareness training and campaigns.The link to the privacy notice on FHL website is as given below:https://www.fortishealthcare.com/privacy-policy

EI- 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.- Not Applicable

Leadership Indicators

LI- 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).- https://www.fortishealthcare.com

LI- 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.- At the time of hospital admission, Patient and their attendants are counseled and all relavant information about the treatment is provided to them. Similarly, we inform patient about dischage medication and precautions they must follow to ensure faster and safe recovery. During handing over of medicines in Pharmacy, our pharmacists educate patient about correct process and timings of taking the medicines.

Business Responsibility & Sustainability Report (Contd.)

LI- 3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.-** In case of disruption or discontinuation, patients are informed through posters displayed in reception and patient areas within hospitals. In case of any advance booking, the call center calls the Patient on their registered phone number explaining the situation and offering alternative options, if available. Such information is also displayed on website and social media channels of Fortis.

LI- 4. **Provide the following information relating to data breaches:a. Number of instances of data breaches along-with impact-** We didn’t have any events of data breach in the year gone by.

LI- 5. **Provide the following information relating to data breaches:b. Percentage of data breaches involving personally identifiable information of customers-** We did not have any events of personal data breach in FY 2022-23.

MANAGEMENT DISCUSSION & ANALYSIS

SECTION I

Indian Healthcare Sector

The Indian healthcare sector has become a major contributor to India's growth and employment, covering diverse segments like hospitals, medical devices, clinical trials, telemedicine, medical tourism, health insurance and medical equipment.

The sector is expanding rapidly, driven by enhanced coverage, services and growing investments by both public and private players. The government's initiatives to increase healthcare spending and improve healthcare infrastructure have further bolstered the industry's growth.

COVID-19 has not only brought challenges, but also presented several growth opportunities to the healthcare sector. The pandemic has highlighted the critical role of healthcare organisations and it has driven transformation by accelerating the pace of reforms in India's healthcare sector.

Furthermore, the industry's expansion continues to be fueled by the rising need for healthcare services due to increasing life expectancy, increasing prevalence of chronic diseases and changing lifestyles of the Indian population. As a result, the healthcare sector has emerged as a significant contributor in generating job opportunities and adding to the country's GDP.

A. Current Landscape and Key Highlights

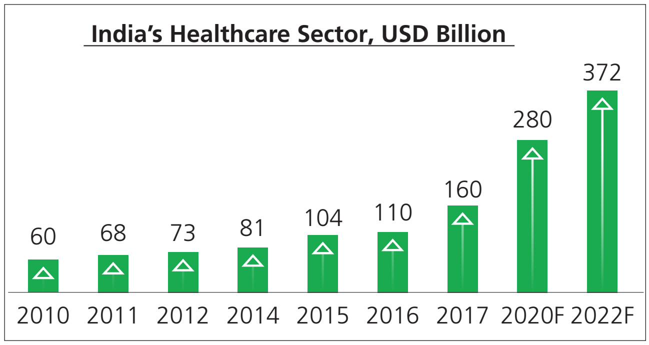
The Indian healthcare industry has experienced various trends in 2022 that have contributed to its growth, making it the largest service sector in the country. The overall size of the industry is estimated to be $372 Billion with a CAGR of 22% (2016 – 2022).

- Indian hospital industry is expected to reach $132 billion by 2023, growing at a CAGR of 16-17% (2017 – 2023)
- The Indian health-tech industry is expected to grow to $50 billion in another ten years
- Telemedicine market is the maximum potential eHealth segment in India, expected to touch $5.4 billion by 2025
- The market size of AYUSH has grown by 17% in 2014-20 to reach $18.1 bn and expected to reach $23 bn by 2023

The industry's expansion can be attributed to several factors, including increasing life expectancy of India's population, a growing middle class, an increasing prevalence of lifestyle diseases, public-private partnerships and the adoption of digital technologies like telemedicine.

Additionally, the industry has attracted investors, resulting in increased FDI inflows over the last two decades.

The hospital industry is projected to grow to $132 Billion by FY 23 at a CAGR of 16-17%.



Source: NITI Aayog

The private sector is the major contributor in the healthcare spending in India, unlike most other countries where public spending dominates.

Key highlights:

1. The government's plan **to increase healthcare spending** to 2.5% of GDP by 2025, which is expected to lead to the development of new healthcare facilities and expansion of existing ones
2. There is a decrease in the **percentage of healthcare spending paid out of pocket** by individuals, from 62.6% in FY 15 to 47.1% in FY 20 (Source: Ministry of Health)
3. The Indian government is expected to **increase partnerships with private healthcare providers** to improve access to healthcare services, particularly in rural and underserved areas
4. Greater adoption of **digital health solutions** such as electronic health records (EHRs), mobile health apps, and remote patient monitoring systems.
5. **The adoption of telemedicine,** which has been accelerated by the COVID-19 pandemic and is projected to grow at a CAGR of 31% between 2020 and 2025 to reach at $5.4 Billion.
6. **An increasing demand for home healthcare services** driven by an aging population and rising burden of chronic diseases. India's home healthcare market is expected to grow at a CAGR of 19.2% to reach at $21.3 Billion by 2027
7. India aims at becoming **self-reliant in the**

Management Discussion & Analysis (Contd.)

manufacturing of medical devices. In FY 20, the total device manufacturing market in India was sized at around $11 Billion. By 2025, the industry is expected to grow fivefold to $49.5 Billion.

B. Government Policies and Key Initiatives

India's population is over 1.4 billion and is spread across 28 states and 8 union territories. Public Health and Hospitals are primarily the responsibility of the respective State Governments. However, under the National Health Mission (NHM), technical and financial support is provided to the States/UTs to strengthen the public healthcare system which includes upgrading selective services in the state Medical Colleges, District Hospitals, Sub District Hospitals and Community Health Centres.

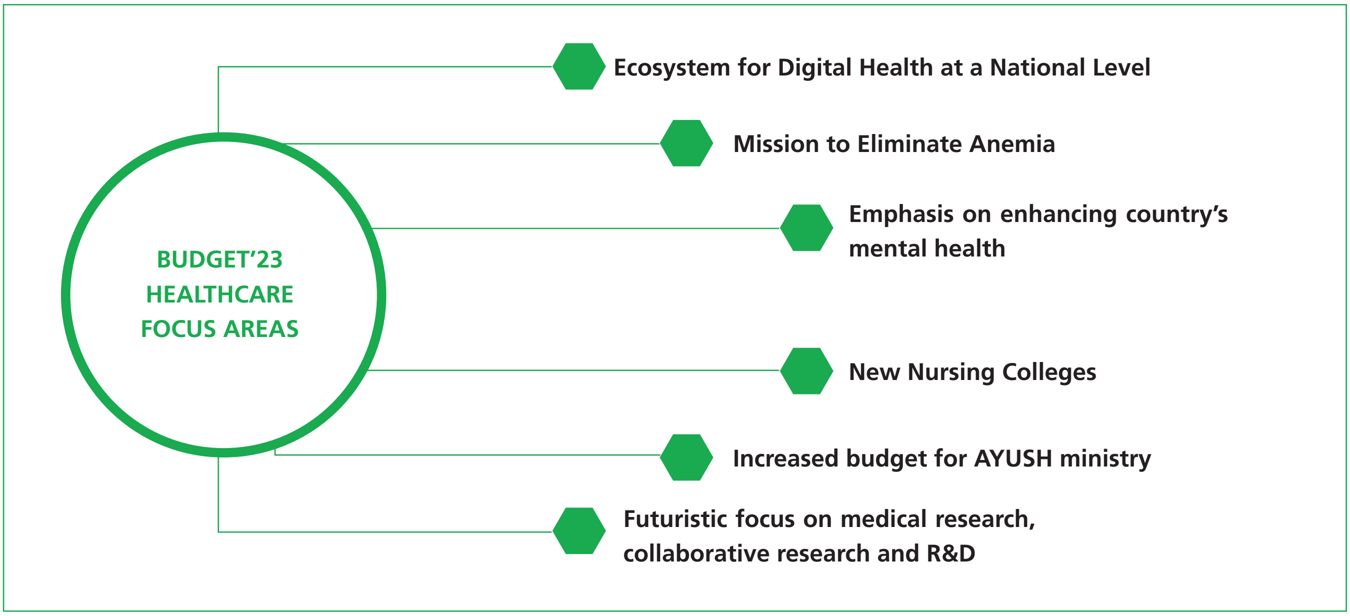
From 2018 the Ayushman Bharat PM-JAY has been in progress as a centrally sponsored scheme with funding shared between the Centre and States. The entitlement criteria covers both urban and rural areas but is based on economic status and deprivation of the beneficiaries.

Another promising area relates to the Ayushman Bharat digital mission which has widened the scope for telemedicine to provide services even to remote parts of the country.

In the Union Budget for 2023-24, the government has announced various programs for the healthcare, pharmaceuticals and medical devices industries.

The budget includes an allocation of ₹ 88,956 Crores towards healthcare expenditure, which represents a 2.7% increase from the previous year.

It emphasises the government's focus on two key drivers of improved healthcare: increasing the number of trained medical professionals and investing in research and development. The increased allocations reflect the government's commitment towards a more efficient healthcare system.



2023-24 Budget Highlights

- The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY), which aims to rectify the regional imbalance in the availability of trustworthy tertiary services by setting up AIIMS type hospitals and Upgradation of Government Medical College (GMC)/ Institutions, received an allocation of ₹ 10,200 Crores (a 23% increase from revised estimates for 2022-23).
- Human Resources for Health and Medical Education has been allotted ₹ 6,500 Crores ($780 Million)
- The National Health Mission, which aims at providing universal access to equitable, affordable & quality healthcare services, has received an allocation of ₹ 29,085 Crores ($3.5 Billion)
- PM - Ayushman Bharat Health Infrastructure Mission (PM-ABHIM) has been allocated ₹ 5,156 Crores ($675.7 Million) to improve India's primary, secondary and tertiary care service and strengthen the health infrastructure

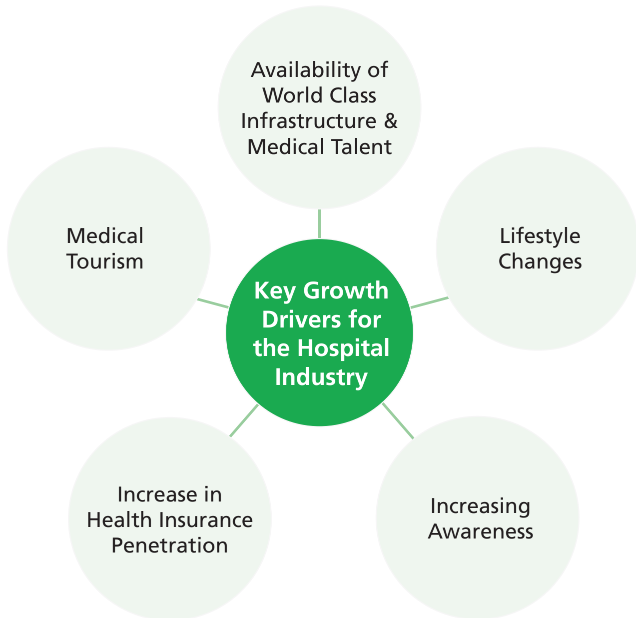
Management Discussion & Analysis (Contd.)

- To promote medical tourism, the Indian government has extended the e-medical visa facility to citizens of 156 countries
- Skill India Digital platform is launched to provide healthcare skilling courses and certifications with the participation of public and private sector institutes, academic institutes, and the National Skill Development Corporation (NSDC)

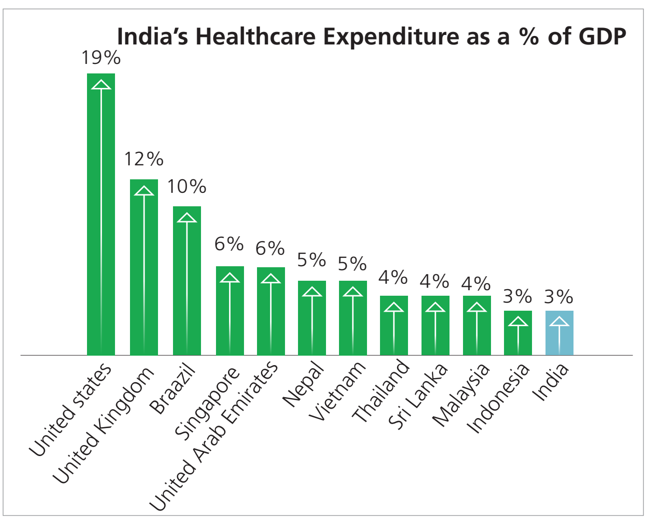
C. Growth Drivers

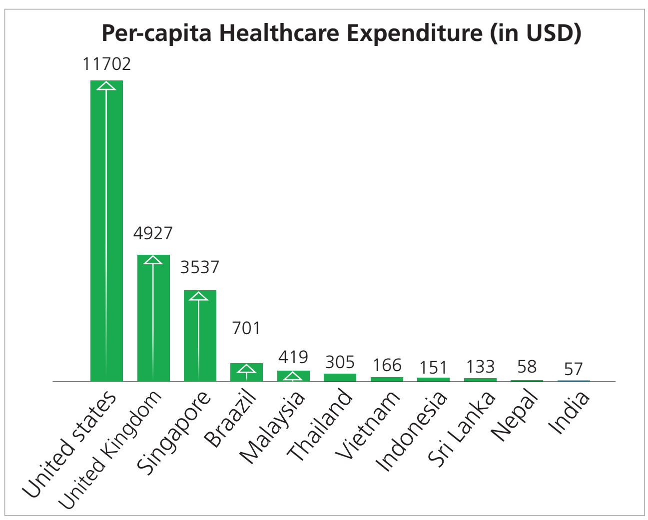
India's healthcare industry is predicted to sustain robust demand, propelled by an ageing population, a surge in lifestyle diseases, increasing affordability leading to better access to quality medical care and greater penetration of medical insurance. We believe Hospital's segment being the largest component of the overall healthcare industry will be the biggest beneficiaries of the healthcare market in India as public spend is likely to be limited to ~25-30% of annual healthcare spend.

a. Key Growth Drivers for the Hospital Industry



- **Lower Healthcare Spend:** India healthcare spend is 3% of GDP vs 19% in case of US. This works out to be US$ 57 per person annually on health care vs US$ 11,702 in case of US



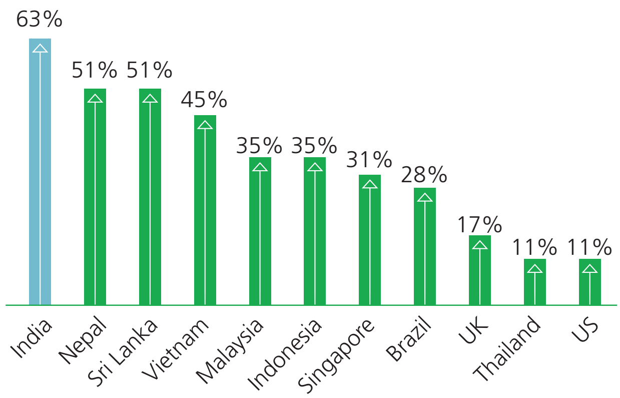


Source: PL Equity Research on Indian Healthcare and World Bank.

Management Discussion & Analysis (Contd.)

- Low public spending and limited penetration of health insurance has led to 'out-of-pocket' expenditure accounting for ~63% of total healthcare which is one of highest in the world and well above global average of 22%

Out-of-pocket expenses as % of Healthcare expenditure

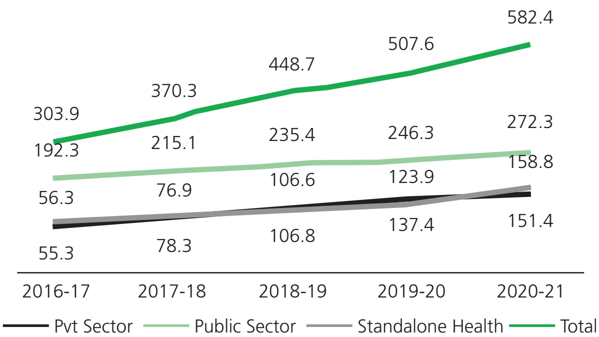


Source: PL Equity Research on Indian Healthcare

- **Increasing burden of Non-Communicable Diseases:** Non-communicable diseases (NCDs) encompass a vast group of diseases such as cardiovascular diseases, cancer, diabetes and chronic respiratory diseases. NCDs contribute to around 38 Million (68%) of all the deaths globally and to about 5.9 Million (60%) of all deaths in India. The majority of NCD deaths occur in low and middle-income countries such as India, which is undergoing an epidemiological health transition owing to rapid urbanisation, which in turn has led to an overall economic rise, but with certain associated flipsides.

- **Increase in Health Insurance Penetration:** During 2020-21, the general and health insurance companies witnessed a 14.7% growth in premium collection while the compounded annual growth rate over 2016 to 2021 stood at 17.7%. In addition, it was observed that the market share of private sector insurers increased from 18.5% in 2016-17 to 27.3% in 2020-21 while market share of public sector insurers declined from 63.3% to 47.8% in the same period.

Increasing Trend in Health Insurance Premium (INR Bn)

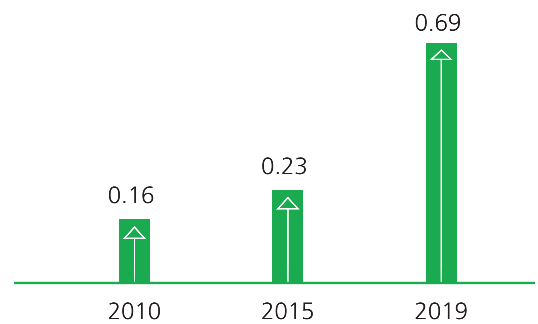


Exclude Personal Accident and Travel Insurance

Source: IRDA 2020-21 Annual Report

- **Significant opportunity from medical tourism:** Medical tourism is expected to be one of significant growth drivers for India's Healthcare Sector. The medical tourism market is expected to grow at a CAGR of 65-70% between FY 21-25 (Source: PL Equity Research). In addition, India offers a significant cost advantage globally along with best-in-class clinical outcomes.

Medical Tourists (in million)



Source: PL Equity Research on Indian Healthcare

- **Continuing demand supply gap for quality healthcare services and healthcare infrastructure:** India currently has 1.3 hospital beds per 1,000 population. There is also a shortage of skilled health workers, with 0.65 physicians per 1,000 people (the World Health Organisation standard is 1 per 1,000 people) and 1.3 nurses per 1,000 people.

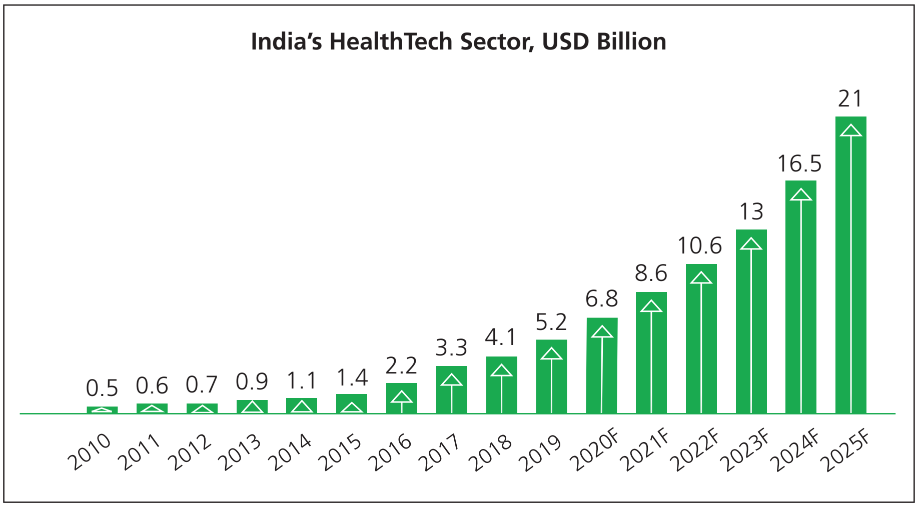
  India would need an additional 3 Million beds to achieve the target of 3 beds per 1,000 people by 2025. Furthermore, another 1.54 Million doctors and 2.4 Million nurses will be required to meet the growing demand for healthcare in India.

D. Technological Transformation

The HealthTech industry in India has seen impressive growth, outpacing most other segments of the healthcare sector, with a remarkable CAGR of 39%, following global trends. By 2033, it is projected to reach $50 Billion (Source: RBSA Advisors). Currently, the industry comprises six segments, namely telemedicine, e-pharmacy, fitness, wellness, healthcare IT, analytics, home healthcare and personal health management.

Data mining, clinical diagnoses and self-monitoring devices to assist in maintaining a healthy lifestyle are just some of the ways in which the healthcare industry in India is constantly evolving in tandem with technological advancements.

India's healthtech market is estimated to reach US$ 21 Billion in FY 25 on the back of telemedicine and preventive healthcare growth



Source: Datalabs, Inc42

The Indian government and private sector stakeholders have supported the development of technologically advanced medical devices in addition to digital infrastructure. Increasing smartphone and Internet penetration, and initiatives like the government-run National Digital Health Mission are collectively responsible for the accelerated pace of health systems digitisation in India.

The MedTech market in India, which comprises mainly of medical equipment, life sciences, and in-vitro diagnostic technology, was valued at around $10.4 Billion in 2020 and is projected to grow at a CAGR of 37% to reach $50 Billion by 2025. (Source: IBEF)

Meanwhile, the use of digital healthcare technologies, including Artificial Intelligence (AI) and telemedicine, has increased significantly globally, with investments reaching nearly $57 Billion in 2021.

Examples of digital transformation in the healthcare industry include telemedicine, AI-assisted medical devices, blockchain for electronic health records and cloud-enabled data management platforms.

Additionally, India's virtual or remote healthcare industry will be crucial going forward. According to a market research report, remote healthcare global market is expected to be around $57.1 Billion by 2030. A significant factor that will help its growth will be the use of AI.

In the coming years, the healthcare space is likely to be affected by 5G. With the help of 5G, everything can be done in a distributed manner, including robotic surgeries, extensive healthcare management in rural areas, as well as virtual health education and health research.

The following prominent trends can be anticipated as the healthcare industry reinvents itself for a new digital future:

Key Technology Transformation Trends in the Healthcare Sector

- **Increased Focus on Big Data & Analytics:** Numerous healthcare organisations are progressively putting resources and investment into clinical data analytics for analysing patient data. For example, adaptive data analytics (ADA) is already at the forefront of the new age research of the industry, to enhance the ability to quickly adapt data and analytic techniques.

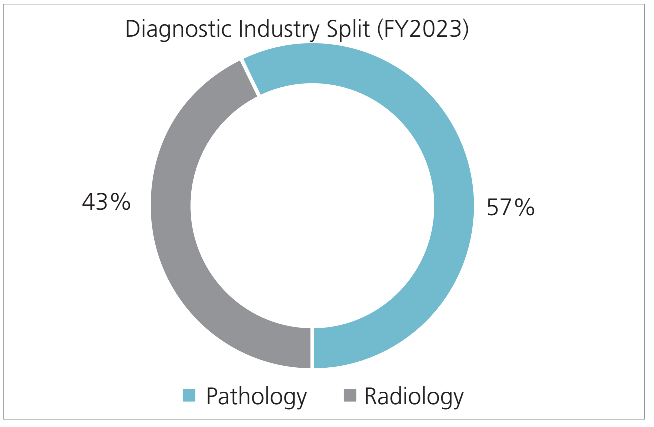
Management Discussion & Analysis (Contd.)

- **Growth of AI/ML and analytics –** AI and advanced analytics is enabled by digitalisation, which makes it easier to analyse things like predictive analytics, telemedicine, precision medicine, population health analytics and so on. According to a market research report, the AI in Healthcare Market is expected to reach $102.7 Billion by 2028, up from $14.6 Billion in 2023.
- **Robotics in healthcare:** Robots aid healthcare professionals in completing routine tasks more efficiently, freeing up their time to concentrate on other crucial duties. Such automation in medical care makes operations more secure and more affordable for patients.
- **Remote health and virtual care becoming mainstream:** Telemedicine accounted for 30% of all patient visits during the pandemic, and digital health platform transactions increased by three times. The domestic telemedicine market is anticipated to reach $5.5 Billion by 2025, according to an EY study.
- **Leveraging Blockchain:** Providers are developing novel solutions that make use of the emerging blockchain technology to enhance the performance, security, and transparency of healthcare data sharing. Blockchain has the potential to revolutionise the healthcare industry.
- **Internet of Medical Things (IoMT):** The Healthcare industry is emulating the concept of IoMT, a connected infrastructure of smart devices and software applications to improve healthcare services. The Internet of Things (IoT) in healthcare and remote patient monitoring are developing simultaneously to revolutionise patient care. According to a market forecast, The IoT Healthcare Market is worth $158.1 Billion with 50 Billion connected devices by 2020.
- **Cloud Technology:** Patients and healthcare professionals now have access to cloud technology, which has grown significantly. More cloud data centers are needed for the training and operation of AI and machine learning tools, which are growing in number.
- **E-Pharmacies:** E-pharmacies in India will serve 70 Million households by FY 25, according to the industry body FICCI, as internet use and digital awareness rise.

E. Indian Diagnostic Sector

The diagnostic industry is growing steadily in India and is expected to grow at a CAGR of approximately 5% to 7% over the next five years. The domestic diagnostic industry is currently valued at Rs. 800 billion and is broadly classified into two segments: pathology testing and imaging diagnostic services.

Pathology testing involves sample collection, such as blood, urine, and stool, which is then analyzed using laboratory equipment and technology. On the other hand, imaging diagnostic services produce images that are used for medical consultation, such as CT scans, MRI, and PET scans. The pathology segment is estimated to contribute approximately 57% of the total market revenue.



Despite the presence of over 100,000 labs, the diagnostic industry in India is highly fragmented and under-penetrated. There are various delivery formats available, including hospital labs, standalone labs, national chains and regional chains. However, the majority of the market is dominated by fragmented standalone centers.

A major part of the diagnostic business comes from urban areas, indicating a significant growth opportunity for national players in both urban and rural areas, where penetration is still low. There is a potential for organic as well as inorganic growth in highly penetrated areas such as cities and low-penetrated areas like rural regions.

a. Key Drivers of Growth:

The diagnostics industry is expected to grow due to several factors, including the rising per capita income in India, which has led to an increase in the middle class's affordability and access to better healthcare services. Additionally, the country's increasing population and changing nature of diseases, such as the contagiousness of viruses like COVID-19, are driving the demand for diagnostic services.

The expansion of organised healthcare and government initiatives aimed at promoting high-quality diagnostics and wellness services are also expected to boost growth. Furthermore, the use of technology in healthcare is growing rapidly, presenting opportunities for healthcare providers.

b. **Key Threats and Risks:**

The diagnostics industry in India faces several threats and risks, including rising competitive intensity within the organised market, which is already small due to the highly fragmented nature of the industry. Low entry barriers and the asset-light model, which reduces initial setup costs, make it easy for new players to enter the market.

The industry is also geographically concentrated in urban regions, making it susceptible to demand-supply dynamics. The government's price capping under National Essentials Diagnostic List (NEDL) could be a significant risk for routine tests, which account for a substantial portion of sales for leading players. Furthermore, input costs and inflationary pressures are putting pressure on margins and there is a shortage of skilled manpower in the industry.

F. Outlook

Healthcare is expected to remain a major contributor to the economy in the coming years as various policies, innovations and investments are anticipated to shape the industry's future impacting economic growth. The increasing focus on digital health solutions, telemedicine and other technological advancements in the healthcare industry has opened new avenues for growth and innovation. The government plans to increase the budget allocation for public health spending to 2.5% by 2025, which will be beneficial given the huge demand for tertiary care and specialty hospitals.

Critical Role of Private Players: Private healthcare players will continue to play a critical role in the industry as they continue to provide healthcare services to more than 70% of the country's rural population and 80% of the urban population. In addition, private healthcare players will continue to invest towards addition of new bed capacity, bringing in new high end medical infrastructure and uplifting the overall healthcare services in the country by adopting new technologies; all to further strengthen the overall patient experience and clinical outcomes.

Growing Home Healthcare Solutions: It is expected to be one of the fastest growing segments in India, though it is currently at a relatively nascent stage. The growth would be driven by the rising elderly population in the country, increase in the incidence of chronic diseases, enhanced demand for constant personalised care as well as the emergence of nuclear family structures in urban areas.

Advancements in Technology: Advancements such as AI, wearables and other mobile technologies, along with Internet of Things, are expected to take the healthcare services to the next level. Key segments where new opportunities are likely to emerge for health technology players include development of tools to facilitate emergency care and improvements to medical infrastructure, through technology-based optimisation. This includes expanding the scope of wearable devices to track health conditions, developing patient-facing mobile health applications as well as greater integration of AI, robots and blockchain technologies.

We believe that the future of diagnostics and healthcare can be built upon several pillars, including anytime anywhere connected and home-based care and testing, data driven clinical interventions, automation, advanced testing technologies, and supply chain efficiency. We believe that prevention and early diagnosis to be central to the health, and sophisticated tests and tools could mean most diagnosis take place at or close to people's homes.

Proactive and Integrated System: The future of health will be driven by proactive and integrated system of health where transformational technologies like AI, quantum computing, cloud storage, virtual reality will play a pivotal role. Next-generation sequencing (NGS) has enabled scientists and researchers to better understand the genetic mechanisms linked to conditions, in areas such as women's health or in diseases like cancer and inherited disorders. More importantly, these advances have given rise to improved diagnostics for early intervention and monitoring treatment response, ensuring patients get the best therapies possible.

The hospital sector in the country has emerged sharper in the aftermath of the COVID pandemic. The evolving industry environment and the opportunities for growth have led to an increasing interest by investors, private equity players, other corporate and healthcare players for investment in the sector. This has also led to consolidation opportunities in the industry highlighting the need to gain size and scale in order to draw higher operating leverage. At the same time, the market environment

Management Discussion & Analysis (Contd.)

is competitive and regulatory uncertainties remain. Healthcare organisations are making efforts to grow revenue, enhance patient experience and better clinical outcomes in order to grow their market share in an evolving environment.

SECTION II

A. About Fortis Healthcare limited

Fortis Healthcare is one of the largest healthcare services providers in India with 27 healthcare facilities and 4,500+ operational beds including O&M beds and over 400 diagnostics centres as of March 31, 2023. The Company offers a full spectrum of integrated healthcare services ranging from clinics to quaternary care facilities and a wide range of ancillary services.

The Fortis Group employs ~24,000 people (including Agilus Diagnostics Limited) who share IHH's vision of becoming the India's most trusted healthcare network. We draw strength and synergies from our partnership with our parent company IHH Healthcare to deliver world-class patient care and clinical excellence.

i. The Year Gone By

Coming out of the shadows of pandemic, as we ushered in FY 23, the healthcare industry was poised for significant growth opportunities. Our organisation was proactive in adapting to this changed business landscape and continued its focus on delivering strategic priorities and growth plans.

We strengthened our prime medical programs in key facilities across India with addition of several eminent clinicians in Cardiac Sciences, Oncology, Neurosciences, Gastroenterology and Orthopedics. With technology rapidly changing the clinical landscape of the country, we too continued to invest in high end medical infrastructure to support our clinical teams in delivering cutting edge care. Some of the key medical equipment that we installed during the year included LINAC, PET CT, Gamma Knife, Da Vinci Surgical Robot, Cath Labs, Neuro-Navigation Systems and Ortho Robot. Together these initiatives resulted in all our focus specialties delivering very healthy revenue growth compared to the previous year.

During the year, we accelerated our focus on network growth and expansion. Our brownfield expansion plans were on track, resulting in addition of 140 beds across our key facilities including FMRI, BG Road, Mulund, Mohali, Ludhiana and Nagarbhavi. As part of our inorganic growth strategy, we signed definitive agreements with the VPS Group for the acquisition of Medeor Hospital in Manesar, Gurugram, Haryana that will add 350 beds to our network. This is in line with our stated strategy to expand presence in our focus geographic clusters, including Delhi NCR. We further expanded our network with the launch of a 200-bedded multi-specialty hospital in Greater Noida (NCR) in O&M association in Oct'22. We also inaugurated a state-of-the-art, Cancer Daycare Centre, at Defence Colony, New Delhi. This centre is equipped with a 12-bedded chemotherapy facility.

Continuing our efforts towards enhancing operational efficiencies, we made significant progress in our journey towards in-housing of key medical services including OP Pharmacy. At 25 units, OP Pharmacies are now being managed in-house, that has positively impacted our bottom line. In line with our strategy towards building a high-performance organisation, we worked towards developing high performing teams by enhancing people capabilities and competencies. In our endeavor towards building and nurturing talent, we launched leadership development programs for different categories of employees.

ii. Business Strategy

As we enter into FY 24, we expect our growth momentum to continue with our focus on both topline growth as well as improving margins. We will continue to strengthen our existing specialties and nurture new medical programs.

Key Medical Specialities: We expect our focus specialties – Oncology, Cardiac Sciences, Neurosciences, Gastroenterology, Orthopedics, Renal Sciences – to drive significant chunk of growth through addition of state-of-the-art medical infrastructure and onboarding of new clinical teams.

Network Strategy:

1) **Brownfield Expansion:** In line with our network expansion strategy, we plan to pursue both organic growth through brownfield expansion as well as inorganic growth. In FY 24, we plan to add approximately 200 beds as part of our brownfield expansion, with significant capacity addition planned at our larger facilities including Mulund, Anandpur, BG Road and Mohali. In addition, we expect to commission our second facility in Ludhiana with 50 beds. We will continue work on our other major brownfield expansion plans in key facilities including FMRI, Noida, Shalimar Bagh, Faridabad and FHKI that are currently in different project stages. Brownfield expansion plans for FY 24 onwards would see a cumulative bed addition of ~1,400 beds in Phase I and potentially another 600 beds in Phase II over the next few years. These expected bed additions would enhance our current operational bed capacity to approximately 6,000 beds, an addition of 50% from current levels.

2) **Inorganic Growth:** In addition to the brownfield expansion plans, we would actively evaluate and participate in inorganic growth opportunities. The current industry environment offers attractive consolidation opportunities for enhancing size and scale. Our emphasis would be to look at deepening our presence in our key geographic clusters - NCR, Mumbai, Bengaluru and Kolkata.

3) **Portfolio Rationalization:** A key component of our strategy would be our portfolio rationalisation initiatives which would enable us to judiciously re-allocate capital and augment management's focus on larger facilities in our key geographic clusters. Our ongoing efforts to optimize the current portfolio would also include a thorough review of select under-performing facilities and the plan related to those; with the objective of enhancing the overall operating performance and margins of the business.

Electronic Medical Records (EMR): In our endeavour towards becoming a digital-first organisation, we are excited about our journey to roll out a comprehensive EMR solution that is expected to transform the way we capture and store patient records as well as will bring enhanced efficiencies, safety and quality in clinical care. Going forward, the integration of EMR with myFortis – our patient lifecycle management platform – would enable us to deliver hyper personalised experience to our patients.

As we commit ourselves towards patient-centric care, building trust and transparency with patients will be a key theme for FY 24. In our efforts to be more transparent, we plan to start reporting and monitoring clinical outcomes for select additional major procedure in the ongoing year. This will be in addition to publishing clinical outcomes for five key procedures for our major units on our website. We plan to strengthen our frontline employee training program to focus on patient empathy. We also aim to launch assured price packages for key procedures starting with NCR units in FY 24. To bring in more transparency and standardisation in the billing process across our units, we plan to implement Systematised Nomenclature of Medicine Clinical Terms (SNOMED CT) to match the global standards in disease classification and uniformity in procedure nomenclature and pricing.

We plan to continue our focus towards building efficient processes for enhancing patient experience. We have developed a custom solution for real-time monitoring and streamlining our discharge process to lower the turnaround time. We expect to start the deployment of the solution in the ongoing year.

iii. Digital Transformation

The healthcare sector is revolutionising the service delivery through technology and Fortis is committed to ensuring that our technology infrastructure and digital platforms are adequately equipped to deliver better experiences and outcomes for both our patients and clinical teams. During FY 23, we made significant progress in our digital transformation journey, with revenues from digital channels growing by ~35% YoY to reach ₹ 1,183 Crores. The appointment bookings through our mobile app grew by ~65% in FY 23 compared to previous year to reach 2.29L.

Management Discussion & Analysis (Contd.)

During the year, we considerably expanded the capabilities of myFortis – our digital platform for customer lifecycle management. Key functionalities that were added in FY 23 include availability of diagnostics reports, customised notifications, and health tips, major UI/UX changes such as biometric login/OTP read capability, etc. For FY 24, additional features are being planned to further enhance the capabilities of the mobile app and agent portal of the myFortis platform. These include booking modality services, streamlined payment and refund processes, etc. This is an iterative process, and we will continue to make enhancements as per the user feedback and requirements.

We embarked on a journey to launch an all-new Fortis website to make it more user friendly, ease the patient navigation journey and integrate seamlessly with Fortis' digital assets.

The organisation continued its journey of transition from existing Oracle ERP to cloud based Oracle Fusion for Finance, HR, and Supply Chain Management functions. After successfully completing first phase of the project during the previous year, we are progressing steadily towards implementation of remaining modules that is scheduled to get completed during FY 24.

We continued to build our Business Intelligence platform that will enable effective business analytics. We rolled out new modules this year in the areas of Finance and SCM. We expect to complete the build-out of the system and launch multiple modules related to HR, Medical Operations and Marketing in FY 24. Through our continuous and significant investments in digital initiatives, Fortis aims to build a comprehensive technology platform that will ensure effective and efficient healthcare delivery.

iv. Medical Strategy and Operations Group (MSOG)

Over the year, the threat and transmission of COVID-19 pandemic receded gradually. Demand for routine healthcare services increased with patients coming back to hospitals for acute and chronic ailments. Hospitals were reorganised to manage these services which got postponed due to the COVID-19 crisis.

Fortis continues to drive its core value of patient centricity in all aspects of healthcare service delivery. We strive to pursue the highest standards in patient care while aiming to achieve the best experience and outcome for each patient and their family. As one of the leading, accredited, private healthcare chains in India, our systems-based approach demands continuous monitoring and evaluation of healthcare services, thereby enabling greater transparency and clinical success.

1) Clinical Governance

Our clinicians guide the organisation on medical matters. The Fortis Clinical Governance framework enables Senior Clinicians to come together, collaborate, share global best practices, and thereby pursue Evidence Based Medicine.

- ***The Fortis Medical Council (FMC)***

As the apex medical body at Fortis, the FMC comprises of senior, eminent clinicians; the MD & CEO; Senior Management officials and provides guidance to the executive on medical matters. The FMC has been an active group providing invaluable insights and recommendations on improving quality and patient safety initiatives.

- ***Specialty Councils***

Under the clinical governance framework, the specialty councils form an important pillar to realise the full potential of vast clinical expertise at Fortis. Specialty Councils are forums where our highly respected clinicians come together and interact with each other. As domain experts, members of specialty council share globally recognised, evidence-based practices towards formulating Fortis protocols. Specialty councils have been established for following 16 key specialties:

Fortis Specialty Councils

Cardiac Surgery	Cardiology	Critical Care Medicine	Emergency Medicine	Gastroenterology
Cardiac Surgery	Cardiology	Critical Care Medicine	Emergency Medicine	Gastroenterology
GI Surgery	Oncology	Renal Sciences	Neurology	Neurosurgery
Endocrinology Paediatrics	Pulmonology	Orthopaedics	Robot Assisted Surgery	Radiology

2) **Pursuit of Clinical Excellence**

- ***Quality and Patient Safety***

At Fortis, patient safety continues to remain the cornerstone of high-quality health care. While quality would "conform our services to requirements", patient safety practices lead to "prevention of harm".

Patient Safety indicators can assess the performance of healthcare services while representing opportunities for improvement in the delivery of care. Fortis has been tracking Quality and Patient safety indicators across its network hospitals since 2013 through centrally designed Clinical Excellence Scorecard (CESC). The indicators have been chosen based on the following criteria of:

✓ Importance

✓ Scientific acceptability

✓ Feasibility

✓ Usability

✓ Minimal overlap with other quality indicators

- ***Antimicrobial Stewardship (AMS)***

Antimicrobial Stewardship (AMS) is the effort to measure and improve how antibiotics are prescribed by clinicians and used by patients. Improving antibiotic prescription and their use is critical to effectively treat infections, protect patients from antibiotic misuse, and in combating antibiotic resistance.

Fortis is running a coordinated AMS program to address the increasing challenge of anti-microbial resistance. Key initiatives include:

✓ Antibiograms (an overall profile of anti-microbial susceptibility) are prepared for each hospital and shared with clinicians for their reference, encouraging them towards rational use of anti-microbials.

✓ Annual review of Unit antibiotic policy.

✓ Monitor and evaluate use of restricted antibiotics.

✓ Ensure justification for use of restricted antibiotics.

✓ Compliance with surgical prophylaxis ensuring appropriate choice of antibiotics and adherence to timing/ type/ dose.

- ***Drug Resistance Index (DRI)***

The DRI is a single, composite measure or index, reflecting the relationship between antimicrobial resistance trend and antimicrobial usage practice. As a monitoring tool, the Drug Resistance Index (DRI) can assess the effectiveness of the Antimicrobial Stewardship (AMS) program. For the past 8 years, Fortis has been calculating its own Drug Resistance Index, using it as a monitoring and analysis tool for antimicrobial usage in Fortis hospitals.

3) **Clinical Outcomes**

These are the globally agreed upon, evidence based measurable changes in health, function or quality of life that result from patient care. At Fortis, clinical outcomes are reported and monitored to promote transparency and informed decision making for patients.

In India, Fortis has been a pioneer and at the fore front of this global initiative. We were among the first private healthcare service delivery chains to measure and report outcomes for various clinical procedures.

As part of the steering committee at International Consortium for Health Outcomes Monitoring (ICHOM) for designing the Coronary Artery Disease (CAD) Standard Set, Fortis has been instrumental in promoting evidence-based medicine. We are the first healthcare chain in India to publish its ICHOM

Management Discussion & Analysis (Contd.)

CAD outcomes data on its website.

At present, Fortis reports and monitors clinical outcomes for 10 procedures, namely: Coronary Artery Disease [Coronary Artery Bypass Graft (CABG), Percutaneous Coronary Interventions (PCI)], Organ Transplants (Kidney; Liver), Total Knee Replacement (TKR), Endoscopic Retrograde Cholangio pancreatography (ERCP), Radiation Oncology, Obstetrics and Gynecology (Hysterectomy, Cesarean section), Laparoscopic Cholecystectomy.

Improved recording of Patient Reported Outcomes Measure (PROM) for Coronary Artery Disease patients, marks a major milestone that measures patient experience along with clinical outcomes.

URL: https://www.fortishealthcare.com/clinical-outcomes

Clinical Outcomes **Coronary Artery Bypass Graft (CABG)#**	**Fortis 2022**	**Benchmark**
Use of left Internal Thoracic Artery graft	85.81%	74.20 % *
Need for Bail out Intra-Aortic Balloon Pump (IABP)	1.87%	-
Perioperative Myocardial Infarction	0.37%	0.96 % **
Post procedure neurological stroke	0.33%	1.30 % ¶
Need of Re-exploration surgery	1.91%	3.90 % ¶
Deep sternal wound infection	0.20%	0.30 % ¶
Predicted mortality	2.42%	-
Mortality during same hospital admission	1.77%	-

References:

¶ STS Annual Report 2019 * Cleveland Clinic Outcomes Report 2014 ** Texas Heart Institute 2014

Includes clinical outcome from those Fortis hospitals whose data is published on FHL website; doesn't represent all Fortis hospitals across India

Clinical Outcomes **Percutaneous Transluminal Coronary Angioplasty (PTCA)#**	**Fortis 2022**	**Benchmark**
Emergency CABG for failed procedure	0.04%	1.2 % *
Vascular complication at puncture site requiring intervention	0.05%	1.1 % *
Acute vessel occlusion requiring emergency re-intervention	0.12%	-
Post procedure neurological stroke	0.04%	0.284 % **
Post procedure Renal failure requiring hemodialysis	0.35%	-
Any Bleeding event requiring transfusion/intervention (within 72 hrs)	0.30%	4.0 % *
Delayed vascular complication at puncture site	0.01%	-
Readmission with acute Myocardial Infarction within 30 days	0.08%	-
Mortality during same hospital admission	1.98%	1.7 % *

References:

* US National Registry Data 2013 ** Cleveland Clinic Outcomes Report 2014

Includes clinical outcome from those Fortis hospitals whose data is published on FHL website; doesn't represent all Fortis hospitals across India

4) **Nursing**

Nursing at Fortis has further augmented patient care processes, their compliances, care-related process outcomes and care-related communication. To enhance patient care, the Nursing Operation System, Version-2, was launched to bring in more accuracy and transparency. The 11 patient-centric processes were identified which have a high impact on patients. The key processes included pain management, supervised meals, patient identification, shift handovers, medication administration among others.

Another key nursing initiative has been "Spandan". It focuses on "what to say and what to do" for four high-impact patient care processes – Initial Assessment of the new admission, Peripheral Venous Cannulation, Medication Administration and Documentation, Fall Prevention Education to Patient and family.

5) **Electronic Medical Records (EMR)**

An EMR is an electronic record of health-related information of an individual that can be created, gathered, managed, and consulted by authorised clinicians and care provider staff within a healthcare organisation. EMR contains digitalised patient information such as demographics, medical history, medications, allergies, lab results, imaging and other diagnostic test reports, procedure notes, doctors and nurses progress notes, diagnosis (in standard codes like ICD), treatment histories and discharge summaries. Further, it includes features to increase efficiency and improve the quality of care.

Fortis has embarked on its new journey on digitalisation of medical records. Efforts are underway to design effective and efficient workflows so that integration with software applications is seamless. The objective is to make the system user-friendly for its Clinicians, Nurses and all others, eliminating the need for paper records while making day-to-day operations more efficient.

6) **Medical Technology and Infrastructure**

Globally, the medical technology landscape is evolving rapidly. Increasingly, technology is playing a strategic role in health care service delivery towards enhanced health outcomes. Innovative and effective use of medical technology could be vital in saving lives while making healthcare more accessible and affordable.

Over the year, Fortis continued to invest significantly in upgrading its hospital infrastructure and medical technology. Hospitals have been equipped with state-of-the-art equipment to augment our medical programs while providing the highest standards in patient care. The new state-of-the-art equipment includes Soft Tissue Robot, Gamma Knife, LINAC, MRI and CT.

7) **Accreditations**

Fortis Accreditations	JCI	NABH	NABH SHCO	NABH Entry Level	Blood Centre	NABH Nursing	NABL	Ethics Committee
	4	20	2	4	9	18	18	15

B. Agilus Diagnostics Limited ["Agilus"] (Fortis's diagnostics business subsidiary)

i. Business Performance

For the financial year 2022-23, Agilus reported revenues of ₹ 1,347 Crores compared to ₹ 1,605 Crores reported during the Financial Year 2021-22. The overall revenues had declined compared to FY 22 due to huge Covid revenue in FY 22. The COVID revenue as a % of total revenue has declined from 28% in FY 22 to only 4% in FY 23. The non-covid business has grown from ₹ 1,152 Crores in FY 22 to ₹ 1,289 Crores in FY 23, a 12% growth. The Company EBITDA for the year stood at ₹ 263 Crores, representing a margin of 19% compared to a margin of 27% reported during the previous financial year.

Management Discussion & Analysis (Contd.)

The business served a total of over 16.6 Million patients during the year, compared to 21.4 Million during FY 22. Through these patients (Accessions), it undertook 39 Million tests during the year compared to 44 Million tests performed in FY 22.

In an endeavor to go closer to the customer and provide services at their doorstep, Agilus has increased its total number of touchpoints to more than 3700. B2C:B2B mix is at 54:46 in FY23 vs. 55:45 in FY22.

The business continued to have a well-diversified geographical mix with no over-dependence on any region, allowing it to capitalise on the pan-India network optimally. Regional FY 23 revenue contributions were 33% from the North, 23% from the West, 28% from the South, 14% from East and Central India, and 2% from International. Agilus's preventive portfolio also went up by 29% in FY 23 compared to previous financial year.

ii. Training and Development

In the last few years, Agilus has progressed to bring many tailor-made competency enhancement programs for a different set of employees. Agilus's training curriculum includes robust Technical, Skills and specialized Behavioural training programs.

- The Company's induction training program 'Nneev' was conducted twice during the year.
- Continued leveraging the **e-learning platforms** like:
  - MedGurukul where Agilus doctors conducted various learning interventions to share their expertise amongst the diverse specialties at Agilus and
  - Tech Talk for Technologists for Agilus Technical team members (Technologists) where technologists presented the topic of their expertise under the guidance of respective Lab Heads
- Trained front desk staff on creating **ABHA IDs (Ayushman Bharat Health Account)** for patients thereby strengthening Govt. of India's efforts to extend the benefits of the Ayushman Bharat initiative to all citizens
- **Strengths Based Leadership Development Program** for Agilus's identified high-potential employees (HiPOs)

iii. Retail Network Expansion

The opportunity to increase sales and generate demand is appealing when acquiring new customers and exploring untapped markets. Agilus has established its presence across 1000+ cities, 30 states, and union territories as of March 31st 2023, with a PAN India network and equal distribution of centers. Over the past year, Agilus has expanded its reach by adding over 1100+ customer touchpoints and including 1700+ direct clients. As of FY23, Agilus's network comprises 410 +labs, 3700+ customer touchpoints, and 12000+ direct clients..

iv. International Business

Agilus's International Division carries a rich history of over 2 decades and during this period the company has witnessed different market situations across geographies. Agilus's international network consists of collection centers and direct clients spread across the SAARC region, Sub-Saharan Africa, Southeast Asia, CIS, Gulf and the Middle East.

Agilus has completed new client acquisitions in Asia and Africa and have also finalised a new lab set up in Kazakhstan. A central hub for logistics in Maldives was a key initiative taken to overcome logistics challenges and inclusion of oncology and genetics tests under Aasandha, a govt. health insurance company has helped in growing the business.

Agilus has also started Digital pathology services in Maldives by installing a Grundium scanner at Indira Gandhi Hospital, a Govt hospital. During FY 22-23, the company continued with Its business in Maldives, Sri Lanka, Nepal, Bangladesh, Ethiopia, Kenya, Uganda, Nigeria, Ghana, Oman, Mauritius, Kazakhstan, and Uzbekistan.

v. Brand Initiatives

The industry is undergoing swift consumerisation and Agilus is committed to remain future ready with multiple new initiatives that enhance its customer experience. This year, Agilus significantly improved its network presence by adding new laboratories and patient touch points apart from strengthening the test offering.

Diagnostic Solutions:

- This year, the Company launched niche specialised tests like Tuberculosis Whole Genome Sequencing, Chromosomal Microarray, Complete Care Geno – Wellness, Dual Marker (FMF) By TRF Method, Fatty Liver Index, Myasthenia Gravis Panel, Heart Assure (High Sensitive Troponin - I), Monsoon Fever Panel With Leptospira, Endometrial Receptivity Gene Expression, Kidney Stone Analysis (X-Ray Method) and H3n2 Test
- Agilus has also launched its e-dos (Directory of Service) which is easily accessible from their website. With a Google like search, the e-dos is designed as per international standards, complete with LOINC codes, and serve as a one-stop solution for any test-related query. The Company believes that the customers will greatly benefit from this

Preventive Healthcare Packages:

- Along with expanding its home collection services and offering a superior omnichannel customer experience, Agilus has also introduced a new line of preventive healthcare packages that are intended to satisfy customers' needs for wellness and preventive care
- The Company has launched 14 new packages with new age tests like cardiac - high sensitive troponin I and Fatty Liver Index, keeping in mind the prevalence of non-communicable diseases in urban and semi-urban India

Enhanced Communication: To remain updated with the latest in diagnostic science, Agilus communicates frequently with its key stakeholders, the doctors. Accordingly, the company organises Continuous Medical Education sessions (CMEs), round table meetings and scientific conferences throughout the year.

Health Campaigns: Agilus believes in educating consumers on good health and wellbeing and the company conduct health awareness campaigns throughout the year.

The company also held webinar sessions on World Cancer Day, CML (Chronic Myeloid Leukemia) Day, Breast Cancer Awareness Month, and Ovarian Awareness Month

Customer Experience: One of the Company's constant endeavors is to offer a superior customer experience in terms of maintaining aesthetic and comfortable patient touch points, seamless booking of services through its website and mobile app and providing reliable test reports.

- Agilus's WhatsApp chatbot delivers more than 10,000 reports each day, SMART reports that provide detailed insights including diet and lifestyle interventions, and live tracking of phlebotomist feature that reduces the anxiety of customers awaiting sample collection are a few examples of enriching patient experience
- The Company is constantly upgrading the UI/UX of the Agilus website & mobile App to improve the user experience and customer adaptability of the digital medium

Consumer Loyalty Program: Club Agilus is the consumer loyalty program of Agilus Diagnostics and allows its customers to earn discounts on their subsequent test orders. The company believes this will help build customer loyalty.

Awards and Recognition: This year, Agilus won more than 10 Industry awards for Outstanding Pathology Services, Excellence in High-End Diagnostics, Excellence in Home Healthcare Services, and Customer Experience. Agilus's brand PR efforts led to building its share of voice across financial, mainline, regional, online, and trade media publications.

vi. Information Technology

In the Year 2022-23, Agilus has initiated and implemented a large number of IT integrations with

Management Discussion & Analysis (Contd.)

aggregators as well as Integrated Lab systems with New Lab Analysers to improve efficiency within a lab.

Major technology upgradation was made in the current year to enhance the capability to service its CC-Portal Applications used by Collection centers and Patient Service Centres. The Company has also undertaken upgradation in CLIMS application to meet customer needs and Information Security. Agilus has continued to prioritise data security and privacy by implementing various measures to safeguard sensitive patient data. This has involved the implementation of robust security protocols and the use of advanced encryption technologies.

vii. Research and Development

This year in addition to launching whole genome sequencing for tuberculosis, Agilus launched several new genomic tests in the area of reproductive genetics, oncology, and hereditary and rare disorders.

Continuing with the company transformative efforts in the field of Genomics, several state-of-the-art technologies were implemented, notably the Golden Helix software for exome and NGS panel reporting. Agilus also installed S5 NGS PLUS and Sanger Sequencing 24 capillary with a better turnaround time.

Agilus's R&D team undertakes clinical research studies, co–marketing projects, contract validations, and collaborations. Under clinical research and co–marketing studies, the company has assessed the feasibility of 22 studies and 8 studies have been awarded to Agilus. Agilus is progressing well on contract validations and collaborations for publications.

viii. Academic and Scientific Achievements

Agilus offers a fellowship program to doctors that imparts applied knowledge of molecular pathology in cancers, genetic disorders, and infectious diseases. Under this program, two pathologists passed the Fellowship Course in Molecular Pathology offered by Agilus under the aegis of Maharashtra University of Health Sciences in 2021.

Agilus' Institutional Ethics Committee (EC) is registered with the National Ethics Committee Registry for Biomedical and Health Research (NECRBHR), DHR, MoHFW, Government of India since 2020. Also, the company has applied for membership in INSACOG and registering its R&D division for the Contract Assessment of IVD Kits under CDSCO. Agilus' Inclusion in the INSACOG has been approved by Department of Bio technology and final process for acceptance of terms and conditions has been initiated.

In FY 2022-23, Agilus also issued scientific publications that include medical case report journals and other regular communiques to doctors. The company's doctors also published scientific research papers in peer reviewed journals.

ix. Quality & Compliance

Agilus' Quality team plays a pivotal role in ensuring the implementation of all good laboratory practices, ISO 15189 standards, accreditation guidelines, and local regulatory requirements across its labs and SCFs. In FY 2022-23, the team worked towards the continuation of all current accreditation status – NABL ISO 15189: 2012, CAP - College of American pathologists and NABH (1 Radiology centers) as per their cycle of assessment. In FY 2022-23, the company added two new labs to the NABL list - Agilus Bhubaneswar and Agilus Jaipur Franchisee. NABL M(EL)T recognition was achieved for the first time for 3 Labs at Agilus Dankuni, Goa, and Agilus Mulund. Two of the company's national labs are affiliated with NTEP/RNTCP - National Tuberculosis Elimination Program/Revised National Tuberculosis Control Programme. Achieved RNTCP Affiliation for TB Drug Resistance Testing by LPA Method for 1st and 2nd Line drugs for your company's lab at AGILUS Limited Goregaon.

The new version of ISO 15189:2022 standard has been released by the International Organization of Standardization which is being adopted by NABL from 1st July 2023 (with a window period of three years), Agilus has made a phase-wise plan to implement compliance as per the new standard at PAN India level including review and updating of QMS documents, Training programs on the new standard and finally the gradual transition of NABL accreditation as per new ISO 15189:2022 standard.

C. Financial and Operational Performance of the Company – Consolidated Performance, Hospitals and Diagnostics business

Fortis' financial performance continue to witness growth momentum during Fiscal 2022-23. With the abatement of Covid-19 during the fiscal, the business witnessed strong traction in the hospital business driven by higher occupancy and better surgical mix, however, the diagnostic business witnessed significant decline in covid volumes thereby impacting the overall performance of diagnostic business for the financial year 2022-23 as against financial year 2021-22.

For the financial year 2022-2023, the Company reported a consolidated revenue from operations of ₹ 6,298 Crores compared to ₹ 5,718 Crores reported for FY 22. Revenue from Hospital business stood at ₹ 5,107 Crores compared to ₹ 4,264 Crores reported during the corresponding year. Agilus Diagnostics Limited, the diagnostic business of the Company, reported gross revenues of ₹ 1,347 Crores compared to ₹ 1,605 Crores in the previous financial year. The significant decline in diagnostic business revenue was due to decline in Covid volumes and associated revenues. Considering elimination of inter-company revenue (within the group), net revenue of Agilus was at ₹ 1,190 Crores compared to ₹ 1,453 Crores in FY 22.

Revenue (₹ Crores)	FY 22	FY 23	% Change
Total Consolidated Income*	5,745	6,360	10.7%
Revenues from operations	5,718	6,298	10.1%
Hospital Business**	4,264	5,107	19.8%
Diagnostic Business (Gross)	1,605	1,347	(16.0%)
Diagnostic Business (Net)	1,453	1,190	(18.1%)

(*Total consolidated income is net of inter-co elimination and includes other income of ₹ 61.9 Crores in FY 23 and ₹ 27.3 Crores in FY 22);

(**Hospital Business includes P&L of international entities also)

The consolidated EBITDA of the Company stood at ₹ 1,163 Crores compared to ₹ 1,096 Crores for the previous corresponding year. EBITDA margin of the Company stood at 18.5% in FY 23 versus 19.2% reported in FY 22. Hospital business EBITDA for FY 23 was at ₹ 900 Crores (excluding the dividend income of ₹ 21.9 Crores) compared to ₹ 672 Crores reported for FY 22. EBITDA margin of the hospital business stood at 17.6% in FY 23 versus 15.8% in FY 22.

The diagnostic business of the Company reported EBITDA of ₹ 263 Crores compared to ₹ 425 Crores reported in the previous corresponding year. EBITDA margin of the diagnostic business stood at 19.5% (basis gross revenue) compared to 26.5% for the year FY 22.

EBITDA (₹ Crores)	FY 22	FY 23	% Change
Group EBITDA	1,096	1,163	6.1%
EBITDA Margin	19.2%	18.5%	
Hospital Business**	672	900	33.9%
EBITDA Margin	15.8%	17.6%	
Diagnostic Business	425	263	(38.3%)
EBITDA Margin (basis gross revenue)	26.5%	19.5%	

(**Hospital Business includes P&L of international entities also)

Management Discussion & Analysis (Contd.)

Consolidated Profit after tax for FY 23 stood at ₹ 633 Crores compared to ₹ 790 Crores reported in the previous financial year. PAT includes an exceptional gain of ₹ 73.6 Crores in FY 23 and ₹ 315 Crores in FY 22. Exceptional gain in FY 23 pertains to reversal of impairment in an associate Company while exceptional gain in FY 22 was majorly on remeasurement of the previously held equity interest of Agilus in the DDRC SRL Diagnostics Limited, JV* at its fair value post acquisition of the balance 50% stake in the said JV in April 2021. *(* The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.)*

With respect to the balance sheet, the Company maintained a comfortable liquidity position with net debt of ₹ 330 Crores as on March 31, 2023 versus ₹ 549 Crores as of March 31, 2022 (net debt to equity of 0.04x vs 0.08x, respectively). Gross debt of the Company stood at ₹ 703 Crores as on March 31, 2023 versus ₹ 966 Crores as of March 31, 2022. Net Debt to EBITDA stood at 0.29x for the FY 23 compared to 0.60x for FY 22 (basis Q4 annualised EBITDA of FY 23 and FY 22, respectively).

Key Performance Indicators (Hospitals)	**FY 22**	**FY 23**	**Key Performance Indicators (Diagnostics)**	**FY 22**	**FY 23**
Occupancy	63.4%	67.1%	Lab med revenue contribution	95.4%	95.6%
Average revenue per occupied bed (₹ Crores)	1.80	2.01	No of Accessions (in Million)	21.4	16.6
Average length of stay (days)	3.73	3.73	Average real. per accession (₹)	746	808
OPD Footfalls (in Million)	2.71	2.83	Tests performed (in Million)	44.2	39.1
IPD Discharges (in Million)	0.27	0.29	Average real. per test (₹)	361	344

D. Human Resources

Year 22-23 saw accelerated and far-reaching effects on the working-class segment in terms of - an increased affinity towards holistic health and wellbeing, a massive shift in the adoption of digital technology and a heightened consciousness towards sustainable & socially equitable demands.

Having identified Oracle Fusion as ERP for support functions of Finance, SCM and HR, we have joined the implementation agenda with 'Reimagine HR' as our core theme this year. Our process design principles revolve around building a HR value chain that allows us to navigate challenges with enhanced speed and agility.

Debate that technology can edge out personal interface especially in HR, continues to find traction. To ensure that we effectively safeguard ourselves from this probability, we have built a Fortis Promise to enhance empathy quotient of our teams not only for dealing with patients and care givers, but for dealing & conducting ourselves in all situations. "Servicing with Heart" program is our signature intervention initiated across various patient facing roles / teams and scenarios which delves into key behavioural anchors needed to deliver The Fortis Service Promise of 'Care for Good'.

Continuing to move towards a more employee centric approach to performance management that focuses on feedback & development as key drivers of employee performance, we had moved away from bell curve based forced ranking methodology in FY 22. This year, we established a competency framework for executive category employees, which in turn has been integrated with performance management system in to balance our focus between 'what' and 'how' aspect of achievement quotient.

Shortfall in skilled front line talent has been a challenge for our industry. With National Apprentices Promotion Scheme (NAPS) coming into action, we have taken the opportunity to collaborate with the ecosystem around NAPS stakeholders and have initiated apprentice engagement in 7 hospitals under some leading jobs. This allows us to skill-train frontline talent and standardise role expectations as well.

Health & wellness agenda for employees was designed as a long-term strategy with Mental health being the first pillar considered for frontline leaders with launch of exclusive help line in collaboration with Mental Health team under Dr. Samir Parikh across Fortis markets. The initiative also entailed conduct of 94 skill building workshops covering 1700 employees. Enhancement in mental wellbeing quotient was reported across our Frontline Leaders.

New Business Support Initiatives

Our growth agenda saw us support commissioning/ expansion of:

- Oncology day care centre as an extension of FMRI, Gurgaon in Defence colony Delhi
- O&M hospital in Greater Noida
- In-house OP Pharmacy network
- Lean Six Sigma capability building to drive Operational Efficiencies

Testimony of acceptance and effectiveness for above initiatives is well established through the facts that –

a. We improved our engagement scores to 90% from 88% last year and participation rate to 94% from 91%. Employee net promoter score took a big leap from 8 to 21, with all units and employee groups showing good improvement with no negative indictor for eNPS. We use ESOMAR standards compliant (Data protection & privacy), internationally acclaimed third-party platform for this survey.

b. Overall Annualised Attrition improved by 1.5% in absolute terms, majorly owing to 5% improvement for Nursing category.

E. Internal Control Systems and their Adequacy

At Fortis Healthcare Limited, the internal control system has been designed to correspond to the size and complexity of the operations and the incremental changes made. All aspects are continuously monitored by the management to provide reasonable assurance that the objectives and prescribed benchmarks are met.

We have a robust system for checking the effectiveness and efficiency of the operations, as well as the reliability of financial reporting and compliance with applicable laws and regulations. It is overseen at several layers including where required by the Committees of the Board..

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and through its observations provides an input to the management to support continuous improvement program. The internal audit program is managed by an Internal Audit function directly reporting to the Audit Committee of the Board.

FORWARD LOOKING STATEMENT

Except for the historical information contained herein, statements in this discussion which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy, future business plans, our growth and expansion in business, the impact of any acquisitions, our financial capabilities, technological implementation and changes, the actual growth in demand for our products and services, cash flow projections, our exposure to market risks as well as other general risks applicable to the business or industry. The Company undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof. These discussions and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

References

- *Investment Opportunities in India's Healthcare Sector, NITI Aayog*
- *IBEF report on Healthcare Sector, February 2023*
- *Prabhudas Lilladher Equity Research report*
- *IRDA Annual Reports*
- *Market Research, Equity and Other Reports, Web Articles, Press & Media Reports and Others*
- *World Bank Data*

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Fortis Healthcare Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the standalone financial statements of Fortis Healthcare Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTERS

i. We draw attention to note 22 and 23 of the standalone financial statements which deal with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("the Company") 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.

ii. We draw attention to note 21 of the standalone financial statements 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 opinion is not modified in respect of above matters.

Independent Auditor's Report (Contd.)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of Goodwill and Investments

The key audit matter	How the matter was addressed in our audit
The Company is required to annually test the amount of goodwill for impairment. Investments in subsidiary companies, associates and joint ventures are tested for impairment in case an indicator of potential impairment is identified. There are inherent uncertainties involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability. Accordingly, this is one of the key judgmental areas in our audit.	In this area our audit procedures included testing of the Company's budgeting procedures upon which the forecasts are based; and the principles and integrity of the Company's discounted cashflow model. We used our valuation specialist to assist us in evaluating the assumptions and methodologies used by the Company. In particular this included those relating to the forecast revenue growth, profit margins and discount rates. We compared the Company's assumptions to externally derived data as well as our own assessment in relation to key inputs such as projected economic growth, cost inflation and discount rates. We also performed sensitivity analysis of the key assumptions. We also assessed the adequacy of related disclosures in note 5(ii) and 5(iv) of standalone financial statements and sensitivities of key assumptions. Also refer note 2(e)(ii) and 2(f) of the standalone financial statements for the related accounting policy.

OTHER INFORMATION

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

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Independent Auditor's Report (Contd.)

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

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

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

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

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

e. The matters described in the "Emphasis of Matters" paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 11, 21, 22 and 23 to the standalone financial statements.

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

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

d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note27(iii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 27(iv) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. As stated in Note 30 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Rajesh Arora
Partner
Membership No.: 076124
ICAI UDIN:23076124BGZBID8763

Place: Gurugram
Date: 23 May 2023

Independent Auditor's Report (Contd.)

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF FORTIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (Rupees in lacs)	Amount as reported in the quarterly return/ statement (Rupees in lacs)	Amount of difference (Rupees in lacs)	Whether return/ statement subsequently rectified
June 2022	Axis Bank and DBS Bank	Net increase/ (decrease) in cash and cash equivalents	68.50	32.87	35.63	Yes

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to companies, in respect of which the requisite information is as below. The Company has not granted any loans to firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to any other entity as below:

Particulars	Loans (Rupees in lacs)
Aggregate amount during the year – Subsidiaries	14,679.30
Balance outstanding as at balance sheet date – Subsidiaries	14,679.30

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided and terms and conditions of the grant of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of certain loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. However, in respect of certain loans, there were no repayments or receipts during the year as the amounts falling due during the year have been renewed/ extended. Also refer to clause (e) below. Further, in case of advances in the nature of loan as listed below, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment on whether the repayments or receipts are regular. These amounts have been fully provided in books in earlier years.

S. No.	Name of the entity	Amount in (Rupees in lacs)	Nature	Remarks
I.	RB Seth Jessa Ram and Bros, Charitable Hospital Trust	269.81	Advances in the nature of loans	There is no stipulation of schedule of repayment of principal or payment of interest
II.	Reliant Healthcare Consultancy Private Limited	52.53	Advances in the nature of loans	
III.	Rattan India Finance Private Limited	40.00	Advances in the nature of loans	

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given as the period of repayment of principal and interest have been extended by the Company during the current year. Further, in case of advances in the nature of loans as detailed in clause (c) above, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion following instances of loans/advance in the nature of loan falling due during the year were extended by fresh loan.

Name of the parties	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (Rupees in lacs)	Percentage of the aggregate to the total loans or advances in the nature of loans granted / renewed during the year
Fortis Hospitals Limited	6,324.06	43.08%
Escorts Heart Institute and Research Centre Limited	8,121.51	55.33%
Hospitalia Eastern Private Limited	165.00	1.12%
Fortis Health Staff Limited	5.00	0.04%
Fortis La Femme Limited	63.73	0.43%

Independent Auditor's Report (Contd.)

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its sales of goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Provident funds.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rupees in lacs)	Amount paid under protest (Rupee in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax and interest thereon	2,641.41	2,487.61	AY 2012-13	Commissioner of Income tax (Appeal)
Income Tax Act, 1961	Income tax (TDS) and interest thereon	505.17	-	AY 2013-14 and AY 2014-15	Commissioner of Income tax (Appeal)
Income Tax Act, 1961	Income tax (TDS) and interest thereon	1,319.84	-	AY 2015-16	Commissioner of Income tax (Appeal)
Income Tax Act, 1961	Income tax (TDS) and interest thereon	635.92	-	AY 2016-17	Income tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income tax (TDS) and interest thereon	616.00	-	AY 2017-18	Income tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income tax and interest thereon	671.72	-	AY 2018-19	Commissioner of Income tax (Appeal)
Punjab VAT Act, 2005	Value Added Tax	1,412.35	-	FY 2009-10	Supreme Court

Name of the statute	Nature of the dues	Amount (Rupees in lacs)	Amount paid under protest (Rupee in lacs)	Period to which the amount relates	Forum where dispute is pending
Punjab VAT Act, 2005	Value Added Tax	2,208.82	-	FY 2010-11	Supreme Court
Finance Act, 1994	Service Tax	50.00	-	FY 2012-13	CESTAT
Finance Act, 1994	Service Tax	294.00	-	FY 2008-09 to FY 2012-13	CESTAT

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

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

(xi) (a) As explained in the note 23, SEBI has passed an order during the year against various entities including the Company stating that the consolidated financial statements of the holding Company from quarter ending June 2016 to quarter ending June 2017 were untrue and misleading for the shareholders, the Company has circumvented certain provisions of the SEBI Act, 1992, Securities Contracts (Regulation) Act, 1956 and certain other SEBI regulations and there was a misuse and/or diversion of funds from the holding Company and its subsidiaries. SEBI has directed the Company and its subsidiary to pursue the measures taken to recover the amount of INR 397.12 lacs (approx.) along with the interest from the Erstwhile Promoters and also directed the Audit Committee to regularly monitor the progress of such measures and report the same to board of directors at regular intervals. SEBI has also imposed a penalty of Rs. 50 lacs and Rs. 100 lacs on the Company and Fortis Hospitals Limited, respectively.

Based on examination of the books and records of the Company and according to the information and explanations given to us, no other fraud by the Company or on the Company has been noticed or reported during the course of the audit. Also refer para (i) of "Emphasis of Matter" section of audit report.

Independent Auditor's Report (Contd.)

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, there is no core investment company within the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, clause 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Rajesh Arora
Partner
Membership No.: 076124
ICAI UDIN:23076124BGZBID8763

Place: Gurugram
Date: 23 May 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF FORTIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

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

OPINION

We have audited the internal financial controls with reference to financial statements of Fortis Healthcare Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial

Independent Auditor's Report (Contd.)

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

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

Rajesh Arora
Partner
Membership No.: 076124
ICAI UDIN:23076124BGZBID8763

Place: Gurugram
Date: 23 May 2023

STANDALONE BALANCE SHEET *as at March 31, 2023*

Particulars			Notes	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
ASSETS					
A.	**Non-current assets**				
	(a)	Property, plant and equipment	5(i)(a)	13,595.23	28,128.38
	(b)	Capital work-in-progress	5(i)(b)	266.82	632.79
	(c)	Right-of-use assets	7(a)	32,178.40	45,142.05
	(d)	Goodwill	5(ii)	2,721.77	2,721.77
	(e)	Other intangible assets	5(iii)(a)	690.49	1,036.26
	(f)	Intangible assets under development	5(iii)(b)	-	-
	(g)	Financial assets			
		(i) Investments in subsidiaries	5(iv)	8,84,760.36	8,84,528.50
		(ii) Loans	5(vi)	14,615.57	22,493.41
		(iii) Other financial assets	5(vii)	79.35	216.72
	(h)	Deferred tax assets (net)	5(viii)(a)	5,705.77	6,453.80
	(i)	Non-current tax assets (net)	5(ix)	13,000.76	10,540.05
	(j)	Other non-current assets	5(x)	240.67	157.92
	Total non-current assets (A)			**9,67,855.19**	**10,02,051.65**
B.	**Current assets**				
	(a)	Inventories	5(xi)	1,286.80	1,380.28
	(b)	Financial assets			
		(i) Trade receivables	5(v)	9,736.44	7,568.62
		(ii) Cash and cash equivalents	5(xii)(a)	97.68	107.19
		(iii) Bank balances other than (ii) above	5(xii)(b)	5.37	-
		(iv) Loans	5(vi)	-	-
		(v) Other financial assets	5(vii)	31,867.67	30,518.92
	(c)	Other current assets	5(x)	448.39	994.11
	(d)	Assets classified as held for sale	29	25,569.78	-
	Total current assets (B)			**69,012.13**	**40,569.12**
Total assets (A+B)				**10,36,867.32**	**10,42,620.77**
EQUITY AND LIABILITIES					
A.	**Equity**				
	(a)	Equity share capital	5(xiii)	75,495.81	75,495.81
	(b)	Other equity		8,20,857.80	8,11,360.58
	Total equity (A)			**8,96,353.61**	**8,86,856.39**
	Liabilities				
B.	**Non-current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	5(xv)	28,158.06	58,552.25
		(ii) Lease liabilities	7(a)	34,377.40	48,991.70
		(iii) Other financial liabilities	5(xvi)	118.51	140.81
	(b)	Provisions	5(xvii)	2,161.57	1,805.49
	Total non-current liabilities (B)			**64,815.54**	**1,09,490.25**
C.	**Current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	5(xv)	8,820.33	5,680.94
		(ii) Trade payables	5(viii)		
		-Total outstanding dues of micro enterprises and small enterprises		2,558.31	1,112.21
		-Total outstanding dues other than micro enterprises and small enterprises		39,004.20	26,549.64
		(iii) Lease liabilities	7(a)	7,157.97	6,036.46
		(iv) Other financial liabilities	5(xvi)	2,646.76	2,649.51
	(b)	Provisions	5(xvii)	2,198.02	2,288.52
	(c)	Other current liabilities	5(xix)	2,080.74	1,956.85
	(d)	Liabilities directly associated with assets classified as held for sale	29	11,231.84	-
	Total current liabilities (C)			**75,698.17**	**46,274.13**
	Total liabilities (B+C)			**1,40,513.71**	**1,55,764.38**
Total equity and liabilities (A+B+C)				**10,36,867.32**	**10,42,620.77**
See accompanying notes forming integral part of the standalone financial statements			1-32		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 23, 2023

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
SHAILAJA CHANDRA
Independent Director
DIN: 03320688

Sd/-
MURLEE MANOHAR JAIN
Company Secretary
Membership No.: F9598

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

STATEMENT OF PROFIT AND LOSS *for the year ended March 31, 2023*

Particulars				Notes	Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
I	Revenue from operations			5(xx)	1,05,292.60	86,261.37
II	Other income			5(xxi)	14,957.69	13,409.30
III	**Total income (I+II)**				**1,20,250.29**	**99,670.67**
IV	**Expenses**					
	i)	Purchase of medical consumable and drugs			26,639.90	20,929.85
	ii)	Changes in inventories of medical consumable and drugs		5(xxii)	(111.67)	(501.08)
	iii)	Employee benefits expense		5(xxiii)	17,545.13	15,423.32
	iv)	Finance costs		5(xxiv)	10,624.19	12,957.71
	v)	Depreciation and amortisation expense		5(xxv)	11,588.25	11,262.94
	vi)	Other expenses		5(xxvi)	47,904.66	38,868.69
	Total expenses (IV)				**1,14,190.46**	**98,941.43**
V	**Profit before exceptional and tax item (III-IV)**				**6,059.83**	**729.24**
VI	Exceptional Gain/(Loss)			5(xxvii)	4,828.57	(1,628.05)
VII	**Profit before tax (V-VI)**				**10,888.40**	**(898.81)**
VIII	**Tax expense**			5(viii)(b)		
	i)	Current tax			878.50	230.57
	ii)	Deferred tax (net)			385.89	195.68
	Total tax expense (VIII)				**1,264.39**	**426.25**
IX	**Profit for the year (VII-VIII)**				**9,624.01**	**(1,325.06)**
	Other comprehensive income					
	i)	Items that will not be reclassified to profit or loss				
		(a)	Remeasurements of the defined benefit liablities		(194.90)	43.60
		(b)	Income tax relating to items that will not be reclassified to profit or loss		68.11	(15.24)
X	**Total other comprehensive income/(loss) for the year (net of tax)**				**(126.79)**	**28.36**
XI	**Total comprehensive income for the year (IX+X)**				**9,497.22**	**(1,296.70)**
	Earnings per equity share of ₹ 10 each :					
	i)	Basic (in ₹)		5(xxviii)	1.27	(0.18)
	ii)	Diluted (in ₹)		5(xxviii)	1.27	(0.18)
See accompanying notes forming part of the standalone financial statements				1-32		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 23, 2023

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
SHAILAJA CHANDRA
Independent Director
DIN: 03320688

Sd/-
MURLEE MANOHAR JAIN
Company Secretary
Membership No.: F9598

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

STANDALONE STATEMENT OF CASH FLOW *for the year ended March 31, 2023*

	Notes	Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (loss) before tax		10,888.40	(898.81)
Adjustments for:			
Exceptional (Gain)/ Loss		(4,828.57)	1,628.05
Finance costs		10,624.19	12,957.71
Loss on sale of property, plant and equipment (net)		63.72	20.66
Allowance for doubtful trade receivables		568.95	379.64
Allowance for doubtful advances		218.22	92.44
Advance income tax (TDS) written off		25.03	-
Depreciation and amortisation expense		11,588.25	11,262.94
Provision / liability no longer required written back		(570.66)	(612.85)
Interest income		(12,557.74)	(13,282.84)
Financial guarantee income		(222.53)	(90.65)
Dividend from equity investments		(2,148.75)	-
		13,648.51	**11,456.29**
Working capital adjustments			
Increase in trade receivables		(3,486.65)	(577.21)
Increase in inventories		(111.67)	(501.08)
Increase in loans, other financial assets and other assets		(336.70)	(2,822.77)
Increase in other financial liabilities, provisions, other liabilities and trade payables		13,488.50	4,973.39
Cash generated from operating activities		**23,201.99**	**12,528.62**
Income taxes paid (net)		(3,364.24)	(4,879.27)
Net cash generated by operating activities		**19,837.75**	**7,649.35**
CASH FLOWS FROM INVESTING ACTIVITIES			
Amount received against investments		4,596.71	3,692.70
Investment in subsidiaries		-	(2.00)
Purchase of property, plant and equipment and intangible asset		(5,364.52)	(2,682.08)
Proceeds from sale of property, plant and equipment		14.97	18.29
(Investment)/ maturity of bank deposits (net)		(0.24)	111.17
Interest received		9,118.85	10,370.60
Loans/ advances repayment by subsidiaries		9,950.00	12,265.00
Dividend from equity investments		2,148.75	-
Net cash generated by investing activities		**20,464.52**	**23,773.68**
CASH FLOWS FROM FINANCING ACTIVITIES (REFER NOTE 5(XIV))			
Proceeds from non-current borrowings		1,535.38	21,758.29
Proceeds/ (repayment) of current borrowings (net)		3,905.73	(6,335.48)
Repayment of non-current borrowings		(31,929.57)	(29,584.49)
Finance cost paid**		(10,608.61)	(12,877.14)
Principal payment of lease liabilities		(2,446.17)	(4,943.72)
Net cash used in financing activities		**(39,543.24)**	**(31,982.54)**
Net increase / (decrease) in cash and cash equivalents		759.03	(559.51)
Cash and cash equivalents at the beginning of the year		**(1,975.30)**	**(1,415.79)**
Less: Cash and cash equivalent classified as asset held for sale (refer note 29)		(2.20)	-
Cash and cash equivalents at the end of the year	5(xii)(a)	**(1,218.47)**	**(1,975.30)**

**Including interest on lease liability ₹ 5,926.19 Lakhs and ₹ 6,441.88 Lakhs for the year ended March 31, 2023 and March 31, 2022 respectively.

Notes:

(a) The standalone statement of cash flow has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash flows"

(b) The Company has paid ₹ 466.33 Lakhs for the year ended March 31, 2023 and ₹ 533.11 Lakhs for the year ended March 31, 2022 towards Corporate Social Responsibility (CSR) expenditure.

See accompanying notes forming part of the standalone financial statements 1-32

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 23, 2023

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

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SHAILAJA CHANDRA
Independent Director
DIN: 03320688

Sd/-
MURLEE MANOHAR JAIN
Company Secretary
Membership No.: F9598

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY *for the year ended March 31, 2023*

A. EQUITY SHARE CAPITAL

	No. in Lakhs	₹ in Lakhs
Equity shares of ₹ 10 each issued, subscribed and fully paid		
As at April 01, 2021	7,549.58	75,495.81
Issue of share capital	-	-
As at March 31, 2022	7,549.58	75,495.81
Issue of share capital	-	-
As at March 31, 2023	**7,549.58**	**75,495.81**

B. OTHER EQUITY

Particular		Reserves and Surplus				
	Notes	Securities premium*	Retained earnings	Amalgamation reserve **	General Reserve ***	Total other equity
Balance as at April 01, 2021		7,25,092.08	78,618.56	156.00	8,790.64	8,12,657.28
Loss for the year		-	(1,325.06)	-	-	(1,325.06)
Other comprehensive income for the year (net of income tax)		-	28.36	-	-	28.36
Total comprehensive income for the year		-	(1,296.70)	-	-	(1,296.70)
Balance as at March 31, 2022		7,25,092.08	77,321.86	156.00	8,790.64	8,11,360.58
Profit for the year		-	9,624.01	-	-	9,624.01
Other comprehensive loss for the year (net of income tax)		-	(126.79)	-	-	(126.79)
Total comprehensive income for the year		-	9,497.22	-	-	9,497.22
Balance at March 31, 2023		**7,25,092.08**	**86,819.08**	**156.00**	**8,790.64**	**8,20,857.80**

* *The unutilised accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act 2013.*

** *Amalgamation reserve represents the unutilised accumulated surplus created at the time of amalgamation of another company with the Company. This reserve is not available for distribution of dividend and is expected to remain invested permanently.*

*** *This represents appropriation of profit by the Company and is available for distribution of dividend.*

See accompanying notes forming part of the standalone financial statements 1-32

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 23, 2023

For and on behalf of the Board of Directors
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Company Secretary
Membership No.: F9598

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

NOTES Forming Part of the Standalone Financial Statements

1. CORPORATE INFORMATION

Fortis Healthcare Limited (the 'Company' or 'FHL'), a public limited company, was incorporated on February 28, 1996. Its equity shares are listed on BSE Limited and National Stock Exchange of India Limited. Its registered office is located at Fortis Hospital Sector-62 Phase-VIII, Mohali 160062, Punjab and the corporate office of the Company is located at Tower A, Unitech Business Park, Block - F South City - 1, Sector-41, Gurugram 122001, Haryana.

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider. The Company is primarily engaged in the business of healthcare services. The Company also holds interests in its subsidiaries, associates and joint ventures which manage and operate a network of multi-specialty hospitals and diagnostics centers.

On November 13, 2018, IHH Healthcare Berhad, Malaysia acquired 31.10% stake in the Company and appointed majority of board of directors, thereby, becoming the controlling shareholder of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

(i) Statement of compliance

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

The financial statements have been authorised for issue by the Company's Board of Directors on May 23, 2023.

(ii) Functional and presentation currency

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

(iii) Historical cost convention

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

(b) Current versus non-current classification

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

An asset is treated as current when:

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

The Company classifies all other assets as non-current.

A liability is current when:

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

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

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

Notes forming part of the Standalone Financial Statements (Contd.)

(c) Measurement of fair values

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

(d) Finance costs

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

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

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

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(e) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Recognition & Measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major Components) of property, plant and equipment.

(ii) Goodwill and Intangible assets

- For measurement of goodwill that arises from business combination. Subsequent measurement is at cost less any accumulated impairment losses.
- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
  - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of profit and loss as incurred.
  - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.
- Intangible assets that are acquired (including goodwill recognised for business combinations) are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated August 29, 2014 of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management. The details of useful life are as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Plant and machinery	3-15 years	15 years
Medical equipment	2-13 years	13 years
Computers	3 years	3 years
Furniture and fittings	4-10 years	10 years
Office equipment	5 years	5 years
Vehicles	4-8 years	8 years

Freehold land is not depreciated.

Depreciation on leasehold assets is provided over the lease term or expected useful life of the asset, whichever is lower.

Goodwill is not amortised and is tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Estimated useful lives of the intangible assets are as follows:

Category of assets	Management estimate of Useful Life
Computer software	3-6 years

Depreciation and amortisation on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

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(iv) Derecognition

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

(f) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to recognised and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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

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

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

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

(g) Financial instrument

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

Financial assets

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

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

Debt instrument at FVOCI

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

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

Debt instrument at FVTPL

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

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

Equity investments

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

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

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

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

Dividend income from investments is recognised in statement of profit and loss on the date that the right to receive payment is established.

Impairment of financial assets

The Company recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than

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trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial recognised; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Derecognition of financial assets

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

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

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

Write off of financial assets

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

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

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

Derecognition of financial liabilities

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

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation by the Holding Company, the fair values are accounted for as a deemed equity contribution (under the head 'Investment in subsidiaries') in the books of Holding Company and as a part of 'Other Equity' in the books of subsidiary.

Where guarantees in relation to loans or other payables of the Holding Company are provided by subsidiary for no compensation, the fair values are accounted for as a distribution and recognised under the head 'Other Equity' in the books of subsidiary and credited to statement of profit and loss in the books of holding company.

(h) Inventories

Inventories are valued at lower of cost and net recognised value except scrap, which is valued at net estimated recognised value.

The Company uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost and other direct costs incurred. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net recognised value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net recognised value is made on an item-by-item basis.

(i) Cash and cash equivalents

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

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

(j) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the

Notes Forming part of the Standalone Financial Statements (Contd.)

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

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

(k) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognised any impairment loss on the assets associated with that contract.

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

(l) Revenue recognition

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services and also includes sale of medical and non-medical items. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Company assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered and goods sold ifs net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognised as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Excess of revenue earned over billings on contracts is recognised as unbilled revenue. Unbilled revenue is classified as Trade receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

Other operating revenue comprises revenue from various ancillary revenue generating activities like operations and maintenance agreements, satellite centers, sponsorship arrangements and academic services. The revenue in respect of such arrangements is recognised as and when services are performed.

Income from export benefit schemes, included in other operating revenue, is recognised on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis to the extent it is certain that economic benefits will flow to the Company.

(m) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly. Short term employee benefits are measured on an undiscounted basis.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) *Gratuity*

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary.

b) *Superannuation*

Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan during the year is charged to statement of profit and loss.

c) *Provident fund*

The Company makes contribution to the recognised provident fund – " Fortis Healthcare Limited Provident Fund Trust " for most of its employees in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

The Company's contribution to the provident fund is charged to statement of profit and loss.

Other long-term employee benefits:

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be recognised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans and other long-term benefits is accrued in the books of account on the basis of actuarial valuation carried

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out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long-term benefits are recognised in the statement of profit and loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the statement of profit and loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(n) Share-based payments

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognised as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "share option outstanding account". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of share-based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

(o) Income tax

Income tax comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI. Interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets

Current taxes

Current tax comprises the best estimate of expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

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

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

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

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

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

(p) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision- making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non- lease components and account for the lease and non-lease components as a single lease component.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

(i) As a lessee

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

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

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

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

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

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

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

Short-term leases and leases of low-value assets

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

(ii) As a lessor

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(q) Foreign currency translation

The Company has adopted Appendix B, "Foreign currency transactions and advance consideration" to Ind AS 21, "the effects of changes in foreign exchange rates" effective from 1 April 2018 prospectively to all assets, expenses and income in the scope of the said Appendix. The adoption of the above Standard/Appendix does not have any significant impact on the financial position or performance of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(r) Statement of Cash flow

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

(s) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

The Company is primarily engaged in the business of healthcare services which is the only reportable segment.

(t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

3. CRITICAL ESTIMATES AND JUDGEMENTS

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Leasing arrangement (classification) – Note 7
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 11, 21, 22 and 23
- Recognition and estimation of tax expense including deferred tax– Note 5(viii)(a) and 5(viii)(b)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 is included in the following notes:

Notes Forming part of the Standalone Financial Statements (Contd.)

- Leasing arrangement (accounting) – Note 7
- Financial instruments - Note 13
- Fair value measurement – Note 14
- Estimated impairment of financial assets and non-financial assets – Note 5(iv), 5(v), 5(vi), 5(vii) and 5(xxvii)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 11, 21, 22 and 23
- Recognition and estimation of tax expense including deferred tax– Note 5(viii)(a) and 5(viii)(b)
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(e)(iii)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 12

4. RECENT PRONOUNCEMENTS BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

5(I)(A) PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Building (on Leasehold Land)	Leasehold improvements	Plant & machinery	Medical equipment	Furniture & fittings	Computers	Office equipment	Vehicles	Total
GROSS CARRYING AMOUNT										
As at April 01, 2021	**10.09**	**11,011.31**	**91.64**	**2,008.28**	**25,337.09**	**744.18**	**726.67**	**455.99**	**505.68**	**40,890.93**
Additions	-	191.21	-	135.60	2,270.90	88.06	124.41	46.73	29.73	2,886.64
Disposals	-	-	-	(17.68)	(86.08)	(8.77)	(39.72)	(7.16)	(106.00)	(265.41)
As at March 31, 2022	**10.09**	**11,202.52**	**91.64**	**2,126.20**	**27,521.91**	**823.47**	**811.36**	**495.56**	**429.41**	**43,512.16**
Additions	-	242.98		280.04	4,164.13	140.67	449.23	213.70	116.39	5,607.14
Disposals	-	-	-	(72.93)	(910.54)	(37.03)	(52.16)	(16.15)	(60.62)	(1,149.43)
Classified as held for sale (refer note 29)		(11,445.50)		(1,442.81)	(6,936.29)	(255.30)	(155.44)	(184.78)		(20,420.12)
As at March 31, 2023	**10.09**	**-**	**91.64**	**890.50**	**23,839.21**	**671.81**	**1,052.99**	**508.33**	**485.18**	**27,549.75**
ACCUMULATED DEPRECIATION										
As at April 01, 2021	**-**	**597.94**	**91.64**	**599.46**	**9,445.24**	**402.60**	**546.01**	**250.56**	**270.54**	**12,203.99**
Charge for the year	-	564.94	-	211.56	2,275.45	94.07	114.43	75.57	70.23	3,406.25
Disposals	-	-	-	(9.25)	(57.30)	(7.41)	(39.36)	(7.14)	(106.00)	(226.46)
As at March 31, 2022	**-**	**1,162.88**	**91.64**	**801.77**	**11,663.39**	**489.26**	**621.08**	**318.99**	**234.77**	**15,383.78**
Charge for the year	-	555.05		196.07	2,465.92	95.88	201.96	89.39	84.08	3,688.35
Disposals	-	-	-	(48.05)	(864.63)	(29.41)	(52.16)	(15.87)	(60.62)	(1,070.74)
Classified as held for sale (refer note 29)		(1,717.93)		(419.74)	(1,566.87)	(127.24)	(96.76)	(118.33)	-	(4,046.87)
As at March 31, 2023	**-**	**-**	**91.64**	**530.05**	**11,697.81**	**428.49**	**674.12**	**274.18**	**258.23**	**13,954.52**
Carrying value (As at March 31, 2022)	**10.09**	**10,039.64**	**-**	**1,324.43**	**15,858.52**	**334.21**	**190.28**	**176.57**	**194.64**	**28,128.38**
Carrying value (As at March 31, 2023)	**10.09**	**-**	**-**	**360.45**	**12,141.40**	**243.32**	**378.87**	**234.15**	**226.95**	**13,595.23**

Notes:

(a) Certain assets included under Property, plant and equipment are held as pledge against loans taken by the Company [refer note 8(i)].

(b) The Company does not have any immovable property, whose title deeds are not held in the name of the Company and no immovable property is jointly held with others.

(c) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2023 and previous year ended March 31, 2022.

(d) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(e) Certain assets have been given on lease [refer note 7(b)].

Notes Forming part of the Standalone Financial Statements (Contd.)

5(I)(B) CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening balance	632.79	632.38
Additions during the year*	5,300.74	2,887.05
Less : Amount capitalised during the year*	5,607.14	2,886.64
Less : Classified as held for sale (refer note 29)	59.57	-
Closing Balance (net of provision for impairment of ₹ 2,569.90 Lakhs [refer note 20])*	266.82	632.79

**The Company accounts for all capitalisation of property, plant and equipment through capital work in progress and therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted for additions to property, plant and equipment.*

Ageing schedule excluding assets classified as held for sale

As at March 31, 2023

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	266.82	-	-	-	266.82
Total	**266.82**	**-**	**-**	**-**	**266.82**

There is no project whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023.

As at March 31, 2022

Capital work-in-progress	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	362.45	189.56	80.78	-	632.79
Total	**362.45**	**189.56**	**80.78**	**-**	**632.79**

Following are the Capital work-in-progress completion schedule of projects whose completion is overdue to its original plan as at March 31, 2022:

Capital work-in-progress	To be completed in			
	Less than1 year	1-2 years	2-3 years	More than 3 years
Arcot road hospital projects	270.34	-	-	-

5(II) GOODWILL

(₹ in Lakhs)

Particulars	Goodwill
Gross carrying amount	
As at April 01, 2021	**3,292.57**
As at March 31, 2022	**3,292.57**
As at March 31, 2023	**3,292.57**
Impairment	
As at April 01, 2021	**(570.80)**
Impairment during the year	-
As at March 31, 2022	**(570.80)**
Impairment during the year	-
As at March 31, 2023	**(570.80)**
Net Carrying Value	
As at March 31, 2022	**2,721.77**
As at March 31, 2023	**2,721.77**

At cash generating unit (CGUs) level, the goodwill is tested for impairment annually at the year-end or more frequently if there are indications that goodwill might be impaired. The entire goodwill balance is allocated to Fortis Hospitals Shalimar Bagh.

The Company made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management. The fair value measurements were categorised as a Level 3 fair value based on the inputs in the valuation technique used. Cash flow projections were developed covering a seven-year period as at March 31, 2023 and March 31, 2022 which reflects a more appropriate indication/trend of future track of business of the Company. Cash flows beyond the seven-year period were extrapolated using estimate rates stated below.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Key assumptions used for value in use calculations are as follows:

	As at March 31, 2023 (p.a.)	As at March 31, 2022 (p.a.)
Revenue growth rate for seven-year period	5% - 6%	6% - 10%
Growth rate used for extrapolation of cash flow projections beyond seven-year period (refer note below)	4.00%	4.00%
Discount rate	14.12%	13.59%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using post-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

Notes Forming part of the Standalone Financial Statements (Contd.)

5(III)(A) OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software
Gross carrying amount	
As at April 01,2021	**3,869.67**
Additions	160.29
Disposals	(481.15)
As at March 31,2022	**3,548.81**
Additions	30.41
Classified as held for sale (refer note 29)	(352.72)
As at March 31,2023	**3,226.50**
Accumulated amortisation	
As at April 01,2021	**2,556.97**
Charge for the year	436.73
Disposals	(481.15)
As at March 31,2022	**2,512.55**
Charge for the year	369.11
Classified as held for sale (refer note 29)	(345.65)
As at March 31,2023	**2,536.01**
Carrying value	
As at March 31,2022	**1,036.26**
As at March 31,2023	**690.49**

5(III)(B) INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	March 31, 2023	March 31, 2022
Opening balance	-	41.59
Additions during the year*	30.41	118.70
Less : Amount capitalised during the year*	30.41	160.29
Closing Balance*	-	-

**The Company accounts for all capitalisation of intangible assets through intangible assets under development and therefore the movement in intangible assets under development is the difference between closing and opening balance of intangible assets under development as adjusted for additions to intangible assets.*

Notes Forming part of the Standalone Financial Statements (Contd.)

5(IV) INVESTMENTS IN SUBSIDIARIES

Particulars		As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Non-current			
Unquoted investment			
(a)	**Investments in equity instruments - at cost**		
i)	Escorts Heart Institute and Research Centre Limited*	76,919.72	76,919.72
	(2,161,117 (2,161,117 as at March 31, 2022) Equity Shares of ₹ 10 each)		
	[Of the above, 50 (50 as at March 31, 2022) equity shares are held by nominee share holders)		
ii)	Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited)	5.00	5.00
	[(50,000 (50,000 as at March 31, 2022) Equity Shares of ₹ 10 each)]		
	[(Of the above, 6 shares (6 shares as at March 31, 2022) are held jointly with individual share holders)]		
iii)	Fortis Healthcare International Limited, Mauritius*	15,105.47	15,105.47
	[(98,560,000 (98,560,000 as at March 31, 2022) Equity Shares of US$ 0.32 each]		
iv)	Fortis Hospitals Limited *	1,10,995.27	1,10,995.27
	[(66,987,576 (66,987,576 as at March 31, 2022) Equity Shares of ₹ 10 each)]		
	[Of the above, 6 shares (6 as at March 31, 2022) are held jointly with individual share holders)		
v)	Hiranandani Healthcare Private Limited *	13,021.28	13,021.28
	[(5,613,300 (5,613,300 as at March 31, 2022) Equity Shares of ₹ 10 each)]		
	[(Of the above, 6 shares (6 as at March 31, 2022) are held jointly with share holders)]		
vi)	SRL Limited** ('SRL')	90,905.48	90,905.48
	[(45,236,779 (45,236,779 as at March 31, 2022) Equity Shares of ₹ 10 each)]		
vii)	Fortis Hospotel Limited	2,43,016.88	2,43,016.88
	(417,222,782 (417,222,782 as at March 31, 2022) Equity Shares of ₹ 10 each)		
	[of the above, 6 shares (6 as at March 31, 2022) are held by nominee shareholders)]		
viii)	Fortis CSR Foundation	5.00	5.00
	[(50,000 (50,000 as at March 31, 2022) Equity Shares of ₹ 10 each)]		
	[(Of the above, 6 shares (6 as at March 31, 2022) are held with nominee share holders)]		
ix)	Fortis Health Management Limited	856.60	856.60
	(1,300,000 (1,300,000 as at March 31, 2022) Equity Shares of ₹ 10 each)		
x)	International Hospital Limited	2,07,657.21	2,07,657.21
	(26,627,304 (26,627,304 as at March 31, 2022) Equity Shares of ₹ 100 each)		

Company Note (not part of the signed financial statements):

***The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

Notes Forming part of the Standalone Financial Statements (Contd.)

Particulars		As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
xi)	Escorts Heart and Super Speciality Hospital Limited	40,625.51	40,625.51
	(16,480,000 (16,480,000 as at March 31, 2022) Equity Shares of ₹ 10 each)		
	Less: Impairment of investment :		
	- Fortis La Femme Limited	(5.00)	(5.00)
	- Escorts Heart Institute and Research Centre Limited	(10,348.67)	(10,348.67)
	- Fortis Healthcare International Limited, Mauritius (refer note 15(a))	-	(4,828.55)
		7,88,759.75	**7,83,931.20**
(b)	**Investments in debt instrument - at amortised cost**		
i)	Escorts Heart and Super Speciality Hospital Limited	44,876.15	45,786.15
	3,130,400 (3,130,400 as at March 31, 2022) 14.80% Non-Convertible Bonds of face value of ₹ 1,000 each.		
ii)	Fortis Health Management Limited	1,191.96	1,191.96
	116,000 (116,000 as at March 31, 2022) 14.30 % Non-Convertible Bonds of face value of ₹ 1,000 each.		
iii)	Hospitalia Eastern Private Limited	7,172.50	7,172.50
	700,000 (700,000 as at March 31, 2022) 13.15 % Non-Convertible Bonds of face value of ₹ 1,000 each.		
iv)	International Hospital Limited	12,050.00	12,050.00
	1,205,000 (1,205,000 as at March 31, 2022) 14.30 % Non-Convertible Bonds of face value of ₹ 1,000 each		
v)	International Hospital Limited	12,960.00	14,092.70
	1,296,000 (1,296,000 as at March 31, 2022) 14.20 % Non-Convertible Bonds of face value of ₹ 1,000 each.		
vi)	International Hospital Limited	17,750.00	20,303.99
	1,775,000 (1,775,000 as at March 31, 2022) 13.15 % Non-Convertible Bonds of face value of ₹ 1,000 each.		
vii)	Fortis La Femme Limited	2.00	2.00
	[20,000 (20,000 as at March 31, 2022) 10.00% redeemable preference shares of ₹ 10 each]		
	Less: Impairment of investment in Fortis La Femme Limited	(2.00)	(2.00)
		96,000.61	**1,00,597.30**
	Aggregate carrying value of unquoted non-current investments in subsidiaries	**8,84,760.36**	**8,84,528.50**
	Aggregate gross value of unquoted investments in subsidiaries	**8,95,116.03**	**8,99,712.72**
	Aggregate amount of impairment in value of investments in subsidiaries	**10,355.67**	**15,184.22**

**The Company has determined the fair value of guarantee given to banks on behalf of the subsidiary companies and debited the cumulative amount to investment. Refer below for the break up of cumulative fair value of financial guarantee attributable to subsidiaries.*

Name of the subsidiary company		As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
i)	Escorts Heart Institute and Research Centre Limited	24.96	24.96
ii)	Fortis Healthcare International Limited, Mauritius	360.98	360.98
iii)	Fortis Hospitals Limited	784.69	784.69
iv)	Hiranandani Healthcare Private Limited	31.55	31.55
		1,202.18	**1,202.18**

5(V) TRADE RECEIVABLES

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Current		
Considered good		
– From Others		
Billed	11,097.12	8,652.71
Unbilled	1,121.36	960.26
– From Related Parties (refer note 6)	110.30	68.56
Less: Loss allowance	(1,842.46)	(2,112.91)
Less: Classified as held for sale (refer note 29)	(749.88)	-
	9,736.44	**7,568.62**
Break-up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	12,328.78	9,681.53
Less: Loss allowance	(1,842.46)	(2,112.91)
Less: Classified as held for sale (refer note 29)	(749.88)	-
Total trade receivables	**9,736.44**	**7,568.62**

Trade Receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on outstanding balance, regardless of the age of the balances. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and defaults in collection. The Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of consumer default in making the payments. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The provision matrix at the end of the reporting period is as follows:

Notes Forming part of the Standalone Financial Statements (Contd.)

	Expected credit allowance %	
	As at March 31, 2023	**As at March 31, 2022**
Ageing		
0 - 1 year	0% - 28%	0% - 31%
1 - 2 year	1% - 58%	1% - 64%
2 - 3 year	7% - 92%	8% - 98%
More than 3 years	100%	100%

The movement in Expected Credit Loss during the year is as follows :

	As at March 31, 2023 (₹ in Lakhs)	**As at March 31, 2022 (₹ in Lakhs)**
Balance at the beginning of the year	2,112.91	1,485.10
Creation of the allowance for expected credit losses	568.95	627.81
Utilisation of the allowance for expected credit loss	(839.40)	-
Balance at the end of the year	**1,842.46**	**2,112.91**

The Company does not require collateral in respect of trade receivables. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Ageing schedule of trade receivables - billed

As at March 31, 2023

	Particulars	Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	340.40	7,586.28	1,380.11	863.02	392.65	644.96	11,207.42
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
		340.40	**7,586.28**	**1,380.11**	**863.02**	**392.65**	**644.96**	**11,207.42**

Fortis

Notes Forming part of the Standalone Financial Statements (Contd.)

Particulars	Not due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Less: Loss allowance for doubtful trade receivables - billed							**(1,842.46)**
							9,364.96
Trade receivables - unbilled							**1,121.36**
							10,486.32
Less: Classified as held for sale (refer note 29)							**(749.88)**
							9,736.44

As at March 31, 2022

Particulars		Not due	Outstanding for following periods from due date of payment					
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables – considered good	3,804.49	966.65	1,438.02	1,069.68	612.97	829.46	8,721.27
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv)	Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
		3,804.49	966.65	1,438.02	1,069.68	612.97	829.46	8,721.27
	Less: Loss allowance for doubtful trade receivables - billed							**(2,112.91)**
								6,608.36
	Trade receivables - unbilled							**960.26**
								7,568.62

Note : Current assets are pledged against loans taken by the Company [refer note 8(i)].

Notes Forming part of the Standalone Financial Statements (Contd.)

5(VI) LOANS (UNSECURED)

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Non-current - at amortised cost		
Considered good		
(a) Loans to subsidiaries (refer note 18)	14,615.57	22,493.41
Total	**14,615.57**	**22,493.41**
Current - at amortised cost		
Credit impaired		
(a) Loans to others	362.34	362.34
(b) Loans to subsidiaries [refer note 18]	63.73	63.73
	426.07	**426.07**
Less: Loss allowance	(426.07)	(426.07)
	(426.07)	**(426.07)**
	-	**-**

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Break-up of security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	14,615.57	22,493.41
Loans considered doubtful - Unsecured	-	-
Credit impaired - Unsecured	426.07	426.07
Less: Loss allowance	(426.07)	(426.07)
Total Loans	**14,615.57**	**22,493.41**

5(VII) OTHER FINANCIAL ASSETS (UNSECURED)

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Non current		
Considered good		
(a) Deposit accounts with bank	11.07	16.20
(b) Interest accrued on fixed deposits	0.95	0.37
(c) Security deposits	246.24	200.15
	258.26	**216.72**
Less: Classified as held for sale (refer note 29)	(178.91)	-
	79.35	**216.72**
Credit impaired		
(a) Security deposits [refer note 20]	378.00	378.00
Less: Loss allowance	(378.00)	(378.00)
	-	-
	79.35	**216.72**
Current		
Considered good		
(a) Security deposits	24.23	19.09
(b) Interest accrued and due on loans and non convertible bonds [refer note 6]	31,369.59	30,003.38
(c) Accrued Operating Income SEIS	13.23	37.04
(d) Others	462.80	459.41
	31,869.85	**30,518.92**
Less: Classified as held for sale (refer note 29)	(2.18)	-
	31,867.67	**30,518.92**
Credit impaired		
(a) Advances recoverable in cash [refer note 20]	1,795.57	1,795.57
(b) Amount recoverable for salary and reimbursement of expenses [refer note 22(C)(vi)]	2,002.39	2,002.39
(c) Others	100.00	524.09
	3,897.96	**4,322.05**
Less: Loss allowance	(3,897.96)	(4,322.05)
	-	-
	31,867.67	**30,518.92**

Notes Forming part of the Standalone Financial Statements (Contd.)

5(VIII)(a) DEFERRED TAX BALANCES

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Deferred tax assets	18,525.76	24,118.86
Deferred tax liabilities	(12,389.74)	(17,665.06)
Less: classified as held for sale (refer note 29)	(430.25)	-
	5,705.77	**6,453.80**

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in financial statements:

FY 2022-23

(₹ in Lakhs)

	As at April 1, 2022	(Charge)/ Credit to Profit or loss	(Charge)/ Credit to Other Comprehensive Income	As at March 31, 2023
Deferred tax liabilities				
(a) Property, plant and equipment	(787.18)	19.21	-	(767.97)
(b) Intangible assets	(827.80)	20.91	-	(806.89)
(c) Right-of-use assets	(16,050.08)	5,235.20	-	(10,814.88)
	(17,665.06)	**5,275.32**	**-**	**(12,389.74)**
Deferred tax assets				
(a) Provision for contingency	140.11	(23.82)	-	116.29
(b) Allowance for doubtful advances	133.71	(129.93)	-	3.78
(c) Allowance for expected credit loss	738.34	(94.51)	-	643.83
(d) Defined benefit obligation	778.39	88.94	68.11	935.44
(e) MAT credit entitlement	3,099.27	(786.97)	-	2,312.30
(f) Lease liability	19,229.04	(4,714.92)	-	14,514.12
	24,118.86	**(5,661.21)**	**68.11**	**18,525.76**
Less: Classified as held for sale (refer note 29)	-	-	-	(430.25)
Deferred tax asset (net)	**6,453.80**	**(385.89)**	**68.11**	**5,705.77**

Notes Forming part of the Standalone Financial Statements (Contd.)

FY 2021-22

(₹ in Lakhs)

	As at April 01, 2021	(Charge)/ credit to profit or loss	Charge/ (credit) to other comprehensive income	As at March 31, 2022
Deferred tax liabilities				
(a) Property, plant and equipment	(812.11)	24.93	-	(787.18)
(b) Intangible assets	(823.80)	(4.00)	-	(827.80)
(c) Right-of-use assets	(18,589.06)	2,538.98	-	(16,050.08)
	(20,224.97)	**2,559.91**	**-**	**(17,665.06)**
Deferred tax assets				
(a) Provision for contingency	103.07	37.04	-	140.11
(b) Allowance for doubtful advances	106.59	27.12	-	133.71
(c) Allowance for expected credit loss	518.95	219.39	-	738.34
(d) Defined benefit obligation	920.04	(126.41)	(15.24)	778.39
(e) MAT credit entitlement	4,284.46	(1,185.19)	-	3,099.27
(f) Lease liability	20,956.57	(1,727.53)	-	19,229.04
	26,889.68	**(2,755.58)**	**(15.24)**	**24,118.86**
Deferred tax asset (net)	**6,664.71**	**(195.67)**	**(15.24)**	**6,453.80**

In addition to above, no deferred tax asset has been recognised on

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
Advances and other financial assets provided for	4,743.47	4,743.47
Capital losses	954.31	954.31
	5,697.78	**5,697.78**

Details of MAT Credit on which deferred tax asset is recognised:
Expiry in assessment year

	As on March 31, 2023		As on March 31, 2022	
	Gross Amount	Tax effect	Gross Amount	Tax effect
MAT credit				
2027-28	133.77	133.77	920.74	920.74
2033-34	671.72	671.72	671.72	671.72
2034-35	1,506.81	1,506.81	1,506.81	1,506.81
	2,312.30	**2,312.30**	**3,099.27**	**3,099.27**

Notes Forming part of the Standalone Financial Statements (Contd.)

Expiry in assessment year

	As on March 31, 2023		As on March 31, 2022	
	Gross Amount	Tax effect	Gross Amount	Tax effect
No deferrred tax asset has been recognised on below Long Term Capital Loss :				
2024-25	951.32	221.58	951.32	221.58
2026-27	2.99	0.70	2.99	0.70
Total	**954.31**	**222.28**	**954.31**	**222.28**

5(VIII)(b) INCOME-TAX

	As at March 31, 2023	As at March 31, 2022
Recognised in statement of profit and loss		
Current tax		
(a) Current income tax charge for the year	878.50	230.57
	878.50	**230.57**
Deferred tax		
(a) Deferred tax charge / (credit) on profits for the year	385.89	195.68
	385.89	**195.68**
Tax expense recognised through statement of profit and loss	**1,264.39**	**426.25**
Recognised in Other Comprehensive Income		
Deferred tax charge / (credit)		
Tax related to items that will not be reclassified to profit or loss	68.11	(15.24)
Tax recognised through other comprehensive income	**68.11**	**(15.24)**
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit / (loss) before tax from continuing operations	10,888.40	(898.81)
Enacted income tax rate in India	34.944%	34.944%
Income tax debit / (credit) calculated	3,804.84	(314.08)
Effect of expenses disallowed in determining taxable profits	(53.09)	147.19
Effect of provision for (increase)/ dimunition in value of Investment	(1,687.30)	568.91
Effect of tax in relation to previous years	(56.15)	27.50
Dividend income exempt under section 80M of Income Tax Act, 1961	(750.86)	-
Others	6.95	(3.27)
Income tax expense (including deferred tax) recognised in profit or loss	**1,264.39**	**426.25**

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Notes Forming part of the Standalone Financial Statements (Contd.)

5(IX) NON-CURRENT TAX ASSETS (NET)

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Advance income tax (net of provision for taxation)*	13,000.76	10,540.05
	13,000.76	10,540.05
Provision for taxation	24,686.24	23,807.74

*Including refund of ₹ 3,357.03 Lakhs (As at March 31, 2022 ₹ 2,387.68 Lakhs) adjusted by tax authorities against demand orders of earlier years which are being contested by the Company under various forums.

5(X) OTHER ASSETS (UNSECURED)

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Non-current		
Considered good		
(a) Capital advances	59.01	36.94
(b) Balances with government authorities - Goods and service tax recoverable	147.36	88.57
(c) Prepaid expenses	54.31	32.41
	260.68	**157.92**
Less: Classified as held for sale (refer note 29)	(20.01)	-
	240.67	**157.92**
Current		
Considered good		
(a) Balances with government authorities - Goods and service tax recoverable	-	2.54
(b) Advance to vendors *	602.04	472.78
(c) Prepaid expenses	398.98	518.79
	1,001.02	**994.11**
Less: Classified as held for sale (refer note 29)	(552.63)	-
	448.39	**994.11**
Considered doubtful		
(a) Advance to vendors	2.79	15.48
Less: Loss allowance	(2.79)	(15.48)
	-	**-**
	448.39	**994.11**

*This includes capital advance amounting to ₹ 59.01 Lakhs as at March 31, 2023 (₹ 36.94 Lakhs As at March 31, 2022)

Notes Forming part of the Standalone Financial Statements (Contd.)

5(XI) INVENTORIES

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Valued at lower of cost and net realisable value		
Medical consumables, drugs and others	1,491.95	1,380.28
Less: Classified as held for sale (refer note 29)	(205.15)	-
	1,286.80	**1,380.28**

5(XII)(a) 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:

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
(a) Balances with banks		
-on current accounts	68.41	80.45
(b) Cash on hand	31.47	26.74
Less: Classified as held for sale (refer note 29)	(2.20)	-
Cash and cash equivalents as per balance sheet	**97.68**	**107.19**
Bank overdrafts (refer note 5(xv))	(1,316.15)	(2,082.49)
Cash and cash equivalents as per statement of cash flows	**(1,218.47)**	**(1,975.30)**

5(XII)(b) BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Balances with banks		
- Deposits with original maturity of more than 3 months but less than 12 months	5.37	-
	5.37	**-**

Notes Forming part of the Standalone Financial Statements (Contd.)

5(XIII) SHARE CAPITAL

Particulars	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Authorised share capital:		
850,000,000 (850,000,000 as at March 31, 2022) Equity shares of ₹ 10 each	85,000.00	85,000.00
200 Class 'A' (200 as at March 31, 2022) Non- cumulative redeemable preference shares of ₹ 100,000 each	200.00	200.00
11,498,846 Class 'B' (11,498,846 as at March 31, 2022) Non- cumulative redeemable preference shares of ₹ 10 each	1,149.88	1,149.88
64,501,154 Class 'C' (64,501,154 as at March 31, 2022) Cumulative redeemable preference shares of ₹ 10 each	6,450.12	6,450.12
Total authorised share capital	**92,800.00**	**92,800.00**
Issued, subscribed and fully paid up shares		
754,958,148 (754,958,148 as at March 31, 2022) Equity shares of ₹ 10 each	75,495.81	75,495.81
Total issued, subscribed and fully paid up share capital	**75,495.81**	**75,495.81**

Notes :

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

Equity Shares

Particulars	March 31, 2023		March 31, 2022	
	Number	₹ in Lakhs	Number	₹ in Lakhs
At the beginning of the year	75,49,58,148	75,495.81	75,49,58,148	75,495.81
Issued during the year	-	-	-	-
Outstanding at the end of the year	75,49,58,148	75,495.81	75,49,58,148	75,495.81

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders. Each holder of equity share is entitled to one vote per share.

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

Equity Shares

Particulars	March 31, 2023		March 31, 2022	
	No. of Shares held	₹ in Lakhs	No. of Shares held	₹ in Lakhs
Northern TK Venture Pte Limited (refer note 21) (Holding Company)	235,294,117	23,529.41	235,294,117	23,529.41

Notes Forming part of the Standalone Financial Statements (Contd.)

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

Equity Shares

Name of Shareholder	March 31, 2023		March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Northern TK Venture Pte Limited (refer note 21) (Holding Company)	235,294,117	31.17%	235,294,117	31.17%

(e) Details of shares held by promoters

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Northern TK Venture Pte Limited	235,294,117	-	23,52,94,117	31.17%	-

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Northern TK Venture Pte Limited	235,294,117	-	23,52,94,117	31.17%	-

(f) For the period of five years immediately preceding the date of the balance sheet, there were no share allotment made for consideration other than cash and also no bonus shares were issued. Further, there has been no buyback of shares during the period of five years preceding the date of balance sheet.

5(XIV) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	Non-current borrowings	Current borrowings (net)	Interest accrued	Lease liability
As at April 01, 2021	**66,378.45**	**11,669.38**	**96.24**	**59,971.88**
Lease liability paid	-	-	-	(4,943.72)
Proceeds from borrowings	21,758.29	-	-	-
Repayment of borrowings	(29,584.49)	(6,335.48)	-	-
Reclassification of bank overdraft*	-	347.04	-	-
Finance cost	-	-	6,515.83	6,441.88
Finance cost paid	-	-	(6,435.26)	(6,441.88)
As at March 31, 2022	**58,552.25**	**5,680.94**	**176.81**	**55,028.16**
Lease liability paid	-	-	-	(2,446.17)
Proceeds from borrowings	1,535.38	3,905.73	-	-
Repayment of borrowings	(31,929.57)	-	-	-
Reclassification of bank overdraft*	-	(766.34)	-	-

Particulars	Non-current borrowings	Current borrowings (net)	Interest accrued	Lease liability
Addition of lease contracts	-	-	-	1,555.82
Finance cost	-	-	4,698.00	5,926.19
Finance cost paid	-	-	(4,682.42)	(5,926.19)
Reclassified to trade payables	-	-	-	(3,433.62)
Less: Classified as held for sale (refer note 29)	-	-	-	(9,168.82)
As at March 31, 2023	**28,158.06**	**8,820.33**	**192.39**	**41,535.37**

* Bank overdraft have been reclassified from current borrowing to cash and cash equivalent for the purpose of preparation of statement of cash flow.

5(XV) NON-CURRENT BORROWINGS

Particulars	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
(i) Secured		
(a) Term loans		
- from banks [refer note 8(i)(c),(d) and (e)]	24,651.99	51,051.15
(b) Vehicle loans [refer note 8(i)(f) and (g)]	128.04	80.07
	24,780.03	**51,131.22**
(ii) Unsecured		
(a) Loans from subsidiary company [refer note 8(ii)]	3,378.03	7,421.03
	3,378.03	**7,421.03**
	28,158.06	**58,552.25**
Current borrowings		
(i) Secured - repayable on demand		
(a) Bank overdraft [refer note 8 (i)(a)]	1,316.15	2,082.49
(b) Working capital demand loan [refer note 8(i)(b)]	-	500.00
(c) Current maturities of term loans [refer note 8(i)(d),(f) and (g)]	704.18	298.45
	2,020.33	**2,880.94**
(ii) Unsecured		
(a) Loans from subsidiary companies [refer note 8(ii)]	6,800.00	2,800.00
	6,800.00	**2,800.00**
	8,820.33	**5,680.94**

Notes Forming part of the Standalone Financial Statements (Contd.)

5(XVI) OTHER FINANCIAL LIABILITIES

Particulars		As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Non Current			
Unsecured			
(a)	Financial guarantee liability	118.51	140.81
		118.51	**140.81**
Current			
Unsecured			
(a)	Security deposits	8.26	30.06
(b)	Interest accrued and due on borrowings	192.39	176.81
(c)	Capital creditors*	604.64	616.39
(d)	Technology renewal fund payable to related party [refer note 6]	87.20	132.41
(e)	Employee payable	1,576.56	1,368.40
(f)	Financial guarantee liability	22.30	25.12
(g)	Other liabilities	356.06	300.32
		2,847.41	**2,649.51**
	Less: Classified as held for sale (refer note 29)	(200.65)	-
		2,646.76	**2,649.51**

*This includes amount payable to micro and small enterprises amounting to ₹ 236.04 Lakhs as at March 31, 2023 (₹ 122.19 Lakhs As at March 31, 2022)

5(XVII) PROVISIONS

Particulars		As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
Non current			
Provision for employee benefits			
(a)	Provision for gratuity (refer note 12)	1,735.28	1,413.69
(b)	Provision for compensated absences	507.38	391.80
		2,242.66	**1,805.49**
	Less: Classified as held for sale (refer note 29)	(81.09)	-
		2,161.57	**1,805.49**
Current			
Provision for employee benefits			
(a)	Provision for gratuity (refer note 12)	298.58	275.65
(b)	Provision for compensated absences	136.19	146.39
Others			
(a)	Provision for contingencies *	1,792.77	1,866.48
		2,227.54	**2,288.52**
	Less: Classified as held for sale (refer note 29)	(29.52)	-
		2,198.02	**2,288.52**

* Provision for contingencies

Notes Forming part of the Standalone Financial Statements (Contd.)

Particulars		As at March 31, 2023	As at March 31, 2022
(i)	Provision for indemnification (refer note 9(b))	205.03	205.03
(ii)	Others		
	Opening balance [refer note (a) below]	1,661.45	1,549.92
	Add: Provision during the year [refer note (b) below]	91.18	111.53
	Less: Reversed during the year	(164.89)	-
		1,587.74	**1,661.45**
Provision for contingencies - Total (A+B)		**1,792.77**	**1,866.48**

(a) Includes ₹ 1,460.00 Lakhs in respect of any contingencies emanating from regulatory matters, which will be settled when the outcome is known. (refer note 22).

(b) Provision for contingency is made against clinical research studies and amount due as refund to the patients.

5(VIII) TRADE PAYABLES

Particulars		As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
(a)	Total outstanding dues of micro enterprises and small enterprises (refer note 17)	2,558.31	1,112.21
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	40,603.30	26,549.64
		43,161.61	**27,661.85**
	Less: Classified as held for sale (refer note 29)	(1,599.10)	-
		41,562.51	**27,661.85**
Of the above trade payables amounts due to related parties are as below:			
Trade Payables due to related parties (refer note 6)		**27,867.85**	**17,026.83**

Notes Forming part of the Standalone Financial Statements (Contd.)

Ageing schedule

As at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME		2,506.86	148.29	18.50	1.38	13.77	2,688.80
(ii) Others	7,934.23	3,885.02	14,858.88	9,465.35	3,867.68	461.65	40,472.81
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
							43,161.61
Less: Classified as held for sale - Others (refer note 29)							(1,599.10)
Total							**41,562.51**

As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	932.49	163.08	1.89	-	14.75	1,112.21
(ii) Others	4,698.35	5,252.78	10,945.32	4,441.96	723.54	487.69	26,549.64
(iii) Disputed dues – MSME	-	-	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	-	-	
Total							**27,661.85**

5(XIX) OTHER CURRENT LIABILITIES

Particulars		As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
(a)	Contract liability - advance from patients	870.04	734.25
(b)	Statutory dues payable	1,363.36	1,222.60
		2,233.40	**1,956.85**
	Less: Classified as held for sale (refer note 29)	(152.66)	-
		2,080.74	**1,956.85**

Notes Forming part of the Standalone Financial Statements (Contd.)

5(XX) REVENUE FROM OPERATIONS

	Particulars		Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
I.	**Revenue from contracts with customers**			
A.	**Sale of services**			
	Healthcare services			
	-	Operating income - in patient department	92,530.99	72,897.84
	-	Operating income - out patient department	14,517.84	14,420.07
	-	Income from clinical/laboratories services	-	4.98
	-	Income from medical services	84.06	317.59
	-	Management fees from hospitals	402.11	368.36
	-	Income from clinical research	8.92	50.69
	Less: Trade discounts		(3,735.08)	(3,301.57)
	Total (A)		**1,03,808.84**	**84,757.96**
B.	**Sale of products - Trading**			
	i)	Pharmacy	97.32	67.12
	Less: Trade discounts		(3.44)	-
	Total (B)		**93.88**	**67.12**
I.	**Total Revenue from contracts with customers (A+B)**		**1,03,902.72**	**84,825.08**
	Timing of revenue recognition			
	Goods transferred at a point in time		93.88	67.12
	Services transferred over time		1,03,808.84	84,757.96
			1,03,902.72	**84,825.08**
	Contract balances			
	Contract assets (unbilled revenue)		1,121.36	960.26
	Contract liabilities (advance from patient)		870.04	734.25
	The revenue recognised during the current year is the balancing number for transactions with customers after opening and closing balances of receivables and liabilities.			
II.	**Other operating revenues**			
	i)	Income from academic services	12.59	31.81
	ii)	Income from rent [refer note 7(b)]	28.90	14.31
	iii)	Equipment lease rental [refer note 7(b)]	615.22	640.46
	iv)	Provision / liability no longer required written back	570.66	612.85
	v)	Miscellaneous income	162.51	136.86
II.	**Total other operating revenues**		**1,389.88**	**1,436.29**
	Total revenue from operations (I+II)		**1,05,292.60**	**86,261.37**

Notes Forming part of the Standalone Financial Statements (Contd.)

5(XXI) OTHER INCOME

Particulars			Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
(a)	**Interest income**			
	i)	Interest on bank deposits	1.37	4.49
	ii)	Interest on loans and investments	12,343.74	13,098.42
	iii)	Interest on income tax refunds	205.27	172.49
	iv)	Interest on financial assets carried at amortised cost	7.36	7.44
			12,557.74	**13,282.84**
(b)	**Dividend Income**			
	i)	Dividend from equity investments	2,148.75	-
			2,148.75	**-**
(c)	**Other non-operating income**			
	i)	Financial guarantee income	222.53	90.65
	ii)	Gain on foreign currency transactions (net)	-	0.29
	iii)	Miscellaneous income	28.67	35.52
			251.20	**126.46**
	Total other income (a+b+c)		**14,957.69**	**13,409.30**

5(XXII) CHANGES IN INVENTORIES OF MEDICAL CONSUMABLE AND DRUGS

Particulars		Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
(a)	Inventory at the beginning of the year	1,380.28	879.20
(b)	Inventory at the end of the year (including inventory classified as held for sale)	1,491.95	1,380.28
	Changes in inventories [(a)-(b)]	(111.67)	(501.08)

5(XXIII) EMPLOYEE BENEFITS EXPENSE

		Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
(a)	Salaries, wages and bonus	15,988.59	14,099.20
(b)	Gratuity expense [refer note 12]	210.76	202.96
(c)	Compensated absences	154.89	72.79
(d)	Contribution to provident and other funds [refer note 12]	838.53	812.00
(e)	Staff welfare expenses	352.36	236.37
		17,545.13	**15,423.32**

Notes Forming part of the Standalone Financial Statements (Contd.)

5(XXIV) FINANCE COSTS

		Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
(a)	Interest expense		
	- on term loans	3,159.97	4,753.08
	- on cash credit	108.88	147.44
	- on defined benefit plan and other long term obligations	146.83	144.16
	- on loan from subsidiaries	823.09	593.65
	- on lease liabilities [refer note 7(a)]	5,926.19	6,441.88
	- on others	142.34	594.53
(b)	Other borrowing cost (including prepayment charges)	316.89	282.97
		10,624.19	12,957.71

5(XXV) DEPRECIATION AND AMORTISATION EXPENSE

		Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
(a)	Depreciation of property, plant and equipment [refer note 5(i)(a)]	3,688.35	3,406.25
(b)	Depreciation of right-of-use assets [refer note 7(a)]	7,530.79	7,419.96
(b)	Amortisation of intangible assets [refer note 5(iii)(a)]	369.11	436.73
		11,588.25	**11,262.94**

5(XXVI) OTHER EXPENSES

		Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
(a)	Contractual manpower	1,976.87	1,884.36
(b)	Power and fuel	1,716.05	1,477.65
(c)	Housekeeping expenses including consumables	350.71	313.31
(d)	Patient food and beverages	840.34	719.15
(e)	Pathology laboratory expenses	1,768.49	1,580.43
(f)	Radiology expenses	-	3.71
(g)	Cost of medical services	487.23	402.36
(h)	Professional and consultation fees to doctors	19,881.49	16,081.46
(i)	Hospital service fee expense	7,361.78	5,910.55
(j)	Repairs and maintenance		
	- Building	187.85	136.23
	- Plant and machinery	1,935.21	1,815.40
	- Others	237.96	219.23
(k)	Rent	983.30	556.24
(l)	Independent Director remuneration	354.00	354.00
(m)	Legal and professional fee*	3,264.18	2,095.38
(n)	Travel and conveyance	668.45	358.53
(o)	Rates and taxes	180.65	162.25

Notes Forming part of the Standalone Financial Statements (Contd.)

		Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
(p)	Recruitment and trainings	195.76	21.80
(q)	Printing and stationary	453.35	326.79
(r)	Communication expenses	121.52	125.50
(s)	Directors' sitting fees	125.08	164.02
(t)	Insurance	491.07	914.78
(u)	Marketing and business promotion	2,964.68	2,214.99
(v)	Loss on sale of property, plant & equipment (net)	63.72	20.66
(w)	Foreign exchange fluctuation loss (net)	0.62	-
(x)	Allowance for doubtful receivables	568.95	379.64
(y)	Allowance for doubtful advances	218.22	92.44
(z)	Advance income tax (TDS) written off	25.03	-
(aa)	Corporate social responsibility expenses (refer note 19)	466.33	533.11
(ab)	Miscellaneous expenses	15.77	4.72
		47,904.66	**38,868.69**

*Note:

(i)	**Auditors' remuneration comprises (inclusive of indirect tax)**		
(a)	Fees as auditors	300.88	286.55
(b)	Tax audit fee	3.28	3.13
(c)	Certification and other services	7.38	6.77
(d)	Out of pocket expenses	29.31	12.44
		340.85	**308.89**

5(XXVII) EXCEPTIONAL ITEMS

		Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
Expenses/(income):			
(a)	(Reversal of impairment)/ impairment of investment in subsidiary company [refer note 15(a),(b)]	(4,828.57)	1,628.05
		(4,828.57)	**1,628.05**

5(XXVIII) EARNINGS PER SHARE (EPS)

	Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
Profit/ (loss) as per statement of profit and loss (₹ in Lakhs)	9,624.01	(1,325.06)
Weighted average number of equity shares outstanding	75,49,58,148	75,49,58,148
Basic EPS (in ₹)	1.27	(0.18)
Diluted EPS (in ₹)*	1.27	(0.18)

*The calculation of diluted earnings per share is bas ed on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares. Since there are no potential equity shares outstanding at year end, there are no dilutive equity shares.

Notes Forming part of the Standalone Financial Statements (Contd.)

6. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Nature of relationship	Name of related parties
Ultimate Holding Company	IHH Healthcare Berhad, Malaysia
Intermediate Holding Company	Integrated Healthcare Holdings Limited, Malaysia
	Parkway Pantai Limited, Singapore
Holding Company	Northern TK Venture Pte Limited, Singapore
Subsidiary Companies- direct or indirect through investment in subsidiaries	1) Fortis Hospitals Limited ('FHsL') (wholly owned subsidiary of the Company)
	2) Birdie & Birdie Realtors Private Limited (wholly owned subsidiary of FHsL)
	3) Fortis Cancer Care Limited ('FCCL') (wholly owned subsidiary of FHsL)
	4) Fortis Health Management (East) Limited (wholly owned subsidiary of FHsL)
	5) Fortis Malar Hospitals Limited (subsidiary of FHsL)
	6) Fortis Emergency Services Limited (wholly owned subsidiary of FHsL)
	7) Stellant Capital Advisory Services Private Limited (wholly owned subsidiary of FHsL)
	8) Fortis Global Healthcare (Mauritius) Limited (wholly owned subsidiary of FHsL)
	9) Escorts Heart Institute and Research Centre Limited ("EHIRCL") (wholly owned subsidiary of the Company)
	10) Fortis Asia Healthcare Pte. Limited, Singapore ("FAHPL") (wholly owned subsidiary of EHIRCL)
	11) Fortis Healthstaff Limited (wholly owned subsidiary of EHIRCL)
	12) Fortis Healthcare International Pte. Limited, Singapore ("FHIPL") (wholly owned subsidiary of FAHPL)
	13) SRL Limited* ("SRL") (subsidiary of the Company)
	14) SRL Diagnostics Private Limited** (wholly owned subsidiary of SRL)
	15) Hiranandani Healthcare Private Limited (wholly owned subsidiary of the Company)
	16) Fortis Healthcare International Limited, Mauritius ("FHIL) (wholly owned subsidiary of the Company)
	17) Fortis La Femme Limited (wholly owned subsidiary of the Company)
	18) Fortis Hospotel Limited (wholly owned subsidiary of the Company)
	19) International Hospital Limited (wholly owned subsidiary of the Company)
	20) Fortis Health Management Limited (wholly owned subsidiary of the Company)
	21) Escorts Heart and Super Speciality Hospital Limited (wholly owned subsidiary of the Company)
	22) Malar Stars Medicare Limited (wholly owned subsidiary of Fortis Malar Hospitals Limited)
	23) RHT Health Trust Manager PTE Limited, Singapore (wholly owned subsidiary of Stellant Capital Advisory Services Private Limited)
	24) Hospitalia Eastern Private Limited (wholly owned subsidiary of Fortis Health Management Limited)
	25) Fortis CSR Foundation

Company Note (not part of the signed financial statements):

** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

*** The new name of the said company has been reserved by Registrar of Companies ('RoC') as Agilus Pathlabs Private Limited vide letter dated June 08, 2023. The said company is in the process of making application to the RoC for seeking approval of the new name*

Notes Forming part of the Standalone Financial Statements (Contd.)

6. RELATED PARTY DISCLOSURES (Contd.)

Nature of relationship	Name of related parties
Associates- direct or indirect through investment in subsidiaries (parties with whom transactions have been taken place)	Lanka Hospitals Corporation PLC, Sri Lanka
Joint ventures- direct or indirect through investment in subsidiaries (parties with whom transactions have been taken place)	Fortis C-Doc Healthcare Limited ('C-Doc') (joint venture of FHsL)
Entity having significant influence (Enterprise having significant influence over ultimate holding company through it's subsidiary) -party with whom transactions have been taken place)	(a) Mitsui & Co Limited, Japan (b) Khazanah Nasional Berhad, Malaysia
Key Management Personnel ('KMP') / Director	(a) Dr. Ashutosh Raghuvanshi - Managing Director and Chief Executive Officer
	(b) Mr. Vivek Kumar Goyal - Chief Financial Officer
	(c) Mr. Ravi Rajagopal - Independent Director
	(d) Ms. Suvalaxmi Chakraborty – Independent Director
	(e) Mr. Indrajit Banerjee - Independent Director
	(f) Mrs. Shailaja Chandra – Independent Director
	(g) Dr. Kelvin Loh Chi-Keon - Non-Executive Non-Independent Director (up to February 22, 2023)
	(h) Mr. Dilip Kadambi – Non-Executive Non-Independent Director
	(i) Mr. Joerg Ayrle – Additional Director
	(j) Mr. Takeshi Saito- Non-Executive Non-Independent Director (up to March 28, 2023)
	(k) Mr. Shirish Moreshwar Apte - Non-Executive Non-Independent Director (up to July 15, 2021)
	(l) Mr. Sim Heng Joo Joe - Non-Executive Non-Independent Director
	(m) Dr. Farid Bin Mohamed Sani - Non-Executive Non-Independent Director (up to March 28, 2023)
	(n) Mr. Sumit Goel-Company Secretary (up to April 04, 2022)
	(o) Mr. Murlee Manohar Jain-Company Secretary (w.e.f. April 05, 2022)
	(p) Mr. Mehmat Ali Aydinlar-Additional Director (w.e.f. March 28, 2023)
	(q) Mr. Tomo Nagahiro-Additional Director (w.e.f. -March 28, 2023)

Notes Forming part of the Standalone Financial Statements (Contd.)

6. RELATED PARTY DISCLOSURES (Contd.)

Transactions taken place during the year are as follows:

(₹ in lakhs)

Transactions details	Year ended March 31, 2023	Year ended March 31, 2022
Income (including income from medical services, management fees from hospitals, rental, pharmacy income, reimbursements)		
Fortis Hospitals Limited	-	12.38
SRL Limited*	6.16	1.34
Fortis Malar Hospitals Limited	0.96	1.64
Interest income on loans and investments		
Fortis Hospitals Limited	907.46	1,699.85
Escorts Heart Institute and Research Centre Limited	645.66	602.55
Escorts Heart and Super Speciality Hospital Limited	4,632.99	4,632.99
International Hospital Limited	5,897.60	5,897.60
Hospitalia Eastern Private Limited	93.36	93.36
Fortis Health Management Limited	165.88	165.88
Fortis La femme Limited	0.75	0.70
Fortis Healthstaff Limited	0.04	0.04
Birdie & Birdie Realtors Private Limited	-	5.45
Financial guarantee income		
Fortis Hospitals Limited	222.53	90.65
Dividend from equity investments		
SRL Limited*	2,148.75	-
Transfer of medical consumables and pharmacy to		
Fortis Hospitals Limited	6.79	70.05
Escorts Heart Institute and Research Centre Limited	3.37	1.36
Fortis C-Doc Healthcare Limited	-	0.42
Fortis Malar Hospitals Limited	-	9.20
Transfer of medical consumables and pharmacy from		
Fortis Hospitals Limited	-	347.40
Escorts Heart Institute and Research Centre Limited	-	0.12
Fortis Malar Hospitals Limited	-	27.40
Fortis C-Doc Healthcare Limited	-	0.45
Consultation fees to doctors		
Fortis Hospitals Limited	-	8.18
Escorts Heart Institute and Research Centre Limited	-	2.93

Company Note (not part of the signed financial statements):

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Notes Forming part of the Standalone Financial Statements (Contd.)

6. RELATED PARTY DISCLOSURES (Contd.)

(₹ in lakhs)

Transactions details	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense		
Fortis Malar Hospitals Limited	554.00	321.07
Stellant Capital Advisory Services Private Limited	269.09	272.58
Pathology laboratory expenses		
SRL Limited#	1,662.91	1,420.68
Fortis Malar Hospitals Limited	0.36	11.07
Hospital service fee expenses*		
Fortis Hospotel Limited	12,057.61	11,202.56
Escorts Heart and Super Speciality Hospital Limited	6,066.55	5,156.88
*includes lease payment of ₹ 7,416.49 Lakhs (Previous year ₹ 10,448.89 Lakhs)		
Travel and conveyance		
Fortis Emergency Services Limited	-	42.13
Managerial remuneration (refer note 1 below)		
Dr. Ashutosh Raghuvanshi		
Short-term employee benefits	823.18	728.35
Post employment benefits and Other long term employee benefits	45.49	
Mr. Vivek Kumar Goyal		
Short-term employee benefits	315.31	306.49
Post employment benefits and Other long term employee benefits	7.82	
Mr. Sumit Goel		
Short-term employee benefits	13.63	65.72
Post employment benefits and Other long term employee benefits	9.61	
Mr. Murlee Manohar Jain		
Short-term employee benefits	77.35	-
Post employment benefits and Other long term employee benefits	2.17	
Independent Director Remuneration		
Mr. Ravi Rajagopal	106.20	106.20
Mr. Indrajit Banerjee	82.60	82.60
Ms. Suvalaxmi Chakraborty	82.60	82.60
Ms. Shailaja Chandra	82.60	82.60

Company Note (not part of the signed financial statements):

 # The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.

6. RELATED PARTY DISCLOSURES (Contd.)

(₹ in lakhs)

Transactions details	Year ended March 31, 2023	Year ended March 31, 2022
Director sitting fee		
Mr. Indrajit Banerjee	25.96	27.14
Mr. Ravi Rajagopal	15.34	20.06
Mr. Shirish Moreshwar Apte	-	3.54
Ms. Suvalaxmi Chakraborty	15.34	23.60
Northern TK Venture Pte. Limited (Dr. Kelvin Loh Chi-Keon)	5.90	9.44
Northern TK Venture Pte. Limited (Mr. Sim Heng Joo Joe)	7.08	10.62
Khazanah Nasional Berhad (Dr. Farid Bin Mohamed Sani)	-	5.90
Ms. Shailaja Chandra	24.78	27.14
Mitsui and Co. Limited. (Mr.Takeshi Saito)	3.54	7.08
Northern TK Venture Pte Limited (Mr. Dilip Kadambi)	10.62	16.52
Northern TK Venture Pte. Limited (Mr. Joerg Ayrle)	14.16	12.98
Mr. Mehmet Ali Aydinlar	1.18	-
Mitsui and Co. Limited. (Mr.Tomo Nagahiro)	1.18	-
Director sitting fee received from		
RHT Health Trust Manager PTE Limited.	26.24	33.21
Expense incurred by the Company on behalf of		
Fortis Hospitals Limited	4.35	0.19
SRL Limited*	38.47	23.67
Fortis Hospotel Limited	2.85	18.56
Fortis Emergency Services Limited	-	5.12
Stellant Capital Advisory Services Private Limited	-	0.04
International Hospital Limited	-	0.01
Escorts Heart and Super Speciality Hospital Limited	0.34	0.33
Expense incurred on behalf of the Company by		
Fortis Hospitals Limited	32.09	130.48
SRL Limited*	52.83	25.15
Fortis Hospotel Limited	602.23	359.61
Escorts Heart and Super Speciality Hospital Limited	435.01	428.72
Reimbursement of expenses to directors		
Mr. Ravi Rajagopal	13.60	14.07
Transfer of employee benefit liability and other long-term benefits by Company to		
Fortis Hospitals Limited	32.64	237.66

Company Note (not part of the signed financial statements):

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Notes Forming part of the Standalone Financial Statements (Contd.)

6. RELATED PARTY DISCLOSURES (Contd.)

(₹ in lakhs)

Transactions details	Year ended March 31, 2023	Year ended March 31, 2022
Fortis Hospotel Limited	0.01	-
Escorts Heart and Super Speciality Hospital Limited	0.02	-
Transfer of employee benefit liability and other long-term benefits to Company from		
International Hospital Limited	-	1.27
Fortis Hospitals Limited	31.05	53.18
Fortis Malar Hospitals Limited	4.54	0.79
Fortis Hospotel Limited	-	0.32
Investments in redeemable preference shares		
Fortis La Femme Limited	-	2.00
Provision for impairment of investment		
Fortis Healthcare International Limited	-	1,626.05
Fortis La Femme Limited	-	2.00
Reversal of provision for impairment of investment		
Fortis Healthcare International Limited	4,828.57	-
Loans availed from subsidiary companies		
Fortis Malar Hospitals Limited	-	4,000.00
Interest converted to loan		
Fortis Hospitals Limited	1,529.86	3,104.92
Escorts Heart Institute and Research Centre Limited	542.29	837.93
Loans and advance received back		
Fortis Hospitals Limited	9,950.00	12,225.00
Loans repaid		
Stellant Capital Advisory Services Private Limited	43.00	31.00
Financial guarantees given to banks/related party by company for loans availed by		
Fortis Hospitals Limited	-	6,500.00
Escorts Heart Institute and Research Centre Limited	-	6,500.00
Fortis Hospotel Limited	-	7,500.00
Hiranandani Healthcare Private Limited	-	2,400.00
International Hospital Limited	-	11,600.00
Hospitalia Eastern Private Limited	-	3,300.00

Notes Forming part of the Standalone Financial Statements (Contd.)

6. RELATED PARTY DISCLOSURES (Contd.)

(₹ in lakhs)

Transactions details	Year ended March 31, 2023	Year ended March 31, 2022
Financial guarantees given to banks/related party by company withdrawn during the year for loans availed by		
Fortis Hospitals Limited	971.56	28,878.00
Escorts Heart Institute and Research Centre Limited	42.00	3,625.00
Fortis Hospotel Limited	89.00	833.00
International Hospital Limited	-	4,875.00
Financial guarantees on behalf of company to avail loan given by		
Fortis Hospitals Limited	-	2,400.00
Escorts Heart Institute and Research Centre Limited	-	2,400.00
International Hospital Limited	20,000.00	2,400.00
Escorts Heart and Super Speciality Hospital Limited	-	2,400.00
Hospitalia Eastern Private Limited	-	2,400.00
Fortis Hospotel Limited	-	2,400.00
Financial guarantees on behalf of company to avail loan given by related parties withdrawn during the year		
Fortis Hospitals Limited	48,679.82	42,176.00
Escorts Heart Institute and Research Centre Limited	48,679.82	42,176.00
International Hospital Limited	48,679.82	42,176.00
Escorts Heart and Super Speciality Hospital Limited	48,679.82	42,176.00
Hospitalia Eastern Private Limited	37,604.00	42,176.00
Fortis Hospotel Limited	48,679.82	42,176.00
Collection on behalf of Company by		
Fortis Hospitals Limited	8.28	128.16
Escorts Heart Institute and Research Centre Limited	-	2.64
Collection by Company on behalf of		
Fortis Hospitals Limited	17.26	71.03
Escorts Heart Institute and Research Centre Limited	-	9.97
Escorts Heart and Super Speciality Hospital Limited	72.46	0.78

Notes Forming part of the Standalone Financial Statements (Contd.)

6. RELATED PARTY DISCLOSURES (Contd.)

(₹ in lakhs)

Balance outstanding at the year end	As at March 31, 2023	As at March 31, 2022
Investments (gross)		
Fortis Hospitals Limited (Equity Instrument)	1,10,995.27	1,10,995.27
Escorts Heart Institute and Research Centre Limited (Equity Instrument)	76,919.72	76,919.72
SRL Limited* (Equity Instrument)	90,905.48	90,905.48
Hiranandani Healthcare Private Limited (Equity Instrument)	13,021.28	13,021.28
Fortis Healthcare International Limited (Equity Instrument)	15,105.47	15,105.47
Fortis La Femme Limited (Equity Instrument)	5.00	5.00
Fortis La Femme Limited (Redeemable Preference share)	2.00	2.00
Fortis Hospotel Limited (Equity Instrument)	2,43,016.88	2,43,016.88
Fortis CSR Foundation (Equity Instrument)	5.00	5.00
Fortis Health Management Limited (Equity Instrument)	856.60	856.60
Fortis Health Management Limited (Debt Instrument)	1,191.96	1,191.96
International Hospital Limited (Equity Instrument)	2,07,657.21	2,07,657.21
International Hospital Limited (Debt Instrument)	42,760.00	46,446.69
Escorts Heart and Super Speciality Hospital Limited (Equity Instrument)	40,625.51	40,625.51
Escorts Heart and Super Speciality Hospital Limited (Debt Instrument)	44,876.15	45,786.15
Hospitalia Eastern Private Limited (Debt Instrument)	7,172.50	7,172.50
Impairment of investments		
Fortis La Femme Limited	7.00	7.00
Fortis Healthcare International Limited	-	4,828.57
Escorts Heart Institute and Research Centre Limited	10,348.67	10,348.67
Loans receivable from subsidiary companies		
Fortis Hospitals Limited	6,324.06	14,744.19
Fortis La Femme Limited	63.73	63.73
Escorts Heart Institute and Research Centre Limited	8,121.51	7,579.22
Hospitalia Eastern Private Limited	165.00	165.00
Fortis Healthstaff Limited	5.00	5.00
Loans payable to subsidiary companies		
Stellant Capital Advisory Services Private Limited	3,378.03	3,421.03
Fortis Malar Hospitals Limited	6,800.00	6,800.00
Provision for doubtful loans and advances		
Fortis La Femme Limited	63.73	63.73

Company Note (not part of the signed financial statements):

** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

Notes Forming part of the Standalone Financial Statements (Contd.)

6. RELATED PARTY DISCLOSURES (Contd.)

(₹ in lakhs)

Balance outstanding at the year end	As at March 31, 2023	As at March 31, 2022
Interest accrued on loans and investments		
Fortis Hospitals Limited	816.71	1,529.86
Escorts Heart Institute and Research Centre Limited	581.09	542.29
Escorts Heart and Super Speciality Hospital Limited	18,440.66	14,270.97
International Hospital Limited	10,746.71	12,792.14
Fortis Health Management Limited	128.32	212.02
Hospitalia Eastern Private Limited	656.09	656.09
Interest accrued on borrowings		
Fortis Malar Hospitals Limited	136.60	89.61
Stellant Capital Advisory Services Private Limited	28.47	-
Other balances recoverable		
Fortis Hospitals Limited	0.26	17.38
Escorts Heart Institute and Research Centre Limited	280.61	280.61
Fortis Health Management (East) Limited	-	45.80
Fortis C-Doc Healthcare Limited	28.39	28.39
Stellant Capital Advisory Services Private Limited	-	0.04
International Hospital Limited	-	0.01
SRL Limited*	12.58	12.58
Trade receivables		
SRL Limited*	-	2.21
Fortis Hospitals Limited	50.78	35.01
Fortis Hospotel Limited	55.03	30.55
Fortis Malar Hospitals Limited	4.49	0.79
Provision for doubtful receivables / other financials assets		
Fortis Health Management (East) Limited	45.80	45.80
Trade payables		
Fortis Hospitals Limited	-	1.60
Escorts Heart Institute and Research Centre Limited	5.85	10.78
SRL Limited*	307.55	341.23
Fortis Hospotel Limited (refer note 2 below)	24,479.39	15,130.02
Fortis Malar Hospitals Limited	-	4.86
Fortis Emergency Services Limited	5.46	12.45

Company Note (not part of the signed financial statements):

** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

Notes Forming part of the Standalone Financial Statements (Contd.)

6. RELATED PARTY DISCLOSURES (Contd.)

(₹ in lakhs)

Balance outstanding at the year end	As at March 31, 2023	As at March 31, 2022
Escorts Heart and Super Speciality Hospital Limited (refer note 2 below)	3,069.60	1,525.89
Technology renewal fund		
Fortis Hospotel Limited	66.00	58.50
Escorts Heart and Super Speciality Hospital Limited	21.20	73.91
Financial guarantee liability		
Fortis Hospitals Limited	140.81	165.93
Outstanding Financial guarantees given to banks/related party for loans availed by		
Fortis Hospitals Limited	98,475.00	99,447.00
Hiranandani Healthcare Private Limited	2,450.00	2,450.00
Escorts Heart Institute and Research Centre Limited	11,113.00	11,155.00
International Hospital Limited	14,025.00	14,025.00
Fortis Hospotel Limited	12,828.00	12,917.00
Hospitalia Eastern Private Limited	3,300.00	3,300.00
Outstanding Financial guarantees on behalf of company to avail loan given by		
Fortis Hospitals Limited	-	48,679.82
Escorts Heart Institute and Research Centre Limited	-	48,679.82
International Hospital Limited	20,000.00	48,679.82
Escorts Heart and Super Speciality Hospital Limited	-	48,679.82
Hospitalia Eastern Private Limited	-	37,604.00
Fortis Hospotel Limited	-	48,679.82

Notes:

1) Amount shown is inclusive of perquisites, employer's contribution to provident fund and excluding reimbursement of expenses.

2) As per the HMSA arrangement with the property holding companies, the Company pays service fee consideration to the property holding companies, as an when due. As per terms of the HMSA, in the event of any delay in payment of the Service Fee, an interest at a rate of State Bank of India base rate plus 2% per annum (on a compounded monthly basis) shall be payable to the property holding companies by the Company. The Company and property holding companies have agreed that no interest would be charged/demanded for the delay in the payments on amounts under HMSA for the financial year 2021-22 and 2022-23 on account of the continued business relation. Consequently, the Company has not recognised interest on the delayed payment of the service fees/technology renewal fund during the year ended March 31, 2022 and March 31, 2023.

3) Also refer note 9(a), 9(b) and 23.

Fortis

Notes Forming part of the Standalone Financial Statements (Contd.)

7. LEASES

(a) As a lessee

The Company leases many assets including Buildings and Medical equipment. Information about leases for which the Company is a lessee is presented below

(₹ in lakhs)

Right-of-use assets	Buildings	Medical Equipment	Total
Gross carrying amount			
As at April 01, 2021	**67,115.32**	**8.19**	**67,123.51**
Derecognition	(62.31)	(8.19)	(70.50)
As at March 31,2022	**67,053.01**	**-**	**67,053.01**
Additions	-	1,555.82	1555.82
Classified as held for sale (refer note 29)	(7,938.05)	-	(7,938.05)
As at March 31,2023	**59,114.96**	**1,555.82**	**60,670.78**
Accumulated amortisation			
As at April 01, 2021	**14,553.94**	**7.56**	**14,561.50**
Charge for the year	7,419.33	0.63	7,419.96
Derecognition	(62.31)	(8.19)	(70.50)
As at March 31, 2022	**21,910.96**	**-**	**21,910.96**
Charge for the year	7,422.75	108.04	7,530.79
Classified as held for sale (refer note 29)	(949.37)	-	(949.37)
As at March 31, 2023	**28,384.34**	**108.04**	**28,492.38**
Carrying value			
As at March 31,2022	**45,142.05**	**-**	**45,142.05**
As at March 31,2023	**30,730.62**	**1,447.78**	**32,178.40**

(₹ in lakhs)

Lease Liabilities	As at March 31, 2023	As at March 31, 2022
Maturity analysis - contractual undiscounted cash flows		
Less than one year	12,422.85	11,702.14
One to five years	43,320.58	50,687.69
More than five years	21,188.72	24,153.23
Total undiscounted lease liabilities	**76,932.15**	**86,543.06**

(₹ in lakhs)

Lease Liabilities included in the Balance Sheet (discounted)	As at March 31, 2023	As at March 31, 2022
Current	7,157.97	6,036.46
Non-current	34,377.40	48,991.70

(₹ in lakhs)

Amounts recognised in Statement of Profit and Loss	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	5,926.19	6,441.88
Variable lease payments not included in the measurement of lease liabilities	7,361.78	5,910.55
Expenses relating to short-term leases and leases of low-value assets	983.30	556.24

Notes Forming part of the Standalone Financial Statements (Contd.)

7. LEASES (Contd.)

(₹ in lakhs)

Amounts recognised in Statement of Cash Flow	As at March 31, 2023	As at March 31, 2022
Cash outflow for leases	2,446.17	4,943.72
Interest on lease liabilities (included in finance cost paid)	5,926.19	6,441.88
Total cash outflow for leases	**8,372.36**	**11,385.60**

Variable lease payment based on sales

Some leases of clinical establishments (Land, Building and Medical equipment) contain variable lease payments that are based on sales that the Company makes at the respective hospital. Variable rental payments are as follows:

(₹ in lakhs)

Particulars	Variable payments		Estimated annual impact on rent of a 1% increase in sales	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Lease with lease payment based on sales	7,361.78	5,910.55	73.62	59.11

(b) As a lessor

Assets given on operating lease:

The Company has sub-leased some portion of hospital premises carrying value of which is included in buildings (refer note 7(a) and 5(i)(a)). In all the cases, either of the parties have option to terminate the agreements at any time during the lease term. The total lease income in respect of the above leases recognised in the Statement of Profit and Loss for the year are ₹ 28.90 Lakhs (March 31, 2022 ₹ 14.31 lakhs).

The Company has also leased out certain property, plant and equipment on operating lease to a trust managing hospital operations. The lease term is renewable at the option of the lessor. The total lease payment received in respect of such leases recognised in the statement of profit and loss for the year are ₹ 615.22 lakhs (March 31, 2022 ₹ 640.46 Lakhs).

The details of the capital assets given on operating lease are as under:

(₹ in lakhs)

	Plant & Machinery	Medical equipment	Furniture and fittings	Computers	Office equipment	Vehicles	Total
As at March 31, 2023							
Cost or deemed cost	91.59	3,992.83	126.22	7.31	2.05	3.70	4,223.70
Accumulated Depreciation	91.59	3,067.77	126,22	7.31	2.05	3.70	3,298.64
Carrying Value	-	**925.06**	-	-	-	-	**925.06**

(₹ in lakhs)

	Plant & Machinery	Medical equipment	Furniture and fittings	Computers	Office equipment	Vehicles	Total
As at March 31, 2022							
Cost or deemed cost	96.66	4,312.39	126.48	7.31	9.35	15.70	4,567.89
Accumulated Depreciation	96.66	3,170.81	126.48	7.31	9.35	15.70	3,426.31
Carrying Value	-	**1,141.58**	-	-	-	-	**1,141.58**

There are no future minimum lease payments receivable under the non-cancellable operating leases.

8. BORROWINGS

(i) Secured Loans

(₹ in lakhs)

Particulars	Note	31-Mar-23			31-Mar-22		
		Non-Current	Current	Total	Non-Current	Current	Total
Bank overdraft	(a)	-	1,316.15	1,316.15	-	2,082.49	2,082.49
Working Capital Loan from Bank – Axis Bank Limited	(b)	-	-	-	-	500.00	500.00
Term Loan from Bank – HSBC	(c)	15,651.66	-	15,651.66	29,162.46	-	29,162.46
Term Loan from Bank – DBS Bank India Limited	(d)	1,170.84	637.57	1,808.41	1,957.25	255.82	2,213.07
Term Loan from Bank – Axis Bank Limited*	(e)	7,829.49	-	7,829.49	19,931.44	-	19,931.44
Vehicle Loan from Kotak Mahindra Prime Limited	(f)	-	8.73	8.73	8.75	13.87	22.62
Vehicle Loan from ICICI Bank Limited	(g)	128.04	57.88	185.92	71.32	28.76	100.08
Total		**24,780.03**	**2,020.33**	**26,800.36**	**51,131.22**	**2,880.94**	**54,012.16**

**Net of financial guarantee liability from borrowings.*

(a) During the earlier years, the Company has availed overdraft facility from HSBC Bank Limited secured by first pari passu charge on the current assets and movable fixed assets of the borrower (Company) and corporate guarantee from Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited with rate of interest being HSBC overnight MCLR payable monthly or any other rate as may be agreed from time to time. As on March 31, 2023, the outstanding balance of overdraft is ₹ 1,316.15 lakhs. (Balance outstanding as at March 31, 2022 was ₹ 2,080.59 lakhs).

The Company had also availed overdraft facility from DBS Bank Limited with interest rate of overnight MCLR plus 125 bps margin payable on monthly basis which was secured by:

(i) First pari passu charge over current assets and moveable fixed assets of the borrower (except vehicles under specific charge with ICICI and Kotak bank),

(ii) Cross guarantees from Fortis Hospitals Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Fortis Hospotel Limited and Escorts Heart and Super Speciality Hospital Limited.

During the current financial year, the Corporate Guarantees from Fortis Hospitals Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Fortis Hospotel Limited and Hospitalia Eastern Private Limited were withdrawn.

As on March 31, 2023, the outstanding balance of overdraft is Nil. (Balance outstanding as at March 31, 2022 ₹ 1.90 Lakhs).

(b) During the previous year, the Company has availed working capital loan or overdraft facility from Axis Bank Limited for meeting day to day working capital requirements. The working capital loan was secured against first pari passu charge on entire current assets and movable fixed assets of the Company, excluding vehicles and medical equipment exclusively financed by other lenders. The rate of interest was 1-month

Notes Forming part of the Standalone Financial Statements (Contd.)

8. BORROWINGS (Contd.)

MCLR + 35 bps or rate which is mutually agreeable with the bank. As on March 31, 2023, the outstanding balance of overdraft is Nil. (Balance outstanding as at March 31, 2022 ₹ 500 Lakhs).

(c) During the earlier year, the Company had taken term loan for ₹ 64,483.00 Lakhs secured by exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram), corporate guarantee from Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited and first pari passu charge on the current assets and movable fixed assets of the borrower (Company) with rate of interest being 12 month MCLR or any other rate as may be mutually agreed from time to time (Previous year MCLR with quarterly reset linked to 3 month MCLR or any other rate as may be mutually agreed from time to time).

During the current financial year, the Corporate Guarantees from Fortis Hospitals Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited and Fortis Hospotel Limited were withdrawn.

During the earlier year, the Company had partly refinanced the HSBC term loan facility of ₹ 2,075.82 Lakhs from DBS Bank India Limited. Further, during the current year, the Company has availed an additional term loan facility of ₹ 400.00 Lakhs from HSBC.

Out of total term loan facilities, ₹ 7,490.67 Lakhs is repayable in June 2024, ₹ 4,788.10 Lakhs is repayable over 8 years (last instalment due in October 2030) with put/call option exercisable on or after September 05, 2026, ₹ 2,972.89 Lakhs is repayable over 4 years (last instalment due in August 2026), ₹ 400.00 Lakhs is repayable over 6 years (last instalment due in June 2029). As on March 31, 2023, the outstanding balance of term loans are ₹ 15,651.66 Lakhs (Balance outstanding as on March 31, 2022 was ₹ 29,162.46 Lakhs).

(d) During the earlier year, the Company had taken term loan of ₹ 2,283.62 Lakhs from DBS Bank India Limited with interest rate of Bank's 3-month MCLR plus 100 bps margin with quarterly reset payable on monthly basis which is secured by:

(i) First pari passu charge over current assets and moveable fixed assets of the borrower (except vehicles under specific charge with ICICI and Kotak bank),

(ii) Exclusive charge over immovable fixed assets of Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x.

(iii) Cross guarantees from Fortis Hospitals Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Fortis Hospotel Limited and Escorts Heart and Super Speciality Hospital Limited.

During the current financial year, the Corporate Guarantees from Fortis Hospitals Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, and Fortis Hospotel Limited were withdrawn.

Out of total term loan facility of ₹ 2,283.62 Lakhs aforesaid, term loan facility of ₹ 2,075.82 Lakhs was availed for refinancing of existing credit facility from HSBC Bank Limited. The loan

8. BORROWINGS (Contd.)

is repayable in 4 years 9 months and remaining term loans facility taken for Capex of ₹ 207.80 Lakhs is repayable in 16 quarterly instalments starting from December 01, 2021. During the year, the Company has further drawn 762.48 Lakhs capex loan. As on March 31, 2023, the outstanding balance of term loans including capex loans are ₹ 1,808.41 Lakhs. (Balance outstanding as at March 31, 2022 was ₹ 2,213.07 Lakhs.).

(e) During the previous year, the Company has availed the term loan facility from Axis Bank Limited which was utilised for the part – refinance of existing term loan of HSBC Bank Limited to the extent of ₹ 20,000.00 Lakhs with interest rate of repo rate + 2.80% (presently 6.80% p.a.) payable at monthly intervals. The loan is repayable in structured quarterly instalments w.e.f December 21, 2023 which is secured by:

(i) First pari passu charge on entire current assets (present and future) of the Company

(ii) First pari passu charge on entire movable fixed assets (present and future) of the Company, excluding vehicles and medical equipment exclusively financed by other lenders, and

(iii) Exclusive charge on immovable fixed assets of International Hospital Limited located at BG Road, Bangalore with minimum security cover of 1.33x.

(iv) Corporate guarantee of property owing company International Hospitals Limited. As on March 31, 2023, the outstanding balance of term loan is ₹ 7,829.49 Lakhs (Balance outstanding as at March 31, 2022 was ₹ 19,931.44 Lakhs) (net of financial guarantee liability).

(f) During Financial year 2019-20, the Company had taken vehicle loan for ₹ 68.26 Lakhs from Kotak Mahindra Prime Limited with current average rate of interest of 9.27% p.a. The loan is repayable in 48 structured monthly instalments and secured against hypothecation of the specific vehicle purchased. As on March 31, 2023, the outstanding balance of vehicle loan is ₹ 8.73 Lakhs (Balance outstanding as at March 31, 2022 was ₹ 22.62 Lakhs).

(g) During the previous year, the Company had taken vehicle loan for ₹ 28.74 Lakhs from ICICI Bank Limited with current average rate of interest of 8.53 % p.a. The loan is repayable in 48 structured monthly instalments and secured against hypothecation of the specific vehicle purchased. During the current year, Company has also availed additional vehicle loan of ₹ 120.64 Lakhs from ICICI Bank Limited. As on March 31, 2023, the outstanding balance of vehicle loan is ₹ 185.92 Lakhs. (Balance outstanding as at March 31, 2022 was ₹ 100.08 Lakhs).

(ii) Unsecured Loans

(₹ in lakhs)

Particulars	Note	March 31, 2023		March 31, 2022	
		Non-Current	Current	Non-Current	Current
Loans from subsidiary companies	5(xv)	3,378.03	6,800.00	7,421.03	2,800.00
Total		**3,378.03**	**6,800.00**	**7,421.03**	**2,800.00**

During earlier years, the Company had availed unsecured loan from its subsidiary company, Stellant Capital Advisory Services Private Limited, of ₹ 4,265 Lacs with rate of interest of 8.85% p.a. which is repayable on or before March 31, 2025. The rate of interest has been reduced to 7.95% p.a. with effect from April 1, 2021.

During the year, the Company had repaid unsecured loan of ₹ 43.00 Lakhs. The outstanding balance of unsecured loan is ₹ 3,378.03 Lakhs. (Balance outstanding as at March 31, 2022 ₹ 3,421.03 Lakhs).

During earlier years, the Company has availed unsecured loan from its subsidiary company, Fortis

Notes Forming part of the Standalone Financial Statements (Contd.)

8. BORROWINGS (Contd.)

Malar Hospitals Limited, of ₹ 2,800 Lakhs with rate of interest of 10.50% p.a. which is repayable on or before July 08, 2023, along with right to recall the loan any time after six months from the date of disbursement. As on March 31, 2023, the outstanding balance of unsecured loan is ₹ 2,800.00 Lakhs. (Balance outstanding as at March 31, 2022 ₹ 2,800.00 Lakhs)

Furthermore, during the earlier years, the Company has also availed unsecured loan from its subsidiary company, Fortis Malar Hospitals Limited, of ₹ 4,000 Lakhs with interest rate of 6.50 % p.a. The loan is repayable on or before two years from the date of drawdown (maturity date). As on March 31, 2023, the outstanding balance of unsecured loan is ₹ 4,000.00 Lakhs. (Balance outstanding as at March 31, 2022 ₹ 4,000.00 Lakhs)

The Company has been sanctioned working capital limits in excess of ₹ 500 Lakhs, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts except in first quarter for which the details are here under:

Quarter	Name of Bank	Particulars	Amount as per books of account (₹ in Lakhs)	Amount as reported in the quarterly return/ statement (₹ in Lakhs)	Amount of difference (₹ in Lakhs)
Jun'22	Axis Bank Limited & DBS Bank Limited	Net increase / (decrease) in cash and cash equivalents	68.50	32.87	35.63

Differences in the statements submitted to the banks as mentioned above are due to general period end adjustments made post filling of the preliminary statements with the banks. The updated statements have been filed with the respective banks subsequently.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

9. COMMITMENTS:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account [net of capital advances of ₹ 59.01 Lakhs (as at March 31, 2022 ₹ 36.94 Lakhs)]	3,446.37	1,830.20

a. Going concern support in form of funding and operational support letters issued by the Company in favour of FLFL, FCCL, Fortis C-Doc Healthcare Limited, FHMEL, FESL, FGHML, FAHPL, Birdie & Birdie Realtors Private Limited, FHsL, EHSSHL, FHML, HEPL and EHIRCL.

b. As part of Sponsor Agreement entered between The Trustee-Manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively for International Hospital Limited, Fortis Hospotel Limited, Escorts Heart and Super Specialty Hospitals Limited and Fortis Health Management Limited) (collectively referred as 'Indemnified parties') with the Company, the Company has undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily

9. COMMITMENTS: (Contd.)

Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, Company has accrued ₹ 205.03 Lakhs (as at March 31, 2022 ₹ 205.03 Lakhs) as provision for contingency.

c. The Company does not have any long-term commitments or material non-cancellable contractual commitments/ contracts, including derivative contracts for which there were any material foreseeable losses.

d. These were no amount which were required to be transferred to be the investor education and protection fund by the Company.

10. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

11. CONTINGENT LIABILITIES TO THE EXTENT NOT PROVIDED FOR:

A. Guarantees:

Outstanding guarantees furnished to banks / subsidiaries on behalf of the subsidiary companies are ₹ 1,42,191.00 Lakhs (Previous year ₹ 1,43,294.00 Lakhs). The Company has recorded in books the fair value of guarantees given to subsidiary companies. (Refer note 5(iv)).

Claims against the Company, disputed by the Company, not acknowledged as debt (In addition, refer claims assessed as contingent liability described in Note 21, 22 and 23 below):

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax	6,618.89	6,618.89
Medical related	5,930.61	5,926.11
VAT	3,621.17	3,621.17
Service Tax and GST	344.00	537.00
Grand Total	**16,514.67**	**16,703.17**

On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. The Company has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.

Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, assessments and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Company believes that none of the above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/ forums.

Notes Forming part of the Standalone Financial Statements (Contd.)

11. CONTINGENT LIABILITIES TO THE EXTENT NOT PROVIDED FOR: (Contd.)

B. Claims assessed as contingent liability and not provided for, unless otherwise stated:

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

The Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Third Party. The matter is pending adjudication before District Court, Delhi. The Third Party has approached Delhi High Court for seeking certain interim reliefs against the Company under the provisions of The Arbitration and Conciliation Act, 1996. This Third party had also filed a claim for damages and injunctive reliefs against the Company before International Chamber of Commerce (ICC). The Company has invited the attention of ICC to the aforesaid pending litigations before various Courts and non-maintainability of claim raised by said Third party. Proceedings before Delhi High Court have been withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC has also been withdrawn by Third Party on February 23, 2020 and the same has been closed by ICC on February 28, 2020. The Company has filed an application for perjury against the Third Party and other entities which is pending before the Delhi High Court. During the year ended March 31, 2022, signatories of Third Party to the Term Sheet have also filed a duly affirmed affidavit before Delhi High Court stating that Term Sheet was neither signed on behalf of the Company before them nor did it ever come in force.

During the year ended March 31, 2022, another Party, claiming to be one of the assignee of Third Party has filed a case against 28 named defendants, including the Company and its ultimate parent Company IHH, and 21 non-party defendants, including the Company in the United States District Court, District of New Jersey, USA. Notice of the case has not yet been served on the Company under the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. In December 2021, a notice of this case was served to IHH which was subsequently disclosed by it to Bursa Stock Exchange, Malaysia. Company is given to understand that the case has been filed for alleged violation of, inter-alia, the U.S. Racketeer, Influenced and Corrupt Organisations Act, copyright infringement, tortious interference with contracts, etc. and Party has claimed damages in excess of US$ 6.5 Billion against all the defendants. Company has made disclosure about this case to stock exchange. It has also sought legal advice and will pray for dismissal of this case, as and when served. Company is given to understand that vide order dated September 07, 2022, case has been dismissed by United States District Court, New Jersey on grounds of forum non conveniens. During the year ended March 31, 2023 another Party, claiming to be one of the assignee of the Third Party has initiated arbitration proceedings wherein an Interim Award was passed which was subsequently terminated by the Learned Arbitrator. Neither any notice nor any statement of claim has been received by the Company of the arbitration proceedings. Company will seek t legal advice and pray for dismissal of this case, as and when served. Company has filed a Civil Suit against the said third party which is sub-judice before the Hon'ble High Court of Delhi.

Company Note (not part of the signed financial statements):

**The name(s) of the companies and entities that were utilizing the said brand have either changed their names or are in the process of changing their names in accordance with applicable law.*

11. CONTINGENT LIABILITIES TO THE EXTENT NOT PROVIDED FOR: (Contd.)

In addition, in the year 2018, the Company had received four notices from the Plaintiff claiming (i) ₹ 1,800 Lakhs as per notices dated May 30, 2018 and June 01, 2018 (ii) ₹ 21,582 Lakhs as per notice dated June 04, 2018; and (iii) ₹ 1,962 Lakhs as per notice dated June 04, 2018. All these notices were responded to by the Company denying any liability whatsoever.

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

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

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

12. EMPLOYEE BENEFITS PLAN:

Defined Contribution Plan

The Company's contribution towards its Provident Fund Scheme and Employee State Insurance Scheme are defined contribution retirement plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with Provident Fund Commissioner which is recognised by the Income Tax authorities.

The Company recognised ₹ 189.65 Lakhs (Previous year ₹ 205.36 Lakhs) for Provident Fund and Employee State Insurance Contribution in the Statement of Profit and Loss. The Contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

Defined Benefit Plan

(i) Gratuity

The Company has a defined benefit gratuity plan, where each employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. Vesting occurs upon completion of 5 years of service. The Gratuity plan is unfunded.

The following table summarises the components of net benefit expenses recognised in the Statement of Profit and Loss and the amounts recognised in the Balance Sheet.

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
i. Movement in Net Liability		
Present value of obligation at the beginning of the year	1,689.34	1,657.93
Current service cost	210.76	202.96
Interest cost	112.35	100.23
Amount recognised to OCI	194.90	(43.60)
Obligation transferred (to) / from (net)	(4.44)	(105.95)
Benefits paid	(169.05)	(122.23)
Present value of obligations at the end of the year	**2,033.86**	**1,689.34**

Notes Forming part of the Standalone Financial Statements (Contd.)

12. EMPLOYEE BENEFITS PLAN: (Contd.)

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of unfunded obligation		
Amounts in the Balance Sheet		
(a) Liabilities	2,033.86	1,689.34
(b) Assets	-	-
(c) Net liability recognised in the Balance Sheet	**2,033.86**	**1,689.34**
Current Liability	298.58	275.65
Non-Current Liability	1,735.28	1,413.69

(₹ in lakhs)

ii. Expense recognised in Statement of Profit and Loss is as follows:	Year ended March 31, 2023	Year ended March 31, 2022
Amount recognised in employee benefit expense		
Service cost	210.76	202.96
Past Service Cost	-	-
Total	**210.76**	**202.96**
Amount recognised in finance cost		
Interest cost	112.35	100.23
Total	**112.35**	**100.23**
Total Amount charged to Statement to Profit and Loss	**323.11**	**303.19**
iii. Expense recognised in Statement of Other comprehensive income is as follows:		
Net actuarial loss/(gain) due to experience adjustment recognised during the year	237.12	(6.46)
Net actuarial gain due to assumptions changes recognised during the year	(42.22)	(37.14)
Total	**194.90**	**(43.60)**

The Principal assumptions used in determining gratuity and compensated absences obligation for the Company's plan are shown below:

Principal Actuarial assumptions for gratuity and compensated absences	As at March 31, 2023	As at March 31, 2022
Discounting rate (p.a.)	7.25%	7.00%
Expected salary increase rate (p.a.)	7.50%	7.50%
Withdrawal rate		
Age up to 30 years	18%	18%
Age from 31 to 44 years	6%	6%
Age above 44 years	2%	2%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Experience (gain)/loss adjustments on plan liabilities	194.90	(43.60)

Notes:

a) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

12. EMPLOYEE BENEFITS PLAN: (Contd.)

b) Significant actuarial assumption for the determination of the defined obligation are discount rate, expected salary escalation rate and withdrawal rate. The sensitivity analyses below have been determined by the actuarial based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in lakhs)

Particulars	Year ended March 31, 2023		Year ended March 31, 2023	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.50%	(79.96)	86.06	(70.20)	75.77
Change in salary escalation rate by 1%	176.76	(155.43)	155.42	(135.97)
Change in withdrawal rate by 5%	(37.57)	35.98	(39.21)	40.64

Expected benefit payments for the future years

(₹ in lakhs)

Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2027	Year ended March 31, 2028	Year ended March 31, 2029 to year ended March 31, 2033
107.16	88.95	311.82	139.24	175.32	1,472.34

(ii) Provident Fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Such contributions for the year ended March 31, 2023 are ₹ 648.88 Lakhs (Previous year ₹ 606.64 Lakhs). Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees.

Assumptions:	March 31, 2023	March 31, 2022
Discount rate (p.a.)	7.25% p.a.	7.00% p.a.
Expected return on exempt fund	8.15% p.a.	8.10% p.a.
Expected EPFO return	8.10% p.a.	8.10% p.a.
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Withdrawal rate for primary categories of employees

Particulars	March 31, 2023	March 31, 2022
Withdrawal rate	Ages From 20 - 30 - 18.00%;	Ages From 20 - 30 - 18.00%;
	Ages From 31 - 44 - 6.00%;	Ages From 31 - 44 - 6.00%;
	Ages From 45 and above - 2.00%	Ages From 45 and above - 2.00%

Notes Forming part of the Standalone Financial Statements (Contd.)

12. EMPLOYEE BENEFITS PLAN: (Contd.)

The assessed actuarial liability in respect of future anticipated shortfall is as follows:

(₹ in lakhs)

Assets / Liabilities	March 31, 2023	March 31, 2022
Defined Benefit Obligation (DBO)	16,322.08	17,191.29
Fair Value of Plan Assets (FVA)	16,989.99	17,217.75
Funded status {Surplus/(Deficit)}	667.91	26.46

The Defined Benefit Obligation as at March 31, 2023 and March 31, 2022 includes obligation in respect of Interest Guarantee Shortfall in future. The obligation for Interest Guarantee Shortfall as at March 31, 2023 was ₹ 484.37 Lakhs and as at March 31, 2022 is ₹ 567.12 Lakhs.

Asset allocation

Asset Category	March 31, 2023	March 31, 2022
Government of India Securities (Central and State)	53.14%	51.40%
High quality corporate bonds (including Public Sector Bonds)	36.60%	39.59%
Mutual Funds	10.00%	8.94%
Cash (including Special Deposits)	0.26%	0.07%
Total	**100.00%**	**100.00%**

Expected benefit payments for the future years

(₹ in lakhs)

Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2027	Year ended March 31, 2028	Year ended March 31, 2029 to year ended March 31, 2033
1,038.90	1,078.05	1,091.25	766.07	1,415.64	6,825.01

13. FINANCIAL INSTRUMENTS

i) Capital Management

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

The capital structure of the Company consists of net debt (borrowings as detailed in notes 5(xv), and 7(a) offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements other than for covenants under various loan arrangements of the Company.

The Company's Board reviews the capital structure of the Company on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Amongst other things, the Company's objective for capital management is to ensure that it maintains stable capital management by monitoring the financial covenants attached to the interest bearing loans and borrowings.

13. FINANCIAL INSTRUMENTS (Contd.)

Gearing ratio

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

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Debt*	78,706.15	119,438.16
Less: Cash and cash equivalents [Refer note 5(xii)]	(97.68)	(107.19)
Net debt	78,608.47	1,19,330.97
Total equity	8,96,353.61	8,86,856.39
Net debt to equity ratio	**8.77%**	**13.46%**

**Debt is defined as long-term and short-term borrowings (including lease liabilities, interest accrued and due on borrowings and excluding derivative and financial guarantee contracts).*

(ii) Financial risk management objectives

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

The Board of Directors manages the financial risk of the Company through internal risk reports which analyse exposure by magnitude of risk. The Company has limited exposure from the international market as the Company's operations are in India. However, the Company has limited exposure towards foreign currency risk as it earns less than 10% of its revenue from foreign currency from international patients. Also, capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Company has not taken any derivative contracts to hedge the exposure. However, the exposure towards foreign currency fluctuation is partly hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

Market Risk

The Company's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates.

a) Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		Foreign Currency in Lakhs	Equivalent ₹ in Lakhs	Foreign Currency in Lakhs	Equivalent ₹ in Lakhs
Trade payables	US$	0.16	13.14	0.98	74.38
Trade receivables	US$	0.55	45.16	1.17	88.80

Notes Forming part of the Standalone Financial Statements (Contd.)

13. FINANCIAL INSTRUMENTS (Contd.)

Foreign currency sensitivity analysis

The Company is mainly exposed to US$ currency.

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against US$. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. This analysis assumes that all other variables in particular interest rates, remain constant. A positive number below indicates an increase in profit / decrease in loss or equity where the ₹ strengthens 5% against US$. For a 5% weakening of the ₹ against US$, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(₹ in lakhs)

If increase by 5%	**Currency Impact US$**	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Impact on profit or loss for the year	(1.60)	(0.72)
Impact on total equity	(1.04)	(0.47)
If decrease by 5%	**Currency Impact US$**	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Impact on profit or loss for the year	1.60	0.72
Impact on total equity	1.04	0.47

Foreign exchange derivative and Non derivative financial instruments

The Company uses derivative for hedging financial risks that arise from its commercial business activities. The group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 12 months for hedges of forecasted purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

			Maturity	
Outstanding Contracts	**No. of Deals**	**Contract value of foreign Currency (In Lakhs)**	**Up to 12 months Nominal Amount (₹ In Lakhs)**	**More than 12 months Nominal Amount (₹ In Lakhs)**
	As at March 31, 2023	**As at March 31, 2023**	**As at March 31, 2023**	**As at March 31, 2023**
US$/ ₹ Buy forward	2	1,702.96	1,714.62	-

			Maturity	
Outstanding Contracts	**No. of Deals**	**Contract value of foreign Currency (In Lakhs)**	**Up to 12 months Nominal Amount (₹ In Lakhs)**	**More than 12 months Nominal Amount (₹ In Lakhs)**
	As at March 31, 2022	**As at March 31, 2022**	**As at March 31, 2022**	**As at March 31, 2022**
US$/ ₹ Buy forward	-	-	-	-

13. FINANCIAL INSTRUMENTS (Contd.)

b) Interest rate risk management

The Company is exposed to interest rate risk because Company borrows funds at both fixed and floating interest rates. The interest rate on the Company's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(₹ in lakhs)

If increase by 50 basis point	Interest impact	
Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Impact on profit or loss for the year	(134.00)	(270.06)
Impact on total equity	(87.18)	(175.69)

(₹ in lakhs)

If decrease by 50 basis point	Interest impact	
Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Impact on profit or loss for the year	134.00	270.06
Impact on total equity	87.18	175.69

c) Other price risks

The Company's investment are in group companies and are held for strategic purposes rather than for trading purposes.

d) Credit risk management

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

The Company does not have any significant concentration of exposures to specific markets.

Refer note 5(v) of the standalone financial statements for carrying amount and maximum credit risk exposure for trade receivables.

Expected credit loss on financial assets other than trade receivables:

Company carries other financial assets such as balances with banks, advances, security deposits, loans to body corporates and interest accrued on such loans etc. Company monitors the credit exposure on these financial assets on a case-to-case basis. Loans to subsidiaries are assessed for credit risk based on the underlying valuation of the entity and their ability to repay within the contractual repayment terms. Company creates loss allowance wherever there is an indication that credit risk has increased significantly. Other the credit impaired financial assets as mentioned below, based on historical experience, the Company does not expect any significant risk of default.

Notes Forming part of the Standalone Financial Statements (Contd.)

13. FINANCIAL INSTRUMENTS (Contd.)

The Company does not have any significant concentration of exposures to specific markets.

Reconciliation of loss allowance measured at life-time expected credit losses for credit impaired financial assets other than trade receivables:

(₹ in lakhs)

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	5,141.60	5,063.97
(Gain)/ Loss allowance recognised	(436.78)	77.63
Balance at the end of the year	4,704.82	5,141.60

Cash and cash equivalents and other bank balances

The Company held cash and cash equivalents and other bank balances of ₹ 97.68 Lakhs at 31 March 2023 (31 March 2022: ₹ 107.19 Lakhs). The cash and cash equivalents and other bank balances are held with banks, which have high credit ratings assigned by credit-rating agencies.

The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

e) Liquidity risk management

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

Note given below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

As at March 31, 2023:

(₹ in lakhs)

Particulars	Sanctioned limit	Undrawn limit
HSBC Bank (term loan)	15,691.50	-
HSBC Bank (overdraft facility)	6,800.00	5,481.36
DBS Bank (term loan)	3,266.53	1,451.43
DBS Bank (overdraft facility)	2,300.00	2,300.00
Axis Bank Limited (term loan)	8,000.00	-
Axis Bank Limited (Working Capital / overdraft facility)	2,000.00	2,000.00
Other financial institutions (Vehicle loan)	194.40	-

13. FINANCIAL INSTRUMENTS (Contd.)

As at March 31, 2022:

(₹ in lakhs)

Particulars	Sanctioned limit	Undrawn limit
HSBC Bank (term loan)	29,903.24	652.26
HSBC Bank (overdraft facility)	6,800.00	4,718.47
DBS Bank (term loan)	4,433.69	2,213.91
DBS Bank (overdraft facility)	300.00	298.10
Axis Bank Limited (term loan)	20,000.00	-
Axis Bank Limited (Working Capital / overdraft facility)	2,000.00	1,500.00
Other financial institutions (Vehicle loan)	123.02	-

Liquidity and interest risk tables

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

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in lakhs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
As at March 31, 2023					
Lease liabilities	12,422.85	12,468.95	52,040.35	76,932.15	41,535.37
Term loan	2,795.49	11,664.08	18,362.69	32,822.26	25,484.21
Bank Overdraft	1,316.15	-	-	1,316.15	1,316.15
Trade payables	41,562.72	-	-	41,562.72	41,562.51
Security Deposit	2.76	-	-	2.76	2.76
Interest accrued and due on borrowings	192.39	-	-	192.39	192.39
Capital creditors	477.04	-	-	477.04	477.04
Technology renewal fund	87.20	-	-	87.20	87.20
Loans from subsidiary companies	6,800.00	3,378.03	-	10,178.03	10,178.03
Employee payable	1,509.01	-	-	1,509.01	1,509.01
Other Liabilities	356.06	-	-	356.06	356.06
Financial guarantee Liability	140.81	-	-	140.81	140.81
Total	**67,662.27**	**27,511.06**	**70,403.04**	**1,65,576.37**	**1,22,841.54**

(₹ in lakhs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
As at March 31, 2022					
Lease liabilities	11,702.14	12,123.62	62,717.30	86,543.06	55,028.16
Working Capital Demand loan	500.00	-	-	500.00	500.00
Term loan	3,862.32	16,594.42	42,775.40	63,232.14	51,429.67
Bank Overdraft	2,082.49	-	-	2,082.49	2,082.49

Notes Forming part of the Standalone Financial Statements (Contd.)

13. FINANCIAL INSTRUMENTS (Contd.)

(₹ in lakhs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
Trade payables	27,661.85	-	-	27,661.85	27,661.85
Security Deposit	30.06	-	-	30.06	30.06
Interest accrued and due on borrowings	176.81	-	-	176.81	176.81
Capital creditors	616.39	-	-	616.39	616.39
Technology renewal fund	132.41	-	-	132.41	132.41
Loans from subsidiary companies	3,094.00	7,953.00	-	11,047.00	10,221.03
Employee payable	1,368.40	-	-	1,368.40	1,368.40
Other Liabilities	300.32	-	-	300.32	300.32
Financial guarantee Liability	165.93	-	-	165.93	165.93
Total	**51,693.12**	**36,671.04**	**1,05,492.70**	**1,93,856.86**	**1,49,713.52**

The Company has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Borrowings from HSBC, DBS and Axis Bank will become repayable on demand if the Company's EBIDTA to loan ratio exceeds 4. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement.

14. FAIR VALUE MEASUREMENT

Financial assets measured at amortised cost

31 March 2023

(₹ in lakhs)

Particulars	Note	Carrying value*		
		Fair value through profit and loss (FVTPL)	Amortised cost	Total
Financial assets				
Investment in non-convertible bonds of subsidiaries	(b)	-	96,000.61	96,000.61
Loans (Non-current)	(b)	-	14,615.57	14,615.57
Other financial assets (Non-current)	(b)	-	79.35	79.35
Trade receivables	(a)	-	9,736.44	9,736.44
Cash and cash equivalents	(a)	-	97.68	97.68
Bank balances other than cash and cash equivalents	(a)	-	5.37	5.37
Other financial assets (current)	(a)	-	31,867.67	31,867.67
Total		**-**	**1,52,402.69**	**1,52,402.69**

(₹ in lakhs)

Particulars	Note	Carrying value		
		Fair value through profit and loss (FVTPL)	Amortised cost	Total
Financial Liabilities				
Borrowings	(c)	-	28,158.06	28,158.06
Borrowings (current)	(a)	-	8,820.33	8,820.33
Lease liabilities	(d)	-	34,377.40	34,377.40
Lease liabilities (current)	(d)	-	7,157.97	7,157.97

14. FAIR VALUE MEASUREMENT (Contd.)

(₹ in lakhs)

Particulars	Note	Carrying value		
		Fair value through profit and loss (FVTPL)	Amortised cost	Total
Trade payables (current)	(a)	-	41,562.72	41,562.72
Other financial liabilities (non current)	(b)	-	118.51	118.51
Other financial liabilities (current)	(a)	-	2,635.10	2,635.10
Forward exchange contracts used for hedging	(e)	11.66	-	11.66
Total		**11.66**	**1,22,830.09**	**1,22,841.75**

31 March 2022

(₹ in lakhs)

Particulars	Note	Carrying value*		
		Fair value through profit and loss (FVTPL)	Amortised cost	Total
Financial assets				
Investment in non-convertible bonds of subsidiaries	(b)	-	1,00,597.30	1,00,597.30
Loans (Non-current)	(b)	-	22,493.41	22,493.41
Other financial assets (Non-current)	(b)	-	216.72	216.72
Trade receivables	(a)	-	7,568.62	7,568.62
Cash and cash equivalents	(a)	-	107.19	107.19
Other financial assets (current)	(a)	-	30,518.92	30,518.92
Total		**-**	**1,61,502.16**	**1,61,502.16**

(₹ in lakhs)

Particulars	Note	Carrying value		
		Fair value through profit and loss (FVTPL)	Amortised cost	Total
Financial Liabilities				
Borrowings	(c)	-	58,552.25	58,552.25
Borrowings (current)	(a)	-	5,680.94	5,680.94
Lease liabilities	(d)	-	48,991.70	48,991.70
Lease liabilities (current)	(d)	-	6,036.46	6,036.46
Trade payables (current)	(a)	-	27,661.85	27,661.85
Other financial liabilities (non current)	(b)	-	140.81	140.81
Other financial liabilities (current)	(a)	-	2,649.51	2,649.51
Total		**-**	**1,49,713.52**	**1,49,713.52**

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

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

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

(c) The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

Notes Forming part of the Standalone Financial Statements (Contd.)

14. FAIR VALUE MEASUREMENT (Contd.)

(d) Fair value measurement of lease liabilities is not required.

(e) The fair value is determined basis valuation as provided by the issuing bank at the reporting date.

The fair value is determined by using the valuation model/technique with observable/ non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2023 and March 31, 2022.

**excludes investment in subsidiaries of ₹ 7,88,759.75 Lakhs (Previous year ₹ 7,83,931.20 Lakhs) which are shown at carrying value (net of impairment) in balance sheet as per Ind AS 27 "Separate Financial Statements".*

Financial instruments measured at amortised cost

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

15. EXCEPTIONAL ITEMS

(a) The Company had an investment aggregating to ₹ 15,105.47 Lakhs in Fortis Healthcare International Limited. The enterprise value of Fortis Healthcare International Limited has been determined based on the quoted market value (Level 1 fair value) of its underlying asset (Lanka Hospitals Corporation PLC). Based on this value, during the year ended March 31, 2023, the management has recorded write back of impairment loss recognised in earlier years of ₹ 4,828.57 Lakhs for the year ended March 31, 2023 (Impairment loss of ₹ 1,626.05 Lakhs as at March 31, 2022) towards the amount invested in Fortis Healthcare International Limited.

(b) During the previous year, the Company has invested ₹ 2.00 Lakhs in redeemable preference shares of Fortis La femme Limited. An allowance had been created of ₹ 2.00 Lakhs due to inability to pay by the subsidiary.

16. SEGMENT INFORMATION

The Company is primarily engaged in the business of healthcare services which is the only reportable segment as per Ind AS 108 "Operating Segments".

Sales by market- Revenue from external customers by location of customers

The following table shows the distribution of the Company's revenues by geographical market:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	1,05,292.60	86,261.37
Outside India	-	-
Total	**1,05,292.60**	**86,261.37**

Carrying value of n on-current assets- by location of assets

The following table shows the carrying amount of non-current assets other than financial instruments and deferred tax assets by geographical area in which the assets are located:

(₹ in lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	62,694.35	88,359.22
Outside India	-	-
Total	**62,694.35**	**88,359.22**

Major customer

The Company does not derive revenue from any customer which would amount to 10 % or more of the Company's revenue.

Notes Forming part of the Standalone Financial Statements (Contd.)

17. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT, 2006

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

(₹ in lakhs)

	March 31, 2023	March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprises*	2,794.35	1,234.40
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

**Note: Including payable ₹ 236.04 Lakhs for the year ended March 31, 2023 (As at March 31, 2022 ₹ 122.19 Lakhs) to micro enterprises and small enterprises included in other financial liabilities [refer note 5(xvi)]*

18. DETAILS OF LOANS GIVEN TO SUBSIDIARIES AND ASSOCIATES AND FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED

(₹ in lakhs)

	Fortis Hospitals Limited	Fortis La Femme Limited	Escorts Heart Institute and research center limited	Hospitalia Eastern Private Limited	Birdie & Birdie Realtors Private Limited	Fortis Health Staff	Total
March 31, 2023							
Amount (gross)	6,324.06	63.73	8,121.51	165.00	-	5.00	**14,679.30**
Provision for loan	-	(63.73)	-	-	-	-	**(63.73)**
Amount (net)	6,324.06	-	8,121.51	165.00	-	5.00	**14,615.57**
Maximum Amount Outstanding	16,274.06	63.73	8,121.51	165.00	-	5.00	**24,629.30**
March 31, 2022							
Amount (gross)	14,744.19	63.73	7,579.22	165.00	-	5.00	**22,557.14**
Provision for loan	-	(63.73)	-	-	-	-	**(63.73)**
Amount (net)	14,744.19	-	7,579.22	165.00	-	5.00	**22,493.41**
Maximum Amount Outstanding	23,344.19	63.73	7,579.22	165.00	42.96	5.00	**31,200.10**

Notes Forming part of the Standalone Financial Statements (Contd.)

18. DETAILS OF LOANS GIVEN TO SUBSIDIARIES AND ASSOCIATES AND FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED (Contd.)

The loans have been given to the subsidiaries to acquire property, plant and equipment or meet the working capital requirements of these companies. The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

Name of the Party	Rate of Interest *	Due date	Secured / unsecured	As at March 31, 2023	As at March 31, 2022
Fortis Hospitals Limited	7.95% p.a.	March 31, 2025	Unsecured	6,324.06	14,744.19
Escorts Heart Institute & Research center Limited	7.95% p.a.	March 31, 2025	Unsecured	8,121.51	7,579.22
Hospitalia Eastern Private Limited	7.95% p.a.	March 31, 2025	Unsecured	165.00	165.00
Fortis Healthstaff Limited	7.95% p.a.	March 31, 2025	Unsecured	5.00	5.00
Fortis La femme Limited	7.95% p.a.	March 31, 2025	Unsecured	-	-
TOTAL				**14,615.57**	**22,493.41**

** Subsequent to the year end, the rate of interest has been increased to 9.15% p.a.*

Note: The above does not include loans given to body corporates which have been fully provided for in earlier years. Also refer note 5(vi).

19. CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of CSR expenses, as certified by Management, are as follows:

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
(i) Amount required to be spent by the Company during the year,	466.33	533.11
(ii) Amount of expenditure incurred, (Includes administrative expenses of ₹ 3.5 Lakhs (previous year – Nil)),	466.33	533.11
(iii) Shortfall at the end of the year,	-	-
(iv) Total of previous years shortfall,	-	-
(v) Reason for shortfall,	-	-
(vi) Nature of CSR activities undertaken by the Company	Donation to Yuva Unstoppable (for education related activities) of ₹ 249.91 Lakhs and Indian Council of Medical Research of ₹ 212.92 Lakhs.	Donation to PM Cares Fund (Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund).
(vii) details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant accounting standard,	-	-

20. RECOVERABILITY OF CERTAIN ADVANCES / CAPITAL WORK-IN-PROGRESS

(Also refer to Note 22 of the Standalone Financial Statements)

The Company had paid security deposits and advances aggregating to ₹ 2,173.57 Lakhs 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 ₹ 2,173.57 Lakhs. Additionally, expenditure aggregating to ₹ 2,569.90 Lakhs 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 have 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 ₹ 4,743.47 Lakhs in the Standalone Financial Statements for the year ended March 31, 2018.

21. The Board of Directors, after seeking inputs from reputed investment bankers, had approved an equity infusion of ₹ 400,000 Lakhs at a price of ₹ 170 per equity share into the Company by Northern TK Venture Pte Limited 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 Limited, 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 Limited. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Limited is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare Limited to Malaysian IHH Healthcare Berhad be maintained, the Mandatory Open offer was kept in abeyance and continues to be in abeyance as on date, and remains subject to further orders by the Hon'ble Court. The Company had accordingly filed an application seeking for modification of the said order.

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

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

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

Notes Forming part of the Standalone Financial Statements (Contd.)

21. (Contd.)

an application for impleadment, modification of the status quo order and for proceeding with Mandatory Open Offer.

Vide judgment dated September 22, 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 Suo 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.

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. Decree Holder has filed application(s) before Delhi High Court seeking appropriate directions in connection with forensic audit. Matter is pending adjudication.

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.

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

22. 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 ₹ 49,414 Lakhs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 01, 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. Limited, 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

22. INVESTIGATION INITIATED BY THE ERSTWHILE AUDIT AND RISK MANAGEMENT COMMITTEE: (Contd.)

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 analysed 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 Company'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 01, 2014 to September 30, 2018 involving additional matters by engaging independent experts with specialised 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

Notes Forming part of the Standalone Financial Statements (Contd.)

22. INVESTIGATION INITIATED BY THE ERSTWHILE AUDIT AND RISK MANAGEMENT COMMITTEE: (Contd.)

statements of Company 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 ₹ 49,414 Lakhs 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 ₹ 44,503 Lakhs including interest accrued thereon of ₹ 4,260 Lakhs 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 authorisation by the Board of FHsL. (Also refer note 23 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 ₹ 52,019 Lakhs 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 ₹ 2,173 Lakhs 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 ₹ 2,173 Lakhs. Additionally, expenditure aggregating to ₹ 2,570 Lakhs was incurred towards capital work-in-progress on the premises proposed to be take on lease from the Lessor, which is also being claimed from the Lessor pursuant to the aforesaid termination. The Company has issued legal notice demanding the outstanding. Lessor responded to the notice of the Company for amicable resolution, which has not yet yielded any results. Further, Company has filed claim before Interim Resolution Professional (IRP) appointed by NCLT in a matter filed by one of creditors of Lessor. IRP is currently adjudicating the claims of various creditors of the Lessor including that of the Company.

22. INVESTIGATION INITIATED BY THE ERSTWHILE AUDIT AND RISK MANAGEMENT COMMITTEE: (Contd.)

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 ₹ 4,743 Lakhs in the Standalone Financial Statements for the year ended March 31, 2018.

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

(iii) FHsL, a wholly owned subsidiary of the Company, had advanced moneys to an entity towards acquisition of property in Mumbai in financial year 2013-14 which did not materialise. Of the total advance of ₹ 10,000 Lakhs, balance of ₹ 2,375 Lakhs was outstanding to be received back. Post-dated cheques received from the entity were dishonored, and FHsL initiated legal proceedings in this regard. FHsL had accrued for the interest amounting to ₹ 174 Lakhs 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 realisation 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 ₹ 2,549 Lakhs 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 ₹ 2,300 Lakhs 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 ₹ 3.46 Lakhs from erstwhile promoter group companies. Subsequently, EHIRCL advanced a loan to Healthstaff which was used to repay the outstanding unsecured loan amount of ₹ 794.50 Lakhs 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.

Notes Forming part of the Standalone Financial Statements (Contd.)

22. INVESTIGATION INITIATED BY THE ERSTWHILE AUDIT AND RISK MANAGEMENT COMMITTEE: (Contd.)

(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 ₹ 0.255 Lakhs from erstwhile promoter group company. Subsequently, FHsL advanced a loan to FESL, which was used to repay the outstanding unsecured loan amount of ₹ 215 Lakhs 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 ₹ 1,768 Lakhs) 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 characterised 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 ₹ 234 Lakhs 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 ₹ 4,610 Lakhs 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 ₹ 2,002 Lakhs was recognised as recoverable in the Standalone Financial Statements of

22. INVESTIGATION INITIATED BY THE ERSTWHILE AUDIT AND RISK MANAGEMENT COMMITTEE: (Contd.)

the Company for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts, a provision of ₹ 2,002 Lakhs was made in the Standalone Financial Statements 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 ₹ 846 Lakhs and managerial remuneration was paid for the period January 2016 to May 2016, amounting to equivalent ₹ 349 Lakhs. Further, remuneration paid in excess of Central Govt. approval by the Company for FY 2014-15 & FY 2015-16 amounting to ₹ 528 Lakhs 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 ₹ 528 Lakhs 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 ₹ 344 Lakhs 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 Private; Limited. ("Birdie") from certain persons related to the erstwhile promoters, wherein ₹ 12,275 Lakhs were paid towards ICDs at a rate of interest of 14% per annum and ₹ 7,725 Lakhs were paid for the shares acquired. The total enterprise value of Birdie was projected at ₹ 20,000 Lakhs based on the valuation report of land and building by an independent valuer. However, the equity valuation of ₹ 7,725 Lakhs was arrived based on a land and building valuation report by another valuer of ₹ 23,700 Lakhs 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 ₹ 12,275 Lakhs were utilised 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. Limited, 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

Notes Forming part of the Standalone Financial Statements (Contd.)

22. INVESTIGATION INITIATED BY THE ERSTWHILE AUDIT AND RISK MANAGEMENT COMMITTEE: (Contd.)

the Company, investments in the overseas funds have been referred to as related party transactions. During year ended March 31, 2018, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10%.

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

23. 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 said 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 ₹ 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 ("Interim 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

23. MATTERS IN RELATION TO REGULATORY AUTHORITIES: (Contd.)

fictitious and fraudulent in nature and which resulted in inter alia diversion of funds from the Company for the ultimate benefit of the erstwhile promoters (and certain entities controlled by them) and misrepresentation in financial statements of the Company. Further, it inter alia directed the Company to take all necessary steps to recover ₹ 40,300 Lakhs along with due interest from erstwhile promoters and various other entities, as mentioned in the interim Order. More importantly, the said entities had also been directed to jointly and severally repay ₹ 40,300 Lakhs along with due interest to Company within three months of the interim order. Incidentally, the interim 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.

The Company and its wholly owned subsidiary i.e. Fortis Hospitals Limited (FHsL) had then filed applications for modification of the interim 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 interim order dated October 17, 2018 deleting FHsL from the list of entities against whom the interim 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 ₹ 40,300 Lakhs along with due interest from erstwhile-promoters and various other entities, as mentioned in the interim 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 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 ₹ 52,019 Lakhs 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 Private. Limited., Fern Healthcare Private. Limited. and Modland Wears Private. Limited. and directed that the ongoing proceedings against them be substituted with adjudication proceedings. The order expressly clarified that the Company and FHsL were at liberty to pursue remedies under law, as deemed appropriate by them, against the abovementioned entities in respect of their role in the diversion of funds. A Show-Cause Notice (SCN) was issued by SEBI to various entities including the Company and FHsL on November 20, 2020. In the SCN, it was inter-alia alleged that the consolidated financials of the Company at the relevant period were untrue and misleading for the shareholders of the Company and the Company had circumvented certain provisions of the SEBI Act, Securities Contracts (Regulation) Act, 1956, and certain SEBI regulations. In response, a joint representation/reply was filed by the Company and FHsL on December 28, 2020 praying for quashing of the SCN by inter alia

Notes Forming part of the Standalone Financial Statements (Contd.)

23. MATTERS IN RELATION TO REGULATORY AUTHORITIES: (Contd.)

reiterating that the Company and FHsL, were in fact victims of the schemes of the Erstwhile Promoters (Malvinder Mohan Singh and Shivinder Mohan Singh) and justice, equity and fairness demands that the victim ought not be punished for the offences of the wrongdoers. All acts impugned in the SCN relate to the period when the Erstwhile Promoters controlled the affairs of Company and FHsL and the erstwhile Promoters are no longer involved in the affairs of the Company and FHsL. The Erstwhile Promoters were responsible for financial misrepresentation and not the Company and FHsL. Post resignation of the Erstwhile Promoters in February 2018, the Board of Directors of the Company, solely comprising independent Directors looked after its welfare. The new promoters of the Company (i.e. NTK Venture Pte. Limited.) assumed control of the Company pursuant to a preferential allotment which was approved by both the Competition Commission of India and SEBI which approved the open offer that had got triggered pursuant to 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. SEBI has passed an order dated April 19, 2022 w.r.t SCN -1 directing the Company & FHsL to pursue the measures taken to recover the amount of ` 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 had imposed a penalty of ₹ 100 Lakh and ₹ 50 Lakh 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. Appeal is pending adjudication.

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 was alleged that ₹ 567 Crores 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 was stated in the said SCN-2, that a structured rotation of funds was carried out to portray that the loan extended by EHIRCL 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 had been clubbed along with the other noticees, and had 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 ₹ 397.12 Crores 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 ` 100 Lakhs on EHIRCL. EHIRCL filed an appeal against the order dated May 18, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai. SEBI has filed to file its response to which EHIRCL has filed a rejoinder. Appeal is pending adjudication.

The Board of Directors continue to be fully committed to fully co-operating with the relevant regulatory

23. MATTERS IN RELATION TO REGULATORY AUTHORITIES: (Contd.)

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 year ended March 31, 2021 for any contingency that may arise from the aforesaid issues. The Company being a parent entity for EHIRCL, FHsL has undertaken that it will reimburse such penalty/fine which shall finally payable by EHIRCL and/or FHsL, if required after exhausting available legal remedies. 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.

24. The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions if applicable. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2023 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

25. 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 utilise the money so received strictly in various CSR programmes.

However, there are unutilised 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 unutilised amount of ₹ 61 Lakhs.

Notes Forming part of the Standalone Financial Statements (Contd.)

26. RATIO ANALYSIS AND ITS ELEMENTS

S No.	Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Remarks
1	Current Ratio (in times)	Total current assets	Total current liabilities	0.91	0.88	4%	-
2	Debt-Equity Ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.09	0.13	(35%)	Due to higher debt repayments and profit earned during the current year.
3	Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Finance costs + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	0.66	0.45	46%	Due to higher debt repayments in the current year as compared to previous year where there were more drawdowns.
4	Return on Equity Ratio (in %)	Net (Loss) / Profit after taxes (before OCI and Exceptional items) less Preference dividend (if any)	Average total equity	0.54%	0.03%	1475%	Improvement in operations and profit earned during the year.
5	Inventory turnover Ratio (in times)	Cost of goods sold	Average Inventory	19.89	18.08	10%	-
6	Trade Receivables Turnover Ratio (in times)	Revenue from operations (excluding liabilities no longer required written back)	Average trade receivable	12.10	11.47	6%	-
7	Trade Payables Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	0.77	0.85	(10%)	-
8	Net Capital Turnover Ratio (in times)	Revenue from operations (excluding liabilities no longer required written back)	Working capital (i.e. Total current assets less Total current liabilities)	(15.66)	(15.01)	4%	-
9	Net Profit Ratio (in %)	Net (loss) / Profit before exceptional items	Revenue from operations (excluding liabilities no longer required written back)	4.58%	0.35%	1194%	Due to improvement in operations.
10	Return on Capital Employed (in %)	(Loss) / Profit before tax and finance costs	Capital employed = Tangible Net worth + Lease liabilities + Debt + Deferred tax liabilities	2.21%	1.20%	84%	Due to improvement in operations.
11	Return on Investment (%)	Income generated from Invested funds	Average Invested funds	10.98%	10.53%	4%	-

Fortis

27. OTHER STATUTORY INFORMATION

(i) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.

(ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Company is not declared wilful defaulter by any bank or financial institution or other lender.

(vii) The Company has following transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956:

Name of the Company	Reason for continuous transactions	Nature of transactions	Balance outstanding as at March 31, 2023 [Payable/ (advance)]	Balance outstanding as at March 31, 2022 [Payable/ (advance)]	Transactions in FY 2022-23	Transactions in FY 2021-22
Ayuh-Meditech Solutions Private Limited	NA	Purchase of material / services	0.46	0.46	-	-
Bingo Technologies Private Limited	NA	Purchase of material / services	0.02	0.02	-	-
El Shaddai Integrated Solutions India Private Limited	Business requirement	Purchase of material / services	2.15	5.52	11.60	5.63
Green Park Hotels and Resorts Limited	Business requirement	Purchase of material / services	(0.05)	0.51	6.06	3.06
Enmax Global Technologies Private Limited	NA	Purchase of material / services	1.51	1.51	-	-
J.M. Weightronix Private Limited	Business requirement	Purchase of material / services	(0.04)	(0.04)	0.39	-
Safe Vacations Private Limited	NA	Purchase of material / services	0.02	0.02	-	-

(viii) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

Notes Forming part of the Standalone Financial Statements (Contd.)

27. OTHER STATUTORY INFORMATION (Contd.)

(ix) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

28. During the year ended March 31, 2023, the Company has received dividend of ₹ 2,148.75 Lakhs from its subsidiary SRL Limited* at the rate of ₹ 4.75 per equity share.

Company Note (not part of the signed financial statements):

** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

29. ASSETS HELD FOR SALE

On March 31, 2023, the Board of directors of the Company gave their consent to sell/transfer/dispose off Arcot Road Hospital, Chennai as a going concern/on slump sale basis on "as is where is" basis on such terms and conditions as per the draft business transfer agreement and with closure of points under discussion. Further, the related assets and liabilities have been classified as held for sale as per provisions of "IND AS 105-non-current assets held for sale" in these standalone financial statements. This transaction is expected to be materialised within one year from the reporting date.

The carrying amounts of assets and liabilities as at March 31, 2023 are as follows:

(₹ in lakhs)

Particulars	As at March 31, 2023
Non-Current Assets	
Property, plant and equipment	16,373.25
Capital Work In Progress	59.57
Right-of-use assets	6,988.68
Other Intangible Assets	7.07
Other financial assets	178.91
Deferred tax assets (net)	430.25
Other non current assets	20.01
Total Non-Current Assets (A)	**24,057.74**
Current Assets	
Inventory	205.15
Trade receivables	749.88
Cash and cash equivalents	2.20
Other financial assets	2.18
Other Current Assets	552.63
Total Current Assets (B)	**1,512.04**
Total Assets (C = A+B)	**25,569.78**
Non-current liabilities	
Lease liabilities	9,060.86
Provisions	81.09
Total Non-current liabilities (D)	**9,141.95**
Current Liabilities	
Trade payables	1,599.10
Lease liabilities	107.96
Other financial liabilities	200.65
Provisions	29.52
Other current liabilities	152.66
Total current liabilities (E)	**2,089.89**
Total liabilities (F = D+E)	**11,231.84**
Net Assets (C-F)	**14,337.94**

30. The Board of Directors of the Company in its meeting on May 23, 2023 recommended a dividend of Rupee 1.00 per equity share (at the rate of 10% on face value of ₹ 10 per share) of the Company for the year ended March 31, 2023 which will be paid subject to the approval of the shareholders in the Annual General Meeting (AGM) of the Company, to those shareholders whose names appear on the register of members as on the date of Book Closure in proportion to the paid up value of the equity shares and if approved, would result in a net cash outflow of approximately ₹ 7,549.58 Lakhs.

Further, the Board of Directors of SRL Limited*, a subsidiary of the Company in its meeting held on May 18 2023, recommended a dividend of ₹ 2.97 per equity share for the financial year ended March 31 2023. This payment is subject to the approval of shareholders in the AGM of SRL Limited*.

31. During the current year, a Composite Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Fortis Emergency Services Limited, Birdie & Birdie Realtors Private Limited, Fortis Health Management (East) Limited and Fortis Cancer Care Limited with Fortis Hospitals Limited (FHsL) ("Scheme") (one of the wholly owned subsidiaries of the Company), has been approved by the Board of Directors and Shareholders of the Holding Company, subject to requisite approval(s). The application is subject to the approval of National Company Law Tribunal (NCLT).

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.

32. SUBSEQUENT EVENT

a. On April 20, 2023, the Company signed definitive agreements with the VPS group for the acquisition of assets of Medeor Hospital in Manesar, Gurugram, Haryana, ("Medeor Hospital") for an overall purchase consideration of ₹ 22,500 Lakhs. The Hospital has a potential bed capacity of 350 beds and can be operationalised in a phased manner in approximately 9 months.

   The transaction entails the purchase of land, building and moveable assets of Medeor Hospital in Manesar, Gurugram, owned by Medeor Hospitals Limited and is expected to close by end of July 2023, subject to the completion of certain conditions precedent as stipulated in the definitive agreements. The transaction will be funded through a mix of debt and internal accruals.

b. The healthcare business operates inter alia within two categories of entities within the Fortis Group i.e. operations entities and establishment entities. In order to consolidate the operations entities and establishment entities such that both operations and establishment of a hospital are housed in same entity, the Board of Directors of the Company consented to the demerger of certain healthcare operations from the operations entities into the establishment entities. This is subject to the approval of the shareholders of the Company and Board of Directors of the respective Companies.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

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

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
SHAILAJA CHANDRA
Independent Director
DIN: 03320688

Sd/-
MURLEE MANOHAR JAIN
Company Secretary
Membership No.: F9598

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

Place : Gurugram
Date : May 23, 2023

Company Note (not part of the signed financial statements):

** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

INDEPENDENT AUDITOR'S REPORT

To the Members of Fortis Healthcare Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the consolidated financial statements of Fortis Healthcare Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiary and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

EMPHASIS OF MATTERS

i. We draw attention to note 27 and 28 of the consolidated financial statements 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. 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.

iI. We draw attention to the note 29 of the consolidated financial statements 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 Holding Company are to subserve the business structure of the Holding Company.

Our opinion is not modified in respect of above matters.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Goodwill

The key audit matter	How the matter was addressed in our audit
The Group is required to annually test the amount of Goodwill for impairment. There are inherent uncertainties involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability. Accordingly, this is one of the key judgmental areas in our audit.	In this area our audit procedures included testing of the Groups' budgeting procedures upon which the forecasts are based; and the principles and integrity of the Group's discounted cashflow model. We used our valuation specialist to assist us in evaluating the assumptions and methodologies used by the Group. In particular this included those relating to the forecast revenue growth, profit margins and discount rates. We compared the Group's assumptions to externally derived data as well as our own assessment in relation to key inputs such as projected economic growth, cost inflation and discount rates. We also performed sensitivity analysis of the key assumptions. We also assessed the adequacy of related disclosures in note 6(ii) of the consolidated financial statements and sensitivities of key assumptions. Also refer note 2(i) of the consolidated financial statements for the related accounting policy.

Legal matters

The key audit matter	How the matter was addressed in our audit
The Group is involved in a several legal proceedings. In some of these cases, the Group has counter claims against the other party. Management judgement is involved in assessing the accounting for claims, and in particular considering the probability of a claim being successful. The risk related to the claims is mainly associated with the adequacy of disclosure, and the completeness of the provisions in the consolidated financial statements. Accordingly, we have designated this as key audit matter.	Our audit procedures included, on all significant legal cases, assessment of correspondence with the Group's legal counsel (internal and / or external) accompanied by discussions and formal confirmations from that legal counsel. We read the minutes of the board meetings, enquired with the management and inspected the Group's legal expenses. We also assessed whether the Group's provisions and disclosures in note 6(xix), 13 and 14 of the consolidated financial statements detailing significant legal proceedings adequately disclose the potential liabilities of the Group. Also refer note 2(m) of the consolidated financial statements for the related accounting policy.

Independent Auditor's Report (Contd.)

Recoverability of Deferred tax assets	
The key audit matter	**How the matter was addressed in our audit**
The Group has significant deferred tax assets in respect to carry forward tax losses. There is an inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which deferred tax assets are or are not recognised.	In this area our audit procedures included using our work on Group's forecasts described in our response to the Goodwill key audit matter above. We then assessed the recoverability of the deferred tax assets recognised against the forecast of future taxable profits taking into account the timing of taxable profits/ expiry of carry forward tax losses. We also assessed whether the Group's disclosure in note 6(ix) of the consolidated financial statements reflect the associated inherent risks. Also refer note 2(t) of the consolidated financial statements for the related accounting policy.

Valuation of put option liability	
The key audit matter	**How the matter was addressed in our audit**
As described in Note 12(b) and 20 to the Consolidated financial statements, the Company has recognised a financial liability in respect of put option available with certain non-controlling shareholders of SRL Limited*, a subsidiary of the Company. The determination of fair value for this liability is inherently subjective on account of significant judgments related to the inputs used to determine fair value.	Our audit procedures included evaluation of valuation methodology (which is a combination of market and income approach); significant unobservable inputs used; testing of the Groups' budgeting procedures upon which the forecasts are based; and the principles and integrity of the discounted cashflow model. We evaluated the Company's historical estimates of fair value at prior period end to actual results. With the assistance of our valuation specialists, we assessed the methodology used including (1) market multiples of EBITDA; (2) discount rate used; and (3) future cash flows.

Company Note (not part of the financial statements): ** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon.

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

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

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associates and joint ventures are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the

Independent Auditor's Report (Contd.)

appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

a. We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 2,140.57 lacs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 1,441.38 lacs and net cash outflows (before consolidation adjustments) amounting to Rs. 341.32 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 0.95 lacs for the year ended 31 March 2023, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture is based solely on the reports of the other auditors.

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

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

c. The financial information of fourteen subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of Rs. 33,468.73 lacs as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 1,072.83 lacs and net cash outflows (before consolidation adjustments) amounting to Rs. 43.05 lacs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 2,182.92 lacs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of three associates and two joint ventures, whose financial information have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary and joint venture as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

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

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

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

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

e. The matters described in the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Holding Company.

f. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of

Independent Auditor's Report (Contd.)

Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture company incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and joint venture company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary and joint venture, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 6(xix), 13, 14, 27, 28 and 29 to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 12(b) to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture company incorporated in India during the year ended 31 March 2023.

d (i) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies and joint venture company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies and joint venture company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company has represented to us that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies and joint venture company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies and joint venture company incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (i) and (iv) (ii) of Rule 11(e) contain any material mis-statement.

e. The final dividend paid by a subsidiary company incorporated in India during the year, in respect of the same declared for the previous year, is in compliance with Section 123 of the Act. As stated in Note 35 to the consolidated financial statements, the Board of Directors of the Holding Company and its subsidiary company incorporated in India have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or its subsidiary companies and joint venture company incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Holding Company and its subsidiary companies and joint venture company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies and joint venture company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Rajesh Arora
Partner
Membership No.: 076124
ICAI UDIN:23076124BGZBIE1061

Place: Gurugram
Date: 23 May 2023

Independent Auditor's Report (Contd.)

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FORTIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Fortis Healthcare Limited	L85110PB1996PLC045933	Holding Company	3(ii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(xi)(a)
2	Fortis Hospitals Limited	U93000DL2009PLC222166	Subsidiary	3(ii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(xi)(a)
3	Escorts Heart Institute and Research Centre Limited	U85110CH2000PLC023744	Subsidiary	3(i)(c), 3(ii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(xi)(a)
4	SRL Limited[i]	U74899PB1995PLC045956	Subsidiary	3(ii)(b), 3(iii)(e), (vii)(a)
5	SRL Diagnostics Private Limited[ii]	U85195DL1999PTC217659	Subsidiary	3(i)(c), (vii)(a)
6	SRL Reach Limited[iii]	U85100DL2015PLC279712	Subsidiary	3(vii)(a)
7	DDRC SRL Diagnostics Limited[iv] (Formerly known as "DDRC SRL Diagnostics Private Limited")	U85190MH2006PTC161480	Subsidiary	3(vii)(a)
8	Escort Heart and Super Speciality Hospital Limited	U85110DL2003PLC120016	Subsidiary	3(ix)(a)
9	International Hospital Limited	U74999HR1994PLC048225	Subsidiary	3(i)(c), 3(iii)(e), 3(ix)(a)
10	Hiranandani Healthcare Private Limited	U85100MH2005PTC154823	Subsidiary	3(i)(c)

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate
Fortis Healthstaff Limited	U85194DL1984PLC205390	Subsidiary
Fortis Cancer Care Limited	U85110DL2011PLC217420	Subsidiary
Fortis La Femme Limited	U85100DL2011PLC217500	Subsidiary
Fortis Health Management (East) Limited	U85190DL2011PLC217462	Subsidiary
Birdie and Birdie Realtors Private Limited	U45400DL2008PTC173959	Subsidiary
Stellant Capital Advisory Services Private Limited	U31300MH2005PTC153134	Subsidiary
Hospitalia Eastern Private Limited	U45202DL1988PTC033270	Subsidiary
Fortis Health Management Limited	U85110DL2008PLC176412	Subsidiary
Fortis Emergency Services Limited	U93000DL2009PLC189866	Subsidiary
Fortis C - Doc Healthcare Limited	U85110DL2010PLC208379	Joint Venture

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

Rajesh Arora
Partner
Membership No.: 076124
ICAI UDIN:23076124BGZBIE1061

Place: Gurugram
Date: 23 May 2023

Company Note (not part of the signed financial statements):

(i) The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.

(ii) The new name of the said company has been reserved by Registrar of Companies ('RoC') as Agilus Pathlabs Private Limited vide letter dated June 08, 2023. The said company is in the process of making application to the RoC for seeking approval of the new name.

(iii) The name of the said company has been changed to Agilus Pathlabs Reach Limited with effect from July 5, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated July 5, 2023.

(iv) The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FORTIS HEALTHCARE LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

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

OPINION

In conjunction with our audit of the consolidated financial statements of Fortis Healthcare Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies and joint venture company, as of that date.

In our opinion the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls

Independent Auditor's Report (Contd.)

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

OTHER MATTER

The internal financial controls with reference to financial statements insofar as it relates to nine subsidiary companies and one joint venture company, which are companies incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditors. In our opinion and according to the information and explanations given to us by the Management, such unaudited subsidiary companies and joint venture company are not material to the Holding Company.

Our opinion is not modified in respect of this matter.

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

Rajesh Arora
Partner
Membership No.: 076124
ICAI UDIN:23076124BGZBIE1061

Place: Gurugram
Date: 23 May 2023

CONSOLIDATED BALANCE SHEET *as at March 31, 2023*

Particulars	Notes	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	6(i)(a)	3,79,183.74	3,83,231.67
(b) Capital work-in-progress	6(i)(b)	22,773.82	19,342.61
(c) Right-of-use assets	10	1,05,772.53	1,11,794.31
(d) Goodwill	6(ii)	4,14,098.85	4,12,320.75
(e) Other intangible assets	6(iii)(a)	43,583.58	34,222.82
(f) Intangible assets under development	6(iii)(b)	9.66	5.58
(g) Investments accounted for using the equity method	6(iv)	21,030.29	10,359.99
(h) Financial assets			
(i) Loans	6(vi)	90.62	29.49
(ii) Other financial assets	6(vii)	4,918.05	4,963.34
(i) Non-current tax assets (net)	6(viii)(a)	68,179.32	54,267.49
(j) Deferred tax assets (net)	6(ix)	34,426.58	36,910.79
(k) Other non-current assets	6(x)	8,657.99	7,699.48
Total non-current assets (A)		**11,02,725.03**	**10,75,148.32**
B. Current assets			
(a) Inventories	6(xi)	12,284.47	12,290.03
(b) Financial assets			
(i) Trade receivables	6(v)	58,160.79	51,217.06
(ii) Cash and cash equivalents	6(xii)	14,108.25	14,323.27
(iii) Bank balances other than (ii) above	6(xiii)	22,164.45	26,946.72
(iv) Loans	6(vi)	161.67	148.62
(v) Other financial assets	6(vii)	3,158.81	2,112.93
(c) Other current assets	6(x)	4,991.52	5,996.70
(d) Assets classified as held for sale	6(xiv)	25,605.45	291.22
Total current assets (B)		**1,40,635.41**	**1,13,326.55**
Total assets (A+B)		**12,43,360.44**	**11,88,474.87**
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	6(xv)	75,495.81	75,495.81
(b) Other equity		6,48,730.43	5,42,328.40
Equity attributable to owners of the Company		**7,24,226.24**	**6,17,824.21**
Non-controlling interests	21	85,812.57	83,001.28
Total equity (A)		**8,10,038.81**	**7,00,825.49**
B. Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	6(xvii)	57,222.12	77,910.09
(ii) Lease liabilities	10	18,263.17	25,363.63
(iii) Other financial liabilities	6(xviii)	1,61,151.45	2,07,839.16
(b) Provisions	6(xix)	13,024.02	11,471.48
(c) Deferred tax liabilities (net)	6(ix)	41,072.83	38,121.66
Total non-current liabilities (B)		**2,90,733.59**	**3,60,706.02**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	6(xvii)	13,092.93	18,657.17
(ii) Lease liabilities	10	3,993.93	3,562.14
(iii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	6(xx)	11,865.54	6,364.80
-Total outstanding dues of creditors other than micro enterprises and small enterprises	6(xx)	59,563.15	59,727.70
(iv) Other financial liabilities	6(xviii)	20,829.82	16,525.53
(b) Provisions	6(xix)	5,583.13	6,839.30
(c) Current tax liabilities (net)	6(viii)(b)	391.26	244.58
(d) Other current liabilities	6(xxi)	16,036.44	14,893.93
(e) Liabilities directly associated with assets classified as held for sale	6(xiv)	11,231.84	128.21
Total current liabilities (C)		**1,42,588.04**	**1,26,943.36**
Total liabilities (B+C)		**4,33,321.63**	**4,87,649.38**
Total equity and liabilities (A+B+C)		**12,43,360.44**	**11,88,474.87**
See accompanying notes forming integral part of the consolidated financial statements	1-40		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 23, 2023

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
SHAILAJA CHANDRA
Independent Director
DIN: 03320688

Sd/-
MURLEE MANOHAR JAIN
Company Secretary
Membership No.: F9598

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS *for the year ended March 31, 2023*

Particulars			Notes	Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
I	Revenue from operations		6(xxii)	6,29,763.20	5,71,761.17
II	Other income		6(xxiii)	6,171.74	2,733.65
III	**Total Income (I+II)**			**6,35,934.94**	**5,74,494.82**
IV	**Expenses**				
	(i)	Purchases of medical consumable and drugs		1,45,465.28	1,40,337.01
	(ii)	Changes in inventories of medical consumable and drugs	6(xxiv)	5.56	(4,613.71)
	(iii)	Employee benefits expense	6(xxv)	1,04,687.51	97,293.97
	(iv)	Finance costs	6(xxvi)	12,909.22	14,684.52
	(v)	Depreciation and amortisation expense	6(xxvii)	31,573.60	30,084.22
	(vi)	Other expenses	6(xxviii)	2,69,470.67	2,31,848.16
		Total expenses		**5,64,111.84**	**5,09,634.17**
V	**Profit from continuing operations before share of profit of equity accounted investees and tax (III-IV)**			**71,823.10**	**64,860.65**
VI	Share of profit of equity accounted investees (net of tax)		26	2,183.87	2,414.73
VII	**Profit before exceptional item and tax (V+VI)**			**74,006.97**	**67,275.38**
	Exceptional gain		6(xxix)	7,360.99	31,503.31
VIII	**Profit before tax**			**81,367.96**	**98,778.69**
IX	**Tax expense**				
	(i)	Current tax	6(ix)	13,001.77	17,191.40
	(ii)	Deferred tax credit (net)	6(ix)	5,067.80	2,592.75
		Total tax expense		**18,069.57**	**19,784.15**
X	**Profit for the year (VIII-IX)**			**63,298.39**	**78,994.54**
	Other comprehensive income				
	(i)	Items that will not be reclassified to profit or loss			
		(a) Remeasurements of the defined benefit liabilities		(834.00)	186.36
		(b) Income tax (charge)/ credit relating to items that will not be reclassified to profit or loss		62.67	(35.33)
	(ii)	Items that will be reclassified to profit or loss			
		(a) Exchange differences in translating the financial statements of foreign operations		(16.00)	(4,801.20)
XI	**Total other comprehensive loss for the year**			**(787.33)**	**(4,650.17)**
XII	**Total comprehensive income for the year(X+XI)**			**62,511.06**	**74,344.37**
	Profit/ (loss) for the year attributable to:				
	(i)	Owners of the Company		58,873.08	55,511.85
	(ii)	Non-controlling interests		4,425.31	23,482.69
				63,298.39	**78,994.54**
	Other comprehensive (loss)/ income for the year attributable to:				
	(i)	Owners of the Company		(771.05)	(4,640.22)
	(ii)	Non-controlling interests		(16.28)	(9.95)
				(787.33)	**(4,650.17)**
	Total comprehensive (loss)/ income for the year attributable to:				
	(i)	Owners of the Company		58,102.03	50,871.63
	(ii)	Non-controlling interests		4,409.03	23,472.74
				62,511.06	**74,344.37**
	Earnings per equity share of ₹ 10 each:		6(xxx)		
	(i)	Basic (in ₹)		7.80	7.35
	(ii)	Diluted (in ₹)		7.80	7.35
See accompanying notes forming integral part of the consolidated financial statements			1 - 40		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 23, 2023

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
SHAILAJA CHANDRA
Independent Director
DIN: 03320688

Sd/-
MURLEE MANOHAR JAIN
Company Secretary
Membership No.: F9598

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

CONSOLIDATED STATEMENT OF CASH FLOW *for the year ended March 31, 2023*

	Notes	Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		81,367.96	98,778.69
Adjustments for:			
Exceptional gain (net)		(7,360.99)	(31,503.31)
Finance cost		12,909.22	14,684.52
Interest income		(2,382.93)	(2,154.77)
Profit on disposal of property, plant and equipment (net)		(160.42)	(352.17)
Profit on disposal of asset held for sale		(1,530.42)	-
Allowance for doubtful trade receivables		4,633.20	3,446.55
Allowance for doubtful advances		1,342.87	1,171.08
Advance income tax (TDS) written off		622.63	-
Depreciation and amortisation expense		31,573.60	30,084.22
Provision for contingencies and litigation		37.58	-
Bad debts written off		-	374.41
Share of profit of equity accounted investees (net of tax)		(2,183.87)	(2,414.73)
Gain on sale of investment		(73.99)	-
Provisions/ liabilities no longer required written back		(5,160.67)	(3,262.46)
Unrealised foreign exchange (gain)/ loss		(1,545.95)	(153.13)
		1,12,087.82	**1,08,698.90**
Working capital adjustments			
Increase in trade and other receivables		(12,326.81)	(8,463.86)
Increase in inventories		(199.59)	(3,822.10)
Increase in loans, other assets and other financial assets		(2,752.38)	(1,291.67)
Increase in trade payables		10,422.45	13,830.40
Increase / (decrease) in other liabilities, provisions and other financial liabilities		2,415.93	(1,275.49)
Cash generated from operating activities		**1,09,647.42**	**1,07,676.18**
Income taxes paid (net)		(27,422.72)	(21,136.99)
Net cash generated from operating activities	**(A)**	**82,224.70**	**86,539.19**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,556.32	2,058.70
Maturity / (Investment) in bank deposits		4,852.63	(11,273.81)
Payments for property, plant and equipment & intangible assets		(44,723.50)	(21,548.93)
Proceeds from disposal of property, plant and equipment		570.64	10,021.62
Proceeds from disposal of asset held for sale		1,658.00	-
(Repayment)/Proceeds from repayment of loan by body corporate		-	54.47
Purchase of current investment		(12,099.40)	-
Proceeds from sale of current investment		12,173.39	-
Dividends received from associates		280.32	1,750.44
Payment on acquisition of business operations (refer note 38)		(1,249.03)	(32,500.00)
Payment for acquisition for assets in business combinations (refer note 37)		(1,389.25)	-
Net cash used in investing activities	**(B)**	**(37,369.88)**	**(51,437.51)**
Cash flows from financing activities (refer note 6(xvi))			
Proceeds from long-term borrowings		24,010.15	30,643.31
Principal payment of lease liabilities		(4,374.99)	(3,065.79)
Repayments of long-term borrowings		(43,582.96)	(60,155.46)
Repayments of short-term borrowings (net)		(8,609.89)	(4,449.06)
Interest paid (including interest on lease liabilities of ₹ 3,066.07 Lakhs (March 31, 2022 ₹ 2,954.77 Lakhs))		(12,966.88)	(14,704.14)
Dividend paid		(1,597.74)	-
Net cash used in financing activities	**(C)**	**(47,122.31)**	**(51,731.14)**

Consolidated Statement of Cash Flow (Contd.)

	Notes	Year ended March 31, 2023 (₹ in Lakhs)	Year ended March 31, 2022 (₹ in Lakhs)
Effect of exchange rate changes	**(D)**	**124.18**	**5.50**
Net decrease in cash and cash equivalents	**(A+B+C+D)**	**(2,143.31)**	**(16,623.96)**
Cash and cash equivalents at the beginning of the year		6,660.04	21,912.52
Add: Cash and cash equivalents on acquisition of DDRC (refer note 38)		-	1,371.48
Less: Cash and cash equivalent classified as asset held for sale (refer note 36)		(2.20)	-
Cash and cash equivalents at the end of the year	**6(xii)**	**4,514.53**	**6,660.04**

Note:

1. The consolidated statement of cash flow has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement of Cash flows".
2. During the year, the Group has paid ₹ 1,448.97 Lakhs (March 31, 2022 ₹ 1,303.74 Lakhs) towards corporate social responsibility expenditure (refer note 23).

See accompanying notes forming integral part of the consolidated financial statements	**1 - 40**		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 23, 2023

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
SHAILAJA CHANDRA
Independent Director
DIN: 03320688

Sd/-
MURLEE MANOHAR JAIN
Company Secretary
Membership No.: F9598

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY *for the year ended March 31, 2023*

A. EQUITY SHARE CAPITAL

	No. in Lakhs	₹ in Lakhs
Equity shares of ₹ 10 each issued, subscribed and fully paid		
As at April 01, 2021	7,549.58	75,495.81
Issue of share capital	-	-
As at March 31, 2022	7,549.58	75,495.81
Issue of share capital	-	-
As at March 31, 2023	**7,549.58**	**75,495.81**

B. OTHER EQUITY

Particulars	Other equity								Equity attributable to owners of the Company	Non-controlling interests (Refer Note 21)
	Reserves and Surplus							Items of other comprehensive income		
	Securities premium*	Retained earnings	Share options outstanding Account****	Amalgamation reserve**	General reserve***	Capital reserve*****	Other Reserves******	Exchange difference on translation of foreign operations		
Balance as at April 01, 2021 (A)	7,21,519.40	(2,18,469.75)	192.27	156.00	44,999.20	337.50	(1,432.06)	(10,817.25)	5,36,485.31	59,800.00
Profit for the year	-	55,511.85	-	-	-	-	-	-	55,511.85	23,482.69
Other comprehensive income for the year (net of income tax)	-	160.98	-	-	-	-	-	(4,801.20)	(4,640.22)	(9.95)
Total comprehensive income for the year (B)	**-**	**55,672.83**	**-**	**-**	**-**	**-**	**-**	**(4,801.20)**	**50,871.63**	**23,472.74**
Non controlling interest adjustments	-	271.46	-	-	-	-	-	-	271.46	(271.46)
Put option (refer note 12 (b))	-	(45,300.00)	-	-	-	-	-	-	(45,300.00)	-
Stock options lapsed/cancelled during the year (refer note 16)	-	-	(17.09)	-	17.09	-	-	-	-	-
Balance as at March 31, 2022 (C)	**7,21,519.40**	**(2,07,825.46)**	**175.18**	**156.00**	**45,016.29**	**337.50**	**(1,432.06)**	**(15,618.45)**	**5,42,328.40**	**83,001.28**
Profit for the year	-	58,873.08	-	-	-	-	-	-	58,873.08	4,425.31
Other comprehensive income for the year (net of income tax)	**-**	**(755.05)**	**-**	**-**	**-**	**-**	**-**	**(16.00)**	**(771.05)**	**(16.28)**
Total comprehensive income for the year (D)	-	58,118.03	-	-	-	-	-	(16.00)	58,102.03	4,409.03
Put option (refer note 12 (b))	-	48,300.00	-	-	-	-	-	-	48,300.00	-
Dividend payment to Shareholders	-	-	-	-	-	-	-	-	-	(1,597.74)
Balance as at March 31, 2023 (E)	**7,21,519.40**	**(1,01,407.43)**	**175.18**	**156.00**	**45,016.29**	**337.50**	**(1,432.06)**	**(15,634.45)**	**6,48,730.43**	**85,812.57**

Consolidated Statement of Change in Equity (Contd.)

** The unutilised accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.*

*** Amalgamation reserve was created on amalgamation of Escorts Heart Institute Research Centre, Delhi (Delhi Society) with a Society at Chandigarh with a similar name (Chandigarh Society) and later on, registration of the amalgamated Society as Company.*

**** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another.*

***** The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share options outstanding account.*

****** Capital reserve represents the equity and reserves of SRL Diagnostics FZ-LLC(i) acquired during the year 2016-17 through common control business combination.*

******* This represents the loss on dilution of shareholding in a subsidiary (SRL Limited(ii)) company during the year ended March 31, 2012.*

See accompanying notes forming integral part of the consolidated financial statements	**1 - 40**	

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 23, 2023

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
SHAILAJA CHANDRA
Independent Director
DIN: 03320688

Sd/-
MURLEE MANOHAR JAIN
Company Secretary
Membership No.: F9598

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 23, 2023

Company Note (not part of the signed financial statements):

(i) The name of the said company has been changed to Agilus Diagnostic FZ-LLC with effect from July 3, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies of the Dubai Healthcare City Authority vide the certificate of Company name change dated July 3, 2023.

(ii) The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.

NOTES Forming Part of the Consolidated Financial Statements

1. CORPORATE INFORMATION

Fortis Healthcare Limited ("the Company" or the "Parent Company"), a public limited company, was incorporated in 1996. Its equity shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Fortis Hospital Sector-62 Phase-VIII, Mohali 160062, Punjab and the corporate office of the Company is situated at Tower A, Unitech Business Park, Block - F South City - 1, Sector-41 Gurugram 122001, Haryana.

As a part of its business activities, the Company holds interests in its subsidiaries (the Company and its subsidiaries hereinafter referred to as the 'Group') and the Group's interest in associates and joint ventures through which it manage and operate a network of multi-specialty hospitals and diagnostics centers.

On November 13, 2018, IHH Healthcare Berhad acquired 31.10% stake in the Company and appointed majority of board of directors, thereby, becoming the controlling shareholder of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements ("financial statements"). The accounting policies adopted are consistent with those of the previous financial year.

(a) Basis of preparation

(i) Statement of compliance

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

(ii) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is also the Group's functional currency. However, the functional currency of the following foreign subsidiaries, joint venture and associates is as follows:

Subsidiaries:

- SRL Diagnostics FZ – LLC*- Arab Emirate Dirham (AED)
- Fortis Asia Healthcare Pte Limited- United States Dollar (US$)
- Fortis Healthcare International Limited- United States Dollar (US$)
- Fortis Global Healthcare (Mauritius) Limited- United States Dollar (US$)
- Fortis Healthcare International Pte Limited- Singapore Dollar (SGD)

Joint Venture:

- SRL Diagnostics (Nepal) Private Limited** - Nepalese Rupees (NPR)

Associates:

- Lanka Hospitals Corporate Plc- Sri Lankan Rupee (LKR)
- RHT Health Trust Trustee Manager- Singapore Dollar (SGD)

Company Note (not part of the signed financial statements):

** The name of the said company has been changed to Agilus Diagnostic FZ-LLC with effect from July 3, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies of the Dubai Healthcare City Authority vide the certificate of Company name change dated July 3, 2023.*

***SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.*

(iii) Historical cost convention

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

(b) Principles of consolidation

The financial statements comprise the financial statement of the Group and its interest in associates and joint ventures. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

Notes forming part of the Consolidated Financial Statements (Contd.)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee.

(ii) Rights arising from other contractual arrangements

(iii) The Group's voting rights and potential voting rights

(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over that entity and ceases when the Group loses control over the entity. Assets, liabilities, income and expenses of an entity acquired or disposed of during the year are included in these financial statements from the date the Group gains control until the date the Group ceases to control the entity.

These financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in these financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing these financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a member of the Group, the member prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The details of the consolidated entities are provided in note 7 to these financial statements.

(c) Consolidation procedure

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries

b) Investment in associate companies and joint ventures have been accounted under the equity method as per Ind AS 28 - "Investment in Associates and Joint Ventures"

c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

d) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(d) Current versus non-current classification

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

An asset is treated as current when:

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

The Group classifies all other assets as non-current.

A liability is current when:

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

Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.

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

(e) Measurement of fair values

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

(f) Business combination

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business

Notes forming part of the Consolidated Financial Statements (Contd.)

combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as Goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as Capital Reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to Capital Reserve.

(g) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

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

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major Components) of property, plant and equipment.

(ii) Goodwill and Intangible assets

- For measurement of Goodwill that arises from business combination, refer to accounting policy thereon above. Subsequent measurement is at cost less any accumulated impairment losses.
- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
    - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
    - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are

probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- Intangible assets that are acquired (including goodwill recognised for business combinations) are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated August 29, 2014 of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management.

The details of useful life are as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Buildings	10-60 years	60 years
Plant and machinery	3-20 years	15 years
Medical equipment	2-16 years	13 years
Computers	3-6 years	3 years
Furniture and fittings	4-16 years	10 years
Office equipment	4-5 years	5 years
Vehicles	4-8 years	8 years

Freehold land is not depreciated.

Depreciation on leasehold improvements is provided over the lease term or expected useful life of the asset, whichever is lower.

Goodwill is not amortised and is tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Estimated useful lives of the intangible assets are as follows:

Category of assets	Management estimate of Useful Life
Software	3-6 years
User license agreement	3-5 years
License fees	3-10 years
Trademark with indefinite life	Indefinite
Other Trademark and Non-Compete	3-10 years
Technical Know-how	2-5 Years
Customer relationships	15 Years

Depreciation and amortisation on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

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

(h) Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification

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as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit or Loss.

Once classified as held-for sale, property, plant and equipment, right of use assets and intangible assets are no longer amortised or depreciated.

(i) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

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

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

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

(j) Financial instrument

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

Financial assets

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)

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

Debt instruments at amortised cost

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

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

Debt instrument at FVOCI

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

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

Debt instrument at FVTPL

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

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

Equity investments

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

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

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

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

Dividend income from investments is recognised in statement of profit and loss on the date that the right to receive payment is established.

Impairment of financial assets

The Group recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for

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trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit or Loss.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Derecognition of financial assets

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

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

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

Write-off of financial assets

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial liabilities

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

Put option

Put options granted to non-controlling shareholders of subsidiaries are accounted as liability with a corresponding adjustment to equity (if recognition criteria are met), on a fair value basis.

Compound financial instruments

The components of compound financial instruments (comprising instruments convertible into equity shares) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Derecognition of financial liabilities

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

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(k) Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

The Group uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost and other direct costs incurred. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term

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highly liquid investments with original maturities of three months or less.

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

(m) Contingent Liabilities and contingent assets

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

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

(n) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

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

(o) Government grants

Government grants are not recognised until there is reasonable assurance that the entity will comply with the conditions attached to them and the grant will be received.

Government grants are recognised on accrual basis as and when performance obligation is met and it is certain that economic benefits will flow to the Group.

Government grants whose primary condition is that the entity should purchase, construct or otherwise acquire non-current assets and non-monetary grants are recognised and disclosed as “deferred income” in the Balance Sheet and transferred to the statement of Profit and Loss on a systematic basis over the useful lives of the related assets.

(p) Revenue recognition

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services, sale of medical and non-medical items and medical testing charges. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. Medical testing charges consists of fees received for various tests conducted in the field of pathology and radiology.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Group assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered and goods sold ifs net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract including claims. Further, the Group also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognised as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue from medical tests is recognised on accrual basis when the reports are generated and released to customers, net of discounts, if any.

Revenue includes only those sales for which the Group has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Group has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

'Unbilled revenue' represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

Other operating revenue comprises revenue from various ancillary revenue generating activities like operations and maintenance agreements, satellite centers, clinical research activities, sponsorship arrangements and academic services. The revenue in respect of such arrangements is recognised as and when services are performed.

Income from export benefit schemes, included in other operating revenue, is recognised on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis to the extent it is certain that economic benefits will flow to the Group.

(q) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly. Short-term employee benefits are measured on an undiscounted basis.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) Gratuity:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Group is funded with Life Insurance Corporation of India.

b) Superannuation:

Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Group to the plan during the year is charged to Statement of Profit and Loss.

c) Provident fund:

(i) The Group makes contribution to the recognised provident fund - "Escorts Heart Institute and Research Centre Employees Provident Fund Trust " and "Fortis Healthcare Limited Provident

Notes forming part of the Consolidated Financial Statements (Contd.)

Fund Trust" for most of its employees in India, which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

(ii) Group's contribution to the provident fund is charged to Statement of Profit and Loss in the periods during which the related services are rendered by the employees.

Other long-term employee benefits:

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(r) Share-based payments

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share options outstanding account". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-

Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of share options outstanding account is transferred to General Reserve upon expiry of grants or upon exercise of stock options by an employee.

(s) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. General and specific borrowing costs that are directly attributable to the construction or production or development of a qualifying asset are capitalised as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalisation. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(t) Income tax

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI. Interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current taxes

Current tax comprises the best estimate of expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

Deferred taxes

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

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

– temporary differences related to investments in subsidiaries, associates or joint arrangements, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

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

Notes forming part of the Consolidated Financial Statements (Contd.)

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

(u) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
    - the Group has the right to operate the asset; or
    - the Group designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non- lease components and account for the lease and non-lease components as a single lease component.

(i) As a lessee

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

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

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

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

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

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

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

Short-term leases and leases of low-value assets

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

(ii) As a lessor

The Group accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(v) Foreign currency translation

(i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit or Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(ii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Equity share capital and opening other equity are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Balance Sheet date.
- Profit and Loss items are translated at the respective quarterly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- All resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of consolidated statement of cash flow are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

(w) Statement of Cash flow

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals

Notes forming part of the Consolidated Financial Statements (Contd.)

or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(x) Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). CODM of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be. The group has two reportable segments i.e Health Care and Diagnostic business which are the Group's strategic business units.

(y) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

3. CRITICAL ESTIMATES AND JUDGMENTS

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Leasing arrangement (classification) – Note 10
- Business Combination - Note 2(f) 37 and 38
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 6 (xix), 13 and 14
- Recognition and estimation of tax expense including deferred tax– Note 6(ix)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 is included in the following notes:

- Leasing arrangement (accounting) – Note 10
- Financial instruments - Note 18
- Fair value measurement – Note 20
- Estimated impairment of financial assets and non-financial assets – Note 6(v), 6(vi), 6(vii) and 6(x)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 6 (xix), 13 and 14
- Recognition and estimation of tax expense including deferred tax– Note 6(ix)
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(g)(iii)

- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 17
- Share-based payments – Note 16

4. RECENT PRONOUNCEMENTS BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

5. The financial statements have been authorised for issue by the Company's Board of Directors on May 23, 2023.

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(I)(A) PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Land (refer note a below)	Buildings (refer note b below)	Leasehold improvements	Plant & machinery	Medical equipment (refer note b below)	Furniture & fittings	Computers	Office equipment	Vehicles	Total
GROSS CARRYING AMOUNT										
As at April 1,2021	**1,92,629.62**	**1,26,907.73**	**13,864.01**	**30,502.24**	**1,19,543.81**	**7,651.57**	**5,619.73**	**3,567.54**	**2,693.89**	**5,02,980.14**
Additions	-	1,234.80	571.17	1,261.14	14,233.89	337.68	1,436.66	346.09	242.56	19,663.99
Acquisitions through business combinations (refer note 38)	-	-	1,571.52	145.01	2,192.69	308.37	121.00	60.87	25.91	4,425.37
Disposals	(8,744.60)	(419.18)	(29.28)	(248.52)	(1,339.32)	(248.34)	(136.07)	(46.10)	(209.39)	(11,420.80)
Exchange translation adjustments	-	-	82.11	-	48.64	1.00	5.70	0.07	0.62	138.14
As at March 31,2022	**1,83,885.02**	**1,27,723.35**	**16,059.53**	**31,659.87**	**1,34,679.71**	**8,050.28**	**7,047.02**	**3,928.47**	**2,753.59**	**5,15,786.84**
Additions	-	2,219.48	2,451.42	2,736.29	23,352.55	651.27	2,239.11	654.43	749.80	35,054.35
Acquisitions through business combinations (refer note 37)	-	-	-	1.14	95.45	4.79	5.36	5.62	-	112.36
Disposals	-	(2.88)	(220.38)	(274.51)	(5,877.43)	(166.15)	(240.63)	(112.46)	(524.68)	(7,419.12)
Classified as assets held for sale (refer note 36)	-	(11,445.50)	-	(1,442.81)	(6,936.29)	(255.30)	(155.44)	(184.78)	-	(20,420.12)
Exchange translation adjustments	-	-	145.20	-	88.89	1.76	12.67	0.13	1.09	249.74
As at March 31,2023	**1,83,885.02**	**1,18,494.45**	**18,435.77**	**32,679.98**	**1,45,402.88**	**8,286.65**	**8,908.09**	**4,291.41**	**2,979.80**	**5,23,364.05**
ACCUMULATED DEPRECIATION										
As at April 1,2021	**-**	**18,575.80**	**7,428.63**	**13,517.98**	**58,689.77**	**4,948.31**	**4,223.47**	**2,708.04**	**1,931.05**	**1,12,023.05**
Charge for the year	-	5,550.40	2,147.53	1,919.34	10,109.83	843.95	963.90	362.79	249.30	22,147.04
Disposals	-	(133.06)	(27.63)	(159.70)	(827.58)	(237.33)	(127.56)	(42.87)	(195.62)	(1,751.35)
Exchange translation adjustments	-	-	80.62	-	48.66	0.91	5.55	0.07	0.62	136.43
As at March 31,2022	**-**	**23,993.14**	**9,629.15**	**15,277.62**	**68,020.68**	**5,555.84**	**5,065.36**	**3,028.03**	**1,985.35**	**1,32,555.18**
Charge for the year	-	5,429.62	1,475.03	1,808.69	10,886.14	767.29	1,380.06	370.71	321.15	22,438.69
Disposals	-	(2.19)	(199.43)	(213.32)	(5,621.19)	(140.02)	(225.11)	(106.09)	(501.57)	(7,008.92)
Classified as assets held for sale (refer note 36)	-	(1,717.93)	-	(419.74)	(1,566.87)	(127.24)	(96.76)	(118.33)	-	(4,046.87)
Exchange translation adjustments	-	-	143.83	-	86.09	-	1.75	10.42	0.14	242.23
As at March 31,2023	**-**	**27,702.64**	**11,048.58**	**16,453.25**	**71,804.85**	**6,055.87**	**6,125.30**	**3,184.74**	**1,805.07**	**1,44,180.31**
Carrying value (As at March 31,2022)	**1,83,885.02**	**1,03,730.21**	**6,430.38**	**16,382.25**	**66,659.03**	**2,494.44**	**1,981.66**	**900.44**	**768.24**	**3,83,231.67**
Carrying value (As at March 31,2023)	**1,83,885.02**	**90,791.81**	**7,387.19**	**16,226.73**	**73,598.03**	**2,230.78**	**2,782.79**	**1,106.67**	**1,174.73**	**3,79,183.74**

Notes:

a. The original title deeds for certain freehold lands included in above are in the possession of banks against outstanding loans.

b. Above block includes certain assets leased pursuant to operating lease agreement [refer note 10(b)].

c. Certain assets included under Property, plant and equipment, are held as pledge against loans taken by the Group [refer note 11].

d. The Group has not revalued its property, plant and equipment during the current and previous financial year.

e. The Group do not have any benami property or there are no proceeding that has been initiated or are pending against the Group for holding any benami property.

6(I)(B) CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening balance	19,342.61	16,313.98
Additions during the year*	38,545.13	22,692.62
Transfer to property, plant and equipment*	(35,054.35)	(19,663.99)
Less : Classified as held for sale (refer note 36)	(59.57)	-
Closing balance (net of provision for impairment ₹ 2,843.00 Lakhs (March 31, 2022 ₹ 2,843.00 Lakhs)) {Refer note 27}	**22,773.82**	**19,342.61**

** The Group accounts for all capitalisation of property, plant and equipment through capital work in progress and therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted for additions to property, plant and equipment.*

(a) Ageing Schedule for Capital-work-in progress is as follows:

CWIP	Amount in CWIP for the year ended March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7,296.50	1,236.31	920.63	13,320.38	22,773.82
Projects temporarily suspended	-	-	-	-	-
Total	**7,296.50**	**1,236.31**	**920.63**	**13,320.38**	**22,773.82**

(b) Capital-work-in progress completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan.

March 31, 2023

CWIP	To be Completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Amritsar hospital project	-	-	122.06	-
Ludhiana hospital project	7,064.22	-	-	-
Bannerghatta Road hospital project	6,847.80	-	-	-
Mulund hospital project	2,309.93	-	-	-
Noida hospital project	245.93	-	-	-
Noida hospital project	31.48	-	-	-

(a) Ageing Schedule for Capital-work-in progress is as follows:

CWIP	Amount in CWIP for the year ended March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4,596.79	1,252.84	901.80	12,591.18	19,342.61
Projects temporarily suspended	-	-	-	-	-
Total	**4,596.79**	**1,252.84**	**901.80**	**12,591.18**	**19,342.61**

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(I)(B) CAPITAL WORK-IN-PROGRESS (Contd.)

(b) Capital-work-in progress completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan.

March 31, 2022

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Heart transplant ICU	270.34	-	-	-
Ludhiana hospital project	6,492.86	-	-	-
Mulund hospital project	234.36	-	-	-
Ludhiana hospital project	-	93.37	-	-
Amritsar hospital project	-	-	-	155.09
Bannerghatta Road hospital project	8,194.55	-	-	-
Mulund hospital project	1,682.40	-	-	-
Noida hospital project	266.81	-	-	-

6(II) GOODWILL

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

Particulars	March 31, 2023				March 31, 2022			
	As at April 01, 2022	Addition	Impairment	As at March 31, 2023	As at April 01, 2021	Addition	Impairment	As at March 31, 2022
Cost								
Fortis Hospitals Limited (Gurgaon hospital)	13,379.62	-	-	13,379.62	13,379.62	-	-	13,379.62
Fortis Healthcare Limited (Shalimar Bagh Hospital)	11,621.00	-	-	11,621.00	11,621.00	-	-	11,621.00
Escorts Heart Institute and Research Center Limited	24,782.69	-	-	24,782.69	24,782.69	-	-	24,782.69
Hiranandani Healthcare Private Limited	4,984.38	-	-	4,984.38	4,984.38	-	-	4,984.38
Fortis Malar Hospital Limited	2,044.12	-	-	2,044.12	2,044.12	-	-	2,044.12
Fortis Hospitals limited (Banergatta Road Hospital)	55,602.29	-	-	55,602.29	55,602.29	-	-	55,602.29
Fortis Hospitals Limited (Cunningham Road Hospital)	2,704.57	-	-	2,704.57	2,704.57	-	-	2,704.57
Fortis Hospitals Limited (Mulund Hospital)	50,082.28	-	-	50,082.28	50,082.28	-	-	50,082.28
Fortis Hospitals Limited (Kalyan Hospital)	7,085.55	-	-	7,085.55	7,085.55	-	-	7,085.55
Fortis Hospitals Limited (Fortis Heart and Kidney Institute)	1,984.82	-	-	1,984.82	1,984.82	-	-	1,984.82
Fortis Hospitals Limited (Anandpur Hospital)	25,668.91	-	-	25,668.91	25,668.91	-	-	25,668.91
Fortis Hospitals Limited (Jaipur Hospital)	404.32	-	-	404.32	404.32	-	-	404.32
Fortis Hospitals Limited (Faridabad Hospital)	6,053.13	-	-	6,053.13	6,053.13	-	-	6,053.13
Fortis Hospitals Limited (Noida Hospital)	33,024.49	-	-	33,024.49	33,024.49	-	-	33,024.49
Fortis Hospitals Limited (Amritsar Hospital)	10,675.20	-	-	10,675.20	10,675.20	-	-	10,675.20
Escorts Heart and Super Speciality Hospitals Limited (Mohali Hospital)	21,862.24	-	-	21,862.24	21,862.24	-	-	21,862.24
Fortis Health Management Limited (Nagarbavi Hospital)	2,979.40	-	-	2,979.40	2,979.40	-	-	2,979.40
International Hospital Limited (Rajaji Nagar Hospital)	2,564.44	-	-	2,564.44	2,564.44	-	-	2,564.44
Birdie & Birdie Relators Private Limited (refer note 22(d))	-	-	-	-	1,231.10	-	1,231.10	-
Fortis Healthcare International Limited	17.33	-	-	17.33	17.33	-	-	17.33
Hospital business - Total (A)	**277,520.78**	**-**	**-**	**277,520.78**	**278,751.88**	**-**	**1,231.10**	**277,520.78**
Diagnostic business								
SRL Limited* (refer note 37 and 38)	134,799.97	1,778.10	-	136,578.07	93,419.22	41,380.74	-	134,799.97
Diagnostic business - Total (B)	**134,799.97**	**1,778.10**	**-**	**136,578.07**	**93,419.22**	**41,380.74**	**-**	**134,799.97**
Grand Total (A+B)	**412,320.75**	**1,778.10**	**-**	**414,098.85**	**372,171.10**	**41,380.74**	**1,231.10**	**412,320.75**

Company Note (not part of the signed financial statements): ** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(II) GOODWILL (Contd.)

The Group's goodwill is tested for impairment annually at the year-end or more frequently if there are indications that goodwill might be impaired.

The Group made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management except for Fortis Heathcare International Limited, where the valuation has been determined based on the fair value of net assets. The fair value measurements were categorised as a Level 3 fair value based on the inputs in the valuation technique used.

Cash flow projections were developed covering seven year period as at March 31, 2023 and as at March 31, 2022 which reflects a more appropriate indication/trend of future track of business of the Group. Cash flows beyond the seven year period were extrapolated using estimate rates stated below.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Key assumptions used for value in use calculations are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Compound average net sales growth rate (p.a.)	4% - 12%	5% - 11%
Growth rate used for extrapolation of cash flow projections (p.a.)	4.0%	4.0%
Discount rate	14% - 16%	12% - 14%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using post-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(III)(A) OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Technical know how fees	User license agreement	License fee	Software	Trademark and Non compete	Trademark (indefinite useful life)	Customer relationships	Total
Gross Carrying value								
As at April 01, 2021	**974.88**	**420.00**	**1,198.40**	**18,564.23**	**5,898.70**	**-**	**-**	**27,056.21**
Additions	-	-	41.60	741.37	2,124.00	-	-	2,906.97
Acquisitions through business combinations (refer note 38)	-	-	-	73.20	746.21	21,500.00	5,733.06	28,052.47
Disposals	-	-	-	(491.30)	-	-	-	(491.30)
As at March 31,2022	**974.88**	**420.00**	**1,240.00**	**18,887.50**	**8,768.91**	**21,500.00**	**5,733.06**	**57,524.35**
Additions	-	-	16.75	12,873.33	-	-	-	12,890.08
Acquisitions through business combinations (refer note 37)	-	-	-	325.53	-	-	-	325.53
Disposals	-	-	-	(1.91)	-	-	-	(1.91)
Classified as assets held for sale (refer note 36)	-	-	-	(352.72)	-	-	-	(352.72)
As at March 31,2023	**974.88**	**420.00**	**1,256.75**	**31,731.73**	**8,768.91**	**21,500.00**	**5,733.06**	**70,385.33**
Amortisation								
As at April 01, 2021	**973.43**	**420.00**	**952.10**	**14,073.53**	**4,436.96**	**-**	**-**	**20,856.02**
Charge for the year	1.45	-	116.47	1,549.18	887.48	-	382.20	2,936.78
Disposals	-	-	-	(491.27)	-	-	-	(491.27)
As at March 31,2022	**974.88**	**420.00**	**1,068.57**	**15,131.44**	**5,324.44**	**-**	**382.20**	**23,301.52**
Charge for the year	-	-	74.53	3,391.06	-	-	382.20	3,847.79
Disposals	-	-	-	(1.91)	-	-	-	(1.91)
Classified as assets held for sale (refer note 36)	-	-	-	(345.65)	-	-	-	(345.65)
As at March 31,2023	**974.88**	**420.00**	**1,143.10**	**18,174.94**	**5,324.44**	**-**	**764.40**	**26,801.75**
Carrying value as at March 31,2022	**-**	**-**	**171.43**	**3,756.06**	**3,444.47**	**21,500.00**	**5,350.86**	**34,222.82**
Carrying value as at March 31,2023	**-**	**-**	**113.65**	**13,556.79**	**3,444.47**	**21,500.00**	**4,968.67**	**43,583.58**

6(III)(B) INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Lakhs)

Particulars	Ast at March 31, 2023	As at March 31, 2022
Opening balance	5.58	178.12
Additions during the year*	12,894.16	2,734.43
Transfer to other intangible assets*	(12,890.08)	(2,906.97)
Closing balance	**9.66**	**5.58**

**The Group accounts for all capitalisation of intangible assets through intangible assets under development and therefore the movement in intangible assets under development is the difference between closing and opening balance of intangible assets under development as adjusted for additions to intangible assets.*

a) Ageing Schedule for Intangible assets under development:

Intangible assets under development	Amount in Intangible assets under development for a period of March 31, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8.20	1.46	-	-	9.66
Projects temporarily suspended	-	-	-	-	-
Total	**8.20**	**1.46**	**-**	**-**	**9.66**

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(III)(B) INTANGIBLE ASSETS UNDER DEVELOPMENT (Contd.)

Intangible assets under development	Amount in Intangible assets under development for a period of March 31, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.58	-	-	-	5.58
Projects temporarily suspended	-	-	-	-	-
Total	**5.58**	**-**	**-**	**-**	**5.58**

(b) There is no project whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2023 and March 31, 2022

6(IV) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non current		
A. Quoted investments (fully paid)		
(a) Investments in equity instruments		
Investment in associate companies		
(i) RHT Health Trust, Singapore		
225,747,944 (225,747,944 as at March 31, 2022) units of SGD 0.90 each, fully paid up	60,853.75	60,853.75
Less: Share in post acquisition losses (net of dividend)	(54,901.55)	(54,809.37)
Less: Share in loss for the year	(62.03)	(92.18)
Less: Other adjustments	(3,577.41)	(3,610.82)
Add: Exchange translation adjustments	315.52	106.47
	2,628.28	**2,447.85**
(ii) Lanka Hospitals Corporate PLC, Sri Lanka		
64,120,915 (64,120,915 as at March 31, 2022) Equity Shares of Lankan ₹ (LKR) 62 each (including goodwill of ₹ 16,102.33 Lakhs)	19,762.82	19,762.82
Add: Share in pre acquisition profits upto the date of acquisition	568.70	568.70
Add: Share in post acquisition profits (net of dividend)	6,484.98	4,714.23
Add: Share in profits for the year	2,244.95	2,416.64
Less: Dividend received during the year	(280.32)	(645.89)
Less: Impairment (refer note 22(a))	(3,130.66)	(10,491.65)
Add: Exchange translation adjustments	(7,568.45)	(8,731.75)
	18,082.02	**7,593.10**
Aggregate carrying value of quoted investments (A)	**20,710.30**	**10,040.95**

Fortis

6(IV) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
B. Unquoted Investments (fully paid)		
(a) Investments in equity instruments		
Investment in joint ventures		
(i) SRL Diagnostics (Nepal) Private Limited*		
240,000 (240,000 as at March 31, 2022) equity shares of Nepalese ₹ 100 each fully paid-up	150.00	150.00
Add: Share in post acquisition profits	173.65	142.99
Add: Share in profits for the year	0.95	30.66
Add: Share of reserve	(4.61)	(4.61)
	319.99	**319.04**
Aggregate carrying value of unquoted investment in equity instrument (a)	**319.99**	**319.04**
(b) Investments in 0.01% Optionally Convertible Redeemable Preference Shares		
Investment in joint venture		
(i) Fortis C-Doc Healthcare Limited		
[43,333,333 (as at March 31, 2022 43,333,333) preference shares of ₹ 3 each fully paid-up]	1,300.00	1,300.00
Less: Impairment (refer note 22 (c))	(1,300.00)	(1,300.00)
	-	-
Aggregate carrying value of unquoted investment in preference shares (b)	**-**	**-**
Unquoted investment in joint ventures (a+b)	**319.99**	**319.04**
Investments in associates/joint ventures - Total (A+B)	**21,030.29**	**10,359.99**
Aggregate carrying value of investment in associates and joint ventures	**21,030.29**	**10,359.99**
Gross investments in associates/joint ventures (accounted under equity method)	**25,460.95**	**22,151.64**
Impairment of investment in associate and joint venture	**4,430.66**	**11,791.65**

Company Note (not part of the signed financial statements): * *SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(IV) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Contd.)

NOTES:

A INVESTMENT IN ASSOCIATES

A.1 Break-up of investment in associates (carrying amount determined using the equity method of accounting)

(₹ in Lakhs)

Particulars	Ast at March 31, 2023	As at March 31, 2022
(i) Aggregate book value of quoted investments	20,710.30	10,040.95
(ii) Aggregate market value of quoted investments	20,730.86	10,814.12
(iii) Aggregate gross value of unquoted investments	-	-
(iv) Aggregate amount of impairment in value of investments in associates	3,130.66	10,491.65

A.2 Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associates is set out below.

(i) RHT Health Trust (formerly known as Religare Health Trust) ('RHT')

(₹ in Lakhs)

Particulars	Ast at March 31, 2023	As at March 31, 2022
(a) Non-current assets	-	-
(b) Current assets	10,350.11	9,580.65
(c) Non-current liabilities	-	-
(d) Current liabilities	902.69	781.80
Net assets	**9,447.42**	**8,798.85**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Revenue	-	-
(b) Loss from continuing operations	(222.96)	(331.38)
(c) Loss for the year	(222.96)	(331.38)
(d) Other comprehensive income for the year	865.21	258.07
(e) Total comprehensive (loss)/ income for the year	642.25	(73.31)
(f) Group's share of loss for the year	(62.03)	(92.18)
(g) Group's share of (loss)/ profit and other comprehensive income for the year	178.67	(20.39)
(h) Share of (loss)/ profit and other comprehensive income for the year recognised	178.67	(20.39)
The above profit for the year includes the following:		
(a) Interest income	132.84	18.17
(b) Income tax expense (income)	-	2.30

Reconciliation of the above summarised financial information to the carrying amount of the interest in RHT Health Trust recognised in the consolidated financial statements:

(₹ in Lakhs)

Particulars	Ast at March 31, 2023	As at March 31, 2022
(a) Net assets of the associate	9,447.42	8,798.85
(b) Proportion of the Group's ownership interest in RHT	27.82%	27.82%
Carrying amount of the Group's interest in RHT	**2,628.28**	**2,447.85**

During the previous year ended March 31 2022, THR Infrastructure Pte. Limited. (THRIPL), one of the subsidiaries of RHT (an associate of the Company) received a draft assessment order from Indian tax authorities. On THRIPL's

6(IV) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Contd.)

request, the Company's wholly owned subsidiary - Fortis Healthcare International Pte Limited. had proposed to provide a financial support upto a maximum amount of Singapore $ 3 Million (equivalent ₹ 1,681.80 Lakhs) which was approved by shareholders of the Company in the current year. However, no financial support has been provided by FHIPL to RHT till March 31, 2023.

Additionally, THRIPL had appealed against the aforesaid assessment order with the Income Tax Appellate Tribunal (ITAT). Subsequent to the year end, the appeal has been disposed of in favour of THRIPL.

(ii) Lanka Hospitals Corporate PLC, Sri Lanka

(₹ in Lakhs)

Particulars	Ast at March 31, 2023	As at March 31, 2022
(a) Non-current assets	14,234.59	13,820.93
(b) Current assets	24,036.14	17,339.78
(c) Non-current liabilities	4,039.67	2,443.80
(d) Current liabilities	4,328.51	4,657.87

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Revenue	24,021.01	36,685.70
(b) Profit from continuing operations	7,290.48	8,086.05
(c) Profit for the year	7,290.48	8,086.05
(d) Other comprehensive income for the year	288.12	1,205.79
(e) Total comprehensive income for the year	7,578.60	9,291.84
(f) Dividends received from the associate during the year	280.32	645.89
(g) Group's share of profit for the year	2,244.95	2,416.64
The above profit for the year includes the following:		
(a) Depreciation and amortisation	1,274.31	1,768.52
(b) Interest income	2,082.65	1,485.44
(d) Interest expense	68.22	119.19
(d) Income tax expense (income)	1,186.79	943.87

(₹ in Lakhs)

Particulars	Ast at March 31, 2023	As at March 31, 2022
Aggregate carrying amount of the Group's interests in Sri Lanka Hospitals Corporate PLC, Sri Lanka	18,082.02	7,593.10

B INVESTMENT IN JOINT VENTURES

B.1 Break-up of investment in joint ventures (carrying amount determined using the equity method of accounting)

(₹ in Lakhs)

Particulars	Ast at March 31, 2023	As at March 31, 2022
(i) Aggregate book value of quoted investments	-	-
(ii) Aggregate market value of quoted investments	-	-
(iii) Aggregate carrying value of unquoted investments	319.99	319.04
(iv) Aggregate amount of impairment in value of investments in Joint Ventures	1,300.00	1,300.00

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(IV) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Contd.)

B.2 Summarised financial information of material joint ventures

Summarised financial information in respect of each of the Group's material Joint Ventures is set out below. The summarised financial information below represents amounts shown in the Joint Venture's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

(i) DDRC SRL Diagnostics Private Limited*@

(₹ in Lakhs)

Particulars	As at April 04, 2021
(a) Non-current assets	7,207.34
(b) Current assets	3,223.24
(c) Non-current liabilities	1,051.87
(d) Current liabilities	1,768.75
(e) Goodwill arising on acquisition of joint venture	898.38
Net assets	**8,508.34**

(₹ in Lakhs)

Particulars	Period ended April 04, 2021
(a) Revenue	344.65
(b) Profit from continuing operations	119.26
(c) Profit for the year	119.26
(d) Other comprehensive income for the year	-
(e) Total comprehensive income for the year	119.26
(f) Group's share of profit for the year	59.63
(g) Dividends received from the Joint Venture during the year	(1,104.55)
(h) Group's share of profit and other comprehensive income for the year (net of dividends received)	(1,044.92)
The above profit for the year include the following:	
(a) Depreciation and amortisation	12.01
(b) Other income	0.09
(c) Interest expense	0.74
(d) Income tax expense (income)	39.59

Reconciliation of the above summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:

(₹ in Lakhs)

Particulars	As at April 04, 2021
(a) Net assets of joint venture	8,508.34
(b) Net assets as per consolidation	8,508.34
(c) Proportion of Group's ownership interest in joint venture	50%
(d) Carrying amount of Group's interest in the joint venture	4,254.17

*Refer note 38

Company Note (not part of the signed financial statements): @*The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(IV) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Contd.)

(ii) SRL Diagnostics (Nepal) Private Limited*

(₹ in Lakhs)

Particulars	Ast at March 31, 2023	As at April 04, 2022
(a) Non-current assets	224.79	275.56
(b) Current assets	846.07	602.52
(c) Non-current liabilities	21.86	22.16
(d) Current liabilities	409.02	217.84
Net assets	**639.98**	**638.08**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Revenue	764.41	805.56
(b) Profit from continuing operations	1.91	61.31
(c) Profit for the year	1.91	61.31
(d) Other comprehensive income for the year	-	-
(e) Total comprehensive income for the year	1.91	61.31
(f) Dividends received from the Joint Venture during the year	-	-
(g) Group's share of profit and other comprehensive income for the year	0.95	30.66
The above profit for the year include the following:		
(a) Depreciation and amortisation	40.57	43.41
(b) Other income	29.89	10.05
(d) Interest expense	-	-
(d) Income tax expense (income)	60.64	23.57

Reconciliation of the above summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:

(₹ in Lakhs)

Particulars	Ast at March 31, 2023	As at April 04, 2022
(a) Net assets of joint venture	639.98	638.08
(b) Proportion of company's ownership interest in joint venture	50.00%	50.00%
(c) Carrying amount of company's interest in the joint venture	319.99	319.04

B.3 Unrecognised share of loss of joint venture (Fortis C-Doc Healthcare Limited)

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
The unrecognised share of loss of Joint Venture for the year	53.58	230.40
Cumulative share of unrecognised loss of Joint Venture	1,592.84	1,539.26

Company Note (not part of the signed financial statements): **SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(V) TRADE RECEIVABLES*

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables*		
Current		
Unsecured, unless stated otherwise		
(a) Considered good		
Investment in associate companies		
– From Others		
Billed	70,089.90	65,007.58
Unbilled	7,152.45	6,840.93
– From related parties [refer note 9]	784.51	606.96
(b) Credit Impaired		
— From Others	4,401.64	3,245.63
— From Related Party	-	-
Less: Loss allowance	(23,517.83)	(24,484.04)
Less: Classified as held for sale (refer note 36)	(749.88)	-
	58,160.79	**51,217.06**
Break-up of security details		
(a) Trade receivables considered good - Unsecured	78,026.86	72,455.47
(b) Credit impaired - Unsecured	4,401.64	3,245.63
Less: Loss allowance	(23,517.83)	(24,484.04)
Less: Classified as held for sale (refer note 36)	(749.88)	-
Total	**58,160.79**	**51,217.06**

* Trade receivables includes receivables of certain entities hypothecated against borrowing (refer note 11).

Notes:

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the payments. The provision matrix takes into account historical credit loss experience and adjusted for forward- looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

(₹ in Lakhs)

Ageing	Expected Credit Allowance %	
	As at March 31, 2023	As at March 31, 2022
0 - 1 year	0%-47%	0%-49%
1 - 2 year	1%-77%	1%-78%
2 - 3 year	7% - 100%	4% - 100%
More than 3 years	100%	100%

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(V) TRADE RECEIVABLES* (Contd.)

The movement in Expected Credit Loss during the year is as follows :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	24,484.04	20,197.20
Creation of the allowancefor expected credit loss	4,633.20	4,286.84
Utilisation of the allowance for expected credit loss (written off)	(5,599.41)	-
Balance at the end of the year	**23,517.83**	**24,484.04**

The Group does not require collateral in respect of trade receivables. The Group does not have trade receivables for which no allownace is recognised because of collateral.

Trade Receivables ageing schedule

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	12,098.18	12,434.19	15,083.11	18,166.75	3,210.43	9,881.75	70,874.41
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – credit impaired	1.53	26.09	57.98	350.03	264.25	2,791.88	3,491.76
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	0.11	1.64	31.73	68.83	807.57	909.88
	12,099.71	**12,460.39**	**15,142.73**	**18,548.51**	**3,543.51**	**13,481.20**	**75,276.05**
Less: Loss allowance							(23,517.83)
							51,758.22
Trade receivables - unbilled							7,152.45
Less: Classified as held for sale (refer note 36)							(749.88)
							58,160.79

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(V) TRADE RECEIVABLES* (Contd.)

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	7,530.94	5,087.43	21,768.25	16,030.28	4,419.32	10,771.97	65,608.19
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – credit impaired	1.61	31.86	62.52	85.68	172.17	1,963.64	2,317.48
(iii) Disputed Trade Receivables – considered good	-	-	-	-	6.35	-	6.35
(iii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	1.42	0.21	95.05	102.70	728.77	928.16
	7,532.55	**5,120.73**	**21,830.97**	**16,211.01**	**4,700.54**	**13,464.39**	**68,860.17**
Less: Loss allowance							(24,484.04)
							44,376.13
Trade receivables - unbilled							**6,840.93**
							51,217.06

6(VI) LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current - at amortised cost		
Unsecured, Considered good		
(a) Loans to body corporates and others	8.74	8.74
(b) Loans to employees	81.88	20.75
Total (A)	**90.62**	**29.49**
Credit impaired		
(a) Loans to body corporates and others*	294.66	294.66
Total (B)	**294.66**	**294.66**
Less: Loss allowance	(294.66)	(294.66)
Total (C)	**(294.66)**	**(294.66)**
Total (A+B+C)	**90.62**	**29.49**
Current - at amortised cost		
Unsecured, Considered good		
(a) Loans to body corporates and others	161.67	148.62
Total (A)	**161.67**	**148.62**

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(VI) LOANS (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Credit impaired		
(a) Inter-corporate deposits [refer note 27 (C) (i)]*	40,243.00	40,243.00
(b) Loans to body corporates and others*	2,571.76	2,571.76
Total (B)	**42,814.76**	**42,814.75**
Less: Loss allowance	(42,814.76)	(42,814.75)
Total (C)	**(42,814.76)**	**(42,814.75)**
Total (A+B+C)	**161.67**	**148.62**

*This represents loans given to body corporates which have been fully provided for in earlier years.

6(VII) OTHER FINANCIAL ASSETS (UNSECURED)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Considered good		
(a) Deposit accounts with banks (refer note 1 below)	288.16	365.73
(b) Security deposits	4,768.72	4,547.14
(c) Interest accrued on loans and bank deposits	5.73	4.92
(d) Advances others - recoverable in cash	34.35	45.55
Less: Classified as held for sale (refer note 36)	(178.91)	-
Total (A)	**4,918.05**	**4,963.34**
Credit impaired		
(a) Interest accrued on loan to Joint venture	168.33	168.33
(b) Security deposits [refer note 27 (C) (ii)]	406.35	415.22
Total (B)	**574.68**	**583.55**
Less: Loss allowance	(574.68)	(583.55)
Total (C)	**(574.68)**	**(583.55)**
Total (A+B+C)	**4,918.05**	**4,963.34**
Current		
Considered good		
(a) Interest accrued on loans and bank deposits	91.80	265.50
(b) Security deposits	1,521.61	1,250.11
(c) Earnest money deposit	17.52	16.51
(d) Deposits with maturity of less than 12 months from the reporting date	1,002.72	-
(e) Advances others	357.80	580.81
(f) Derivative assets	169.54	-
Less: Classified as held for sale (refer note 36)	(2.18)	-
	(2.18)	**-**
Total (A)	**3,158.81**	**2,112.93**

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(VII) OTHER FINANCIAL ASSETS (UNSECURED) (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Credit impaired		
(a) Full and final settlement recoverable from employees	662.10	1,425.24
(b) Security deposits [refer note 27 (C) (ii)]	417.49	417.49
(c) Interest accrued on inter-corporate deposits [refer note 27 (C) (i)]	4,259.62	4,259.62
(d) Advance others [refer note 27 (C) (ii)]	1,913.34	1,913.34
(e) Amount recoverable for salary & reimbursement of expenses [refer note 27 (C) (vi)]	2,002.39	2,002.39
(f) Other recoverables	680.93	680.93
Total (B)	**9,935.87**	**10,699.01**
Less: Loss allowance	(9,935.87)	(10,699.01)
Total (C)	**(9,935.87)**	**(10,699.01)**
Total (A+B+C)	**3,158.81**	**2,112.93**

Notes:

1. Including fixed deposits under lien with bank and is restricted from being exchanged for more than 12 months from the Balance Sheet date.

6(VIII) TAX ASSETS & LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Non-current tax assets		
Advance income-tax*	68,179.32	54,267.49
	68,179.32	**54,267.49**
* Net of provision for tax		
(b) Current tax liabilities		
Provision for income-tax*	391.26	244.58
	391.26	**244.58**

* Net of advance tax

Note: Including refund adjusted by tax authorities against demand orders of earlier years which are being contested by the Company under various forums.

Fortis

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(X) OTHER ASSETS (UNSECURED)

(₹ in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
Non-current			
Considered good			
(a)	Capital advances	2,922.31	2,332.47
(b)	Premium on option contracts	43.68	-
(c)	Prepaid expenses	421.17	249.61
(d)	Balances with government authorities		
	- Amount paid under protest to Income-tax authorities	4,099.23	4,066.07
(e)	Balance with government authorities- goods and service tax and other taxes recoverable	1,191.61	1,051.33
Less: Classified as held for sale (refer note 36)		(20.01)	-
Total (A)		**8,657.99**	**7,699.48**
Credit impaired			
(a)	Capital advances (refer note 27 (C) (ii))	766.28	766.81
		766.28	**766.81**
Less: Loss allowance		(766.28)	(766.81)
Total (B)		**(766.28)**	**(766.81)**
Total (A+B)		**8,657.99**	**7,699.48**
Current			
Considered good			
(a)	Balances with government authorities - Goods and service tax recoverable	168.20	256.14
(b)	Advance to vendors	2,266.04	1,722.90
(c)	Prepaid expenses	2,471.58	3,202.21
(d)	SEIS licenses in hand	518.78	757.92
(e)	Premium on option contracts	57.82	-
(f)	Premium on forward contracts	4.20	-
(g)	Unamortised finance charges	57.53	57.53
Less: Classified as held for sale (refer note 36)		(552.63)	-
		(552.63)	**-**
Total (A)		**4,991.52**	**5,996.70**
Credit impaired			
(a)	Balances with government authorities - customs excise and other authorities	41.79	54.34
(b)	Deposits with income tax authorities	8.81	8.81
(c)	Advance to vendors	5.83	12.69
		56.43	**75.84**
Less: Loss allowance		(56.43)	(75.84)
Total (B)		**(56.43)**	**(75.84)**
Total (A+B)		**4,991.52**	**5,996.70**

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(X) INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Valued at lower of cost and net realisable value)		
(a) Medical consumables and drugs (including reagents and chemicals)	12,489.62	12,201.73
(b) Stores and spares	-	88.30
Less: Classified as held for sale (refer note 36)	**(205.15)**	**-**
	12,284.47	**12,290.03**

6(XI) CASH AND CASH EQUIVALENTS

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

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances with banks		
- on current accounts	5,632.64	6,749.71
- deposits with original maturity of less than three months	**8,092.40**	**7,154.78**
(b) Cheques, drafts on hand	2.86	4.00
(c) Cash on hand	382.55	414.78
Less: Classified as held for sale (refer note 36)	(2.20)	-
Cash and cash equivalents as per balance sheet	**14,108.25**	**14,323.27**
Bank overdrafts [refer note 6(xvii)]	(9,593.72)	(7,663.23)
Cash and cash equivalents as per statement of cash flows	**4,514.53**	**6,660.04**

6(XII) OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Unpaid dividend account	6.31	13.52
(b) Deposits with original maturity of more than 3 months but less than 12 months	21,518.14	26,028.01
(c) Deposits with bank held in escrow account as commitment for purchase of Land	640.00	-
(d) Deposits with original maturity of less than 12 months from the reporting date	-	905.19
	22,164.45	**26,946.72**

Fortis

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XIII) ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Assets held for sale		
(a) Assets related to Escorts Heart Institute & Research Centre Limited* and Hiranandani Healthcare Private Limited** (HHPL)	35.67	291.22
(b) Assets related to Arcot Road (unit of Fortis Healthcare Limited) (Refer note 36)	25,569.78	-
	25,605.45	**291.22**

** Represent Nil flat (March 31, 2022 one flat).*

*** Represent One flat ("buildings") (March 31, 2022 seven flats) for which sale has been approved by Board of Directors of HHPL.*

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities associated with assets held for sale		
(a) Liabilities related to assets held for sale (Refer note 36)	11,231.84	128.21
	11,231.84	**128.21**

6(XIV) DEFERRED TAX

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Deferred tax assets (net) (A)	34,856.83	36,910.79
Less: Classified as held for sale (refer note 36)	(430.25)	-
	34,426.58	**36,910.79**
(b) Deferred tax liabilities (net) (B)	(41,072.82)	(38,121.66)
Deferred tax (A-B)	**(6,646.24)**	**(1,210.87)**

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in financial statements:-

(₹ in Lakhs)

Deferred tax assets/(liabilities) in relation to:	As at April 01, 2022	Credit / (Charge) to Profit or loss	Business combination (refer note 38)	Credit / (Charge) Other Comprehensive Income	Creation / (Utilisation) of MAT credit	As at March 31, 2023
Deferred tax liabilities						
(a) Property, plant and equipment	(35,569.72)	(455.33)	-	-	-	(36,025.05)
(b) Intangible assets	(11,583.73)	(6.62)	-	-	-	(11,590.35)
(c) Others	(826.16)	44.69	-	-	-	(781.47)
(d) Right-of-use assets	(4,379.61)	(631.51)	(43.03)	-	-	(5,054.15)
(e) Brand	(5,411.11)	-	-	-	-	(5,411.11)
(f) Customer relationships	(1,346.70)	96.20	-	-	-	(1,250.50)
(g) Trademark	(125.20)	62.61	-	-	-	(62.59)
	(59,242.23)	**(889.96)**	**(43.03)**	**-**	**-**	**(60,175.22)**
Deferred tax assets in relation to:						

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XIV) DEFERRED TAX (Contd.)

Deferred tax assets/(liabilities) in relation to:	As at April 01, 2022	Credit / (Charge) to Profit or loss	Business combination (refer note 38)	Credit / (Charge) Other Comprehensive Income	Creation / (Utilisation) of MAT credit	As at March 31, 2023
(a) Provision for contingency	456.09	(24.66)	-	-	-	431.43
(b) Allowances for doubtful advances	3,279.11	(175.56)	-	-	-	3,103.55
(c) Allowance for expected credit loss	6,034.28	(18.38)	-	-	-	6,015.90
(d) Defined benefit obligation	4,140.00	57.50	-	62.67	-	4,260.17
(e) Unabsorbed losses and depreciation	34,120.92	(4,040.52)	-	-	-	30,080.40
(f) MAT credit entitlement	3,099.26	-	-	-	(786.96)	2,312.30
(g) Others	1,945.24	(17.75)	-	-	-	1,927.49
(h) Lease liabilities	4,956.47	828.49	43.03	-	-	5,827.99
	58,031.37	**(3,390.88)**	**43.03**	**62.67**	**(786.96)**	**53,959.23**
Less: Classified as held for sale (refer note 36)	**-**	**-**	**-**	**-**	**-**	**(430.25)**
Deferred tax liabilities (Net)	**(1,210.86)**	**(4,280.84)**	**-**	**62.67**	**(786.96)**	**(6,646.24)**

(₹ in Lakhs)

Deferred tax assets/(liabilities) in relation to:	As at April 01, 2021	Credit / (Charge) to Profit or loss	Business combination (refer note 37)	Credit / (Charge) Other Comprehensive Income	Creation / (Utilisation) of MAT credit	As at March 31, 2022
Deferred tax liabilities						
(a) Property, plant and equipment	(36,079.61)	363.50	146.39			(35,569.72)
(b) Intangible assets	(11,578.53)	(5.20)	-			(11,583.73)
(c) Others	(803.94)	(22.23)	-			(826.17)
(d) Undistributed profits of subsidiaries	(982.83)	982.83	-			0.00
(e) Right-of-use assets	(3,791.46)	(444.69)	(143.45)			(4,379.60)
	(53,236.37)	**874.21**	**2.94**			**(52,359.22)**
Deferred tax assets/(liabilities) in relation to:						
(a) Provision for contingency	419.05	37.04	-	-	-	456.09
(b) Allowances for doubtful advances	3,247.62	31.49	-	-	-	3,279.11
(c) Allowance for expected credit loss	5,670.83	363.01	0.44	-	-	6,034.28
(d) Defined benefit obligation	4,117.37	(83.79)	141.75	(35.33)	-	4,140.00
(e) Unabsorbed losses and depreciation	37,573.13	(3,452.21)	-	-	-	34,120.92
(f) MAT credit entitlement	4,284.44	-	-	-	(1,185.18)	3,099.26
(g) Other	1,931.67	13.57	-	-	-	1,945.24
(h) Lease liabilities	4,142.31	650.31	163.85	-	-	4,956.47
	61,386.42	**(2,440.58)**	**306.04**	**(35.33)**	**(1,185.18)**	**58,031.36**
Deferred tax asset (Net)	**8,150.05**	**(1,566.37)**	**308.98**	**(35.33)**	**(1,185.18)**	**5,672.14**

6(XIV) DEFERRED TAX (Contd.)

Deferred tax assets/(liabilities) in relation to:	As at April 01, 2021	Credit / (Charge) to Profit or loss	Business combination (refer note 37)	Credit / (Charge) Other Comprehensive Income	Creation / (Utilisation) of MAT credit	As at March 31, 2022
Deferred tax liability						
Brand	-	-	(5,411.11)	-	-	(5,411.11)
Customer relationships	-	96.20	(1,442.90)	-	-	(1,346.70)
Trademark	-	62.61	(187.81)	-	-	(125.20)
Total deferred tax liability	**-**	**158.81**	**(7,041.82)**	**-**	**-**	**(6,883.01)**
Deferred tax liabilities (Net)	**8,150.05**	**(1,407.56)**	**(6,732.84)**	**(35.33)**	**(1,185.18)**	**(1,210.87)**

DTA has not been recognised on*

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances to vendors	4,743.47	4,743.47
Inter-corporate deposits (refer note 6(vi))	40,243.00	40,243.00
Interest accrued on inter-corporate deposits	4,259.62	4,259.62
Loans and advances	3,359.71	3,366.31
Interest accrued on loan	168.33	168.33
	52,774.13	**52,780.73**

* In addition to the above temporary differences, DTA has not been recognised on losses, unabsorbed depreciation and MAT credit as stated below. Further, in case of certain subsidiaries, DTA has been recognised only to the extent it is considered probable that future taxable profits will be available.

Income tax		
Recognised in Statement of Profit or loss		
Current tax		
Current income tax charge for the year	13,001.77	17,191.40
	13,001.77	**17,191.40**
Deferred tax credit		
Deferred tax credit/ (charge) for the year	5,067.80	2,592.75
	5,067.80	**2,592.75**
	18,069.57	**19,784.15**
Recognised in Other Comprehensive Income		
Deferred tax (Credit)/ Charge		
Tax related to item that will not be subsequently reclassified to profit and loss	62.67	(35.33)
Income tax charge recognised to other comprehensive income	**62.67**	**(35.33)**
The income-tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	**81,367.96**	**98,778.69**
Enacted income-tax rate in India (%)	34.94	34.94
Income tax rate calculated	**28,433.22**	**34,517.22**
Effect of profit of equity accounted investee not considered in determining taxable profit	(763.13)	(843.80)

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XIV) DEFERRED TAX (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax asset not recognised based on the projected future taxable profits	(332.27)	4,312.76
Income chargeable at lower/ Nil tax rate	(6,393.34)	(10,660.02)
Effect of expenses not considered in determing taxable profits	(7.93)	163.60
Reversal of impairment on investment	(2,866.98)	-
Gain on remeasurement of equity interest	-	(7,705.61)
Income-tax expense reported in the Consolidated Statement of profit and loss	**18,069.56**	**19,784.15**

No deferrred tax asset has been recognised on below:

(₹ in Lakhs)

Particulars	As on March 31, 2023		As on March 31, 2022	
	Gross Amount	Tax effect	Gross Amount	Tax effect
Expiry in assessment year				
Unabsorbed depreciation				
No expiry	26,659.59	8,676.78	26,631.56	8,664.92
Total				
Unused long term and short term capital loss				
FY 2024-25	951.32	221.62	951.32	221.62
FY 2026-27	1,026.31	239.09	1,026.31	239.09
FY 2027-28	944.52	220.04	944.52	220.04
FY 2028-29	129.12	22.56	88.63	20.65
FY 2030-31	8,686.65	2,023.64	7,871.57	1,833.76
	11,737.92	**2,726.95**	**10,882.35**	**2,535.16**
Business loss				
FY 2023-24	188.33	52.39	188.33	52.39
FY 2024-25	3,344.21	1,145.46	7,256.54	2,512.59
FY 2025-26	389.84	108.45	389.84	108.45
FY 2026-27	5,773.13	1,938.17	5,773.45	1,938.26
FY 2027-28	33,014.79	11,154.63	33,014.80	11,154.64
FY 2028-29	36,362.18	12,368.12	36,619.45	12,439.69
FY 2029-30	13,269.14	4,150.62	14,747.02	4,578.94
FY 2030-31	5,390.64	1,520.43	4,863.74	1,353.09
FY 2031-32	5,491.03	1,516.64	-	-
	1,03,223.29	**33,954.91**	**1,02,853.17**	**34,138.05**

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XIV) DEFERRED TAX (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Minimum Alternate Tax		
FY 2028-29	7,414.11	7,414.11
FY 2030-31	127.26	127.26
FY 2031-32	159.13	159.13
FY 2032-33	239.49	239.49
FY 2033-34	52.49	52.49
FY 2038-39	74.13	-
	8,066.61	**7,992.48**

6(xv) SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Share Capital:		
850,000,000 (850,000,000 as at March 31, 2022) Equity shares of ₹ 10 each	85,000.00	85,000.00
200 Class 'A' (200 as at March 31, 2022) Non- Cumulative Redeemable Preference Shares of ₹ 100,000 each	200.00	200.00
11,498,846 Class 'B' (11,498,846 as at March 31, 2022) Non- Cumulative Redeemable Preference Shares of ₹ 10 each	1,149.88	1,149.88
64,501,154 Class 'C' (64,501,154 as at March 31, 2022) Cumulative Redeemable Preference Shares of ₹ 10 each	6,450.12	6,450.12
Total authorised share capital	**92,800.00**	**92,800.00**
Issued, subscribed and fully paid up shares		
754,958,148 (754,958,148 as at March 31, 2022) Equity shares of ₹ 10 each	75,495.81	75,495.81
Total issued, subscribed and fully paid up share capital	**75,495.81**	**75,495.81**

Notes :

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Equity Shares

Particulars	As on March 31, 2023		As on March 31, 2022	
	Number of shares	Rupees in Lakhs	Number of shares	Rupees in Lakhs
At the beginning of the year	75,49,58,148	75,495.81	75,49,58,148	75,495.81
Issued during the year	-	-	-	-
Outstanding at the end of the year	75,49,58,148	75,495.81	75,49,58,148	75,495.81

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Where dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XV) SHARE CAPITAL (Contd.)

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

Equity Shares

Name of Shareholder	As on March 31, 2023		As on March 31, 2022	
	Number of shares held	Rupees in Lakhs	Number of shares held	Rupees in Lakhs
Northern TK Venture Pte Limited (refer note 29) (Holding Company)	23,52,94,117	23,529.41	23,52,94,117	23,529.41

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

Equity Shares

Name of Shareholder	As on March 31, 2023		As on March 31, 2022	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Northern TK Venture Pte Limited	23,52,94,117	31.17%	23,52,94,117	31.17%

(e) For the period of five years immediately preceding the date of the balance sheet, there were no share allotment made for consideration other than cash and also no bonus shares were issued. Further, there has been no buyback of shares during the period of five years preceding the date of balance sheet.

(f) Details of shares held by the promoters

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Northern TK Venture Pte Limited	23,52,94,117	-	23,52,94,117	31.17%	-
Total	**23,52,94,117**	**-**	**23,52,94,117**	**31.17%**	**-**

As at March 31, 2022

Particulars	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Northern TK Venture Pte Limited	23,52,94,117	-	23,52,94,117	31.17%	-
Total	**23,52,94,117**	**-**	**23,52,94,117**	**31.17%**	**-**

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XVI)

Particulars	Non-Current Borrowings**	Current borrowings (net)***	Interest accrued	Lease liabilities
As at April 01, 2021	1,09,112.87	17,963.33	250.73	25,979.06
Proceeds from borrowings	30,643.31	-	-	-
Repayment of borrowings	(60,155.46)	(4,449.06)	-	-
Reclassification of bank overdraft*	-	3,452.27	-	-
Finance cost	-	-	11,729.75	2,954.77
Finance cost paid	-	-	(11,749.37)	(2,954.77)
Addition of lease contracts (including addition on acquisition of DDRC ₹ 651.01 Lakhs)	-	-	-	6,056.15
Deletion of lease contracts	-	-	-	(38.46)
Lease liabilities paid	-	-	-	(3,065.79)
Exchange translation	-	-	-	(5.19)
As at March 31, 2022	**79,600.72**	**16,966.54**	**231.11**	**28,925.77**
As at April 01, 2022	**79,600.72**	**16,966.54**	**231.11**	**28,925.77**
Proceeds from borrowings	24,010.15	-	-	-
Repayment of borrowings	(43,582.96)	(8,609.89)	-	-
Reclassification of bank overdraft*	-	1,930.49	-	-
Finance cost	-	-	9,843.15	3,066.07
Finance cost paid	-	-	(9,900.81)	(3,066.07)
Dividend paid	-	-		
Addition of lease contracts	-	-	-	6,875.13
Lease liabilities paid	-	-	-	(4,374.99)
Asset held for sale	-	-	-	(9,168.82)
As at March 31, 2023	**60,027.91**	**10,287.14**	**173.45**	**22,257.09**

**Bank overdraft have been reclassified from current borrowings to cash and cash equivalent for the purpose of preparation of statement of cash flow.*

*** Including Current maturities of non-current borrowings*

**** Excluding Current maturities of non-current borrowings*

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XVII) NON-CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured [refer note 11(I)]		
(a) Term loan from banks	56,499.53	77,403.69
(b) Deferred payment liabilities	29.47	96.38
(c) Vehicle loans	557.05	293.69
	57,086.05	**77,793.76**
Unsecured [refer note 11(I)]		
(a) Term loan from a body corporate	136.07	116.33
	136.07	**116.33**
Non-current borrowings - Total	**57,222.12**	**77,910.09**
Current borrowings		
Secured - at amortised cost [refer note 11(II)]		
(a) Bank overdraft	9,593.72	7,663.23
(b) Working capital demand loan	552.76	9,180.76
(c) Current maturities of non-current borrowings [refer note 11(I)]	2,805.79	1,690.63
	12,952.27	**18,534.62**
Unsecured - at amortised cost [refer note 11(II)]		
(a) Loan from body corporate	140.66	122.55
	140.66	**122.55**
	13,092.93	**18,657.17**

6(XVIII) OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured		
(a) Security deposits	43.43	42.67
(b) Payables on purchase of property, plant and equipment	2,008.02	396.49
(c) Put option [refer note 12(b) and 20]	1,59,100.00	2,07,400.00
	1,61,151.45	**2,07,839.16**
Current		
Unsecured		
(a) Security deposits	1,985.60	2,255.94
(b) Interest accrued but not due on borrowings	173.45	231.11
(c) Unpaid equity dividend	6.31	13.52
(d) Payables on purchase of property, plant and equipment*	10,868.14	7,036.18
(e) Deferred purchase consideration (refer note 37 and 38)	826.75	1,249.03
(f) Employees Payable	6,259.80	5,033.14
(g) Liability against indemnification (refer note 1 below)	74.70	74.70

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XVIII) OTHER FINANCIAL LIABILITIES (Contd..)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(h) Derivative Liabilities (refer note 19)	22.15	6.93
(i) Other liabilities	813.57	624.98
	21,030.47	**16,525.53**
Less: Classified as held for sale (refer note 36)	(200.65)	-
	20,829.82	**16,525.53**

** This also includes amount payable to micro and small enterprises amounting to ₹ 1,073.43 Lakhs (March 31, 2022 ₹ 496.62 Lakhs).*

Notes:

1 At the time of acquisition of Piramal labs (SRL Diagnostics Private Limited@) by SRL Limited(i) (Subsidiary), it was agreed that any charge relating to tax litigations before the date of acquisition shall be indemnified to SRL Limited(i). Accordingly, the amount paid by Piramal to SRL Limited(i), has been shown under liability against indemnification till the litigations are settled.

Company Note (not part of the signed financial statements): *@ The new name of the said company has been reserved by Registrar of Companies ('RoC') as Agilus Pathlabs Private Limited vide letter dated June 08, 2023. The said company is in the process of making application to the RoC for seeking approval of the new name.*

(i) The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.

6(XIX) PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for employee benefits		
(a) Provision for gratuity (refer note 17)	10,222.98	8,960.37
(b) Provision for compensated absences	2,882.13	2,511.11
Less: Classified as held for sale (refer note 36)	(81.09)	-
	13,024.02	**11,471.48**
Current		
Provision for employee benefits		
(a) Provision for gratuity (refer note 17)	1,451.97	1,274.81
(b) Provision for compensated absences	639.90	633.75
Others		
(a) Provision for litigations (refer note (iii) below and note 14)	991.42	947.97
(b) Provision for contingencies [refer note (i) below]	2,429.36	3,882.77
(c) Provision against vendor claim [refer note (ii) below]	100.00	100.00
Less: Classified as held for sale (refer note 36)	(29.52)	-
	5,583.13	**6,839.30**

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XIX) PROVISIONS (Contd..)

Notes

(i) Provision for contingencies

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for indemnification [refer note 12]	205.03	205.03
(b) Others		
Opening balance (refer note (iv) below)	3,677.74	3,047.03
Add: provision created during the year (refer note (v) below)	242.53	630.71
Less: utilisation / reversal during the year	(1,695.94)	-
Closing balance	2,224.33	3,677.74
Total - Provision for contingencies	**2,429.36**	**3,882.77**

(ii) Includes provision of ₹ 100 Lakhs against a claim made by a body corporate against the Group in respect of certain electrical work done at Gurugram unit.

(iii) Provision for litigations

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	947.97	942.72
Add: provision made during the year	43.45	5.25
Closing balance	**991.42**	**947.97**

(iv) Provision includes ₹ 1,460.00 Lakhs in respect of any contingencies emanating from regulatory matters, which will be settled when the outcome is known. (refer note 28)

(v) Provision for contingency is made against clinical research studies and amount due as refund to the patients.

6(XX) TRADE PAYABLES

(₹ in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
Current			
(a)	Total outstanding dues of micro enterprises and small enterprises (refer note 34)	11,865.54	6,364.80
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	61,162.25	59,727.70
	Less: Classified as held for sale (refer note 36)	(1,599.10)	-
		71,428.69	**66,092.50**
	Of the above trade payables amounts due to related parties are as below:		
	Trade Payables due to related parties	62.27	60.12
		62.27	**60.12**

6(XX) TRADE PAYABLES (Contd..)

Ageing schedule

As at March 31, 2023

(₹ in Lakhs)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	5,903.94	5,749.51	163.52	10.42	38.15	11,865.54
(ii) Others	20,723.30	26,601.58	8,176.56	1,806.71	1,684.19	2,169.91	61,162.25
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total							**73,027.79**
Less: Classified as held for sale (refer note 36)							1,599.10
							71,428.69

As at March 31, 2022

(₹ in Lakhs)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	4,343.08	1,968.65	28.52	0.41	24.14	6,364.80
(ii) Others	16,715.39	13,201.56	21,884.53	2,693.14	1,960.18	3,272.90	59,727.70
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total							**66,092.50**

6(XXI) OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Contract liabilities - advances from customers	5,581.33	6,030.32
(b) Statutory dues payable	10,301.94	8,445.33
(c) Liability towards customer loyalty programme*	172.41	247.18
(d) Others	133.42	171.10
	16,189.10	**14,893.93**
Less: Classified as held for sale (refer note 36)	(152.66)	-
	16,036.44	**14,893.93**

**The movement during the year is as below :*

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	247.18	151.93
Deferred during the year	245.41	370.04
Released to the Statement of Profit and Loss	(320.18)	(274.79)
Closing balance	**172.41**	**247.18**

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XXII) REVENUE FROM OPERATIONS

I. Revenue from contracts with customers

A. Sale of services

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
i)	**Healthcare services**		
	- Revenue from in patient department	4,45,521.47	3,66,805.40
	- Revenue from out patient department	70,327.51	67,523.97
	- Income from medical services	645.13	2,546.41
	- Management fees from hospital	3,959.44	1,525.70
	- Income from satellite centers	-	2.27
	- Income from clinical research	175.93	140.30
		5,20,629.48	**4,38,544.05**
Less: Trade discounts		23,942.59	21,383.38
		4,96,686.89	**4,17,160.67**
ii)	**Diagnostic services***	1,17,525.33	1,43,677.01
	Revenue from contract with customers	**6,14,212.22**	**5,60,837.68**
	***Disaggregation of revenue from diagnostic services as per Ind AS 115:**		
	- Owned labs	89,065.88	1,06,247.58
	- Collection centers	25,990.22	35,540.61
	- Franchisees	2,469.23	1,888.82
		1,17,525.33	**1,43,677.01**

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 8). The revenue recognised during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of unbilled revenue and liabilities.

B. Sale of products - trading

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
	(i) Out patient pharmacy and others	7,103.26	3,027.03
	Total (B)	**7,103.26**	**3,027.03**
I.	**Total revenue from contracts with customers (A+B)**	**6,21,315.48**	**5,63,864.71**
	Timing of revenue recognition		
	Goods transferred at a point in time	7,103.26	3,027.03
	Services transferred over time	6,14,212.22	5,60,837.68
		6,21,315.48	**5,63,864.71**
	Contract balances		
	Contract assets (unbilled)	7,152.45	6,840.93
	Contract liabilities (advance from Customers)	5,581.33	6,030.32

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XXII) REVENUE FROM OPERATIONS (Contd..)

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
II.	**Other operating revenues**		
	(i) Income from academic services	250.69	170.98
	(ii) Income from rent (refer note 10 (b))	1,587.31	2,166.24
	(iii) Equipment lease rental (refer note 10 (b))	615.25	660.41
	(iv) Provisions/ liabilities no longer required written back	5,160.67	3,262.46
	(v) Miscellaneous income	833.80	1,636.37
II.	**Total other operating revenues**	**8,447.72**	**7,896.46**
	Total revenue from operations (I+II)	**6,29,763.20**	**5,71,761.17**

6(XXIII) OTHER INCOME

(₹ in Lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a)	Interest income		
	i) Interest income		
	- on bank deposits	1,471.34	1,047.60
	- on Income-tax refund	641.72	859.92
	ii) Interest on financial assets carried at amortised cost	269.87	247.25
(b)	**Other non-operating income**		
	i) Profit on disposal of property, plant and equipment	160.42	352.17
	ii) Profit on disposal of asset held for sale	1,530.42	-
	iii) Gain on foreign currency fluctuation (net)	1,545.95	158.98
	iv) Gain on sale of investment	73.99	-
	v) Net gain arising on financial assets designated at FVTPL	181.96	-
	vi) Miscellaneous income	296.07	67.73
	Total other income (a+b)	**6,171.74**	**2,733.65**

6(XXIV) CHANGES IN INVENTORIES OF MEDICAL CONSUMABLE AND DRUGS

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Inventory at the beginning of the year	12,290.03	7,676.32
(b)	Inventory at the end of the year (including asset classified as held for sale)	12,284.47	12,290.03
	Changes in inventories [(a)-(b)]	**5.56**	**(4,613.71)**

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XXV) EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Salaries, wages and bonus	94,207.96	88,445.04
(b)	Gratuity expense (refer note 17)	1,396.23	1,283.56
(c)	Compensated absences	772.81	370.23
(d)	Contribution to provident and other funds	5,437.55	5,022.15
(e)	Staff welfare expenses	2,872.96	2,172.99
		1,04,687.51	**97,293.97**

6(XXVI) FINANCE COSTS

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Interest expense		
-	on term loans	6,169.29	8,243.39
-	on cash credit	507.74	369.85
-	on others	308.08	369.24
-	on defined benefit plan and other long term employee benefits	787.67	790.16
-	interest on lease liabilities (refer note 10)	3,066.07	2,954.77
(b)	Other borrowing cost	2,070.37	1,957.11
		12,909.22	**14,684.52**

6(XXVII) DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Depreciation of property, plant and equipment (refer note 6(i)(a))	22,438.69	22,147.04
(b)	Amortisation of intangible assets (refer note 6(iii)(a))	3,847.79	2,936.78
(c)	Amortisation of Right-of-use assets (refer note 10)	5,287.12	5,000.40
		31,573.60	**30,084.22**

6(XXVIII) OTHER EXPENSES

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Contractual manpower	10,570.89	10,587.61
(b)	Power and fuel	11,906.44	11,106.61
(c)	Housekeeping expenses including consumables	8,773.84	7,411.38
(d)	Patient food and beverages	4,638.03	4,200.58
(e)	Pathology laboratory expenses	1,360.01	1,442.80

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XXVIII) OTHER EXPENSES (Contd..)

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
(f)	Radiology expenses	4,551.22	3,627.31
(g)	Cost of medical services	1,374.34	1,004.26
(h)	Professional and consultation fees to doctors	1,31,146.00	1,10,129.97
(i)	Repairs and maintenance		
	- Building	940.19	744.84
	- Plant and machinery (including medical equipments)	14,119.00	13,140.07
	- Others	1,787.01	1,541.94
(j)	Rent		
	- Hospital buildings, offices and labs	4,736.57	3,807.19
	- Equipments	1,385.38	1,270.51
	- Others	1,523.44	1,376.53
(k)	Donations	0.08	0.20
(l)	Independent Director remuneration	354.00	354.00
(m)	Legal and professional fee	8,848.58	7,491.72
(n)	Travel and conveyance	3,452.48	2,461.39
(o)	Rates and taxes	2,721.02	1,319.62
(p)	Printing and stationary	7,146.87	6,569.92
(q)	Recruitment and trainings	296.88	105.05
(r)	Communication expenses	1,304.35	1,261.68
(s)	Directors' sitting fees	349.53	379.50
(t)	Insurance	2,290.92	4,567.64
(u)	Marketing and business promotion	23,199.38	16,191.64
(v)	Fees to collection centers	11,403.90	12,329.81
(w)	Loss on derivative assets (forward contracts)	-	6.93
(x)	Bad debts written off	-	374.41
(y)	Allowance for doubtful trade receivables (refer note 6(v))	4,633.20	3,446.55
(z)	Allowance for doubtful advances	1,342.87	1,171.08
(aa)	Advance income tax (TDS) written off	622.63	-
(ab)	Provision for litigations [refer note 6(xix)]	43.45	5.25
(ac)	Expenditure on corporate social responsibility (refer note 23)	1,448.97	1,303.74
(ad)	Amortisation of premium on option contracts	56.41	-
(ae)	Miscellaneous expenses	1,142.79	1,116.43
		2,69,470.67	**2,31,848.16**

Notes Forming part of the Consolidated Financial Statements (Contd.)

6(XXIX) EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income:		
(a) Reversal of impairment of investment in Lanka Hospitals Corporate Plc, Sri Lanka (refer note 22 (a))	7,360.99	-
(b) Gain on remeasurement of previously held equity interest (refer note 22 (b) and 38)	-	30,614.26
(c) Reversal of allowance for loan given to Fortis C-Doc Healthcare Limited and interest thereon [refer note 22 (c)]	-	80.00
(d) Profit on sale of land & building (net of goodwill written off ₹ 1,231.10 Lakhs) (refer note 22 (d))	**-**	**809.05**
	7,360.99	**31,503.31**

6(XXX) EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Profit after tax as per statement of profit and loss (Rupees in Lakhs)	58,873.08	55,511.85
(b) Weighted average number of equity shares outstanding	75,49,58,148	75,49,58,148
(c) Basic earnings per share in rupees (face value – ₹ 10 per share)	7.80	7.35
(d) Diluted earnings per share in rupees (face value – ₹ 10 per share)	7.80	7.35

Notes Forming part of the Consolidated Financial Statements (Contd.)

7. COMPOSITION OF THE GROUP

The list of Subsidiaries, Associates and Joint Ventures considered in the preparation of the consolidated financial statements are as follows:

Name of the Group Company	Place of incorporation and principal place of business	Principal activity	Proportion of effective interest/ voting power ownership held by Group	
			March 31, 2023	March 31, 2022
a) Subsidiaries				
Hiranandani Healthcare Private Limited (HHPL)	India	Operates a multi-specialty hospital	100.00%	100.00%
Fortis Hospotel Limited (FHTL)	India	Operates clinical establishment	100.00%	100.00%
Fortis Health Management Limited	India	Operates clinical establishment & hospital	100.00%	100.00%
Hospitalia Eastern Private Limited	India	Operates clinical establishment	100.00%	100.00%
International Hospital Limited	India	Operates clinical establishment & hospital	100.00%	100.00%
Escorts Heart & Super Speciality Hospital Limited	India	Operates clinical establishment	100.00%	100.00%
Fortis Lafemme Limited (FLFL)	India	Investment company	100.00%	100.00%
Fortis Health Management (East) Limited (FHM(E)L)*	India	Non-operational	100.00%	100.00%
Fortis Cancer Care Limited (FCCL)*	India	Non-Operational	100.00%	100.00%
Fortis Healthcare International Limited (FHIL)	Mauritius	Investment company	100.00%	100.00%
Escorts Heart Institute and Research Centre Limited (EHIRCL)	India	Operates a multi-specialty hospital	100.00%	100.00%
Fortis Malar Hospitals Limited (FMHL)	India	Operates a multi-specialty hospital	62.71%	62.71%
Fortis Hospitals Limited (FHsL)	India	Operates a network of multi-specialty hospitals	100.00%	100.00%
Fortis Global Healthcare (Mauritius) Limited (FGHL)	Mauritius	Investment company	100.00%	100.00%
Malar Stars Medicare Limited (MSML)	India	Investment company	62.71%	62.71%
Fortis Asia Healthcare Pte. Limited (FAHPL)	Singapore	Investment company	100.00%	100.00%
Birdie & Birdie Realtors Private Limited*	India	Non-operational	100.00%	100.00%
Fortis Emergency Services Limited (FESL)*	India	Operates ambulance services	100.00%	100.00%
Stellant Capital Advisory Services Private Limited	India	Merchant banker	100.00%	100.00%

Notes Forming part of the Consolidated Financial Statements (Contd.)

7. Composition of the Group (Contd.)

Name of the Group Company	Place of incorporation and principal place of business	Principal activity	Proportion of effective interest/ voting power ownership held by Group	
			March 31, 2023	March 31, 2022
RHT Health Trust Manager Pte Limited	Singapore	Managing RHT Health Trust	100.00%	100.00%
Fortis Healthstaff Limited	India	Operates a network of heart command centres	100.00%	100.00%
SRL Limited(i)	India	Operates a network of diagnostics centres	57.11%	57.11%
SRL Diagnostics Private Limited(ii)	India	Operates a network of diagnostics centres	57.11%	57.11%
SRL Reach Limited(iii)	India	Operates a network of diagnostics centres	57.11%	57.11%
SRL Diagnostics FZ-LLC(iv) (formerly known as Super Religare Laboratories International FZ LLC)	United Arab Emirates	Operates a network of diagnostics centres	57.11%	57.11%
DDRC SRL Diagnostics Limited(v) (DDRC) (Previously known as DDRC SRL Diagnostics Private Limited) (w.e.f. Apr 5, 2021) (refer note 2)	India	Operates a network of diagnostics centres	57.11%	57.11%
Fortis Healthcare International Pte Limited (FHIPL)	Singapore	Investment company	100.00%	100.00%
Mena Healthcare Investment Company Limited	British Virgin Islands	Investment company	82.54%	82.54%
Medical Management Company Limited	British Virgin Islands	Operates a clinic	82.54%	82.54%
Fortis CSR Foundation (refer note 1 below)	India	Carrying out corporate social responsibilities	100%	100%
b) Associates				
Sunrise Medicare Private Limited (strike off w.e.f August 17, 2021)	India	Provides healthcare consultancy services	-	-
Lanka Hospitals Corporation Plc	Sri Lanka	Operates a multi-specialty hospital	28.60%	28.60%
*Refer note 15				
Fortis Global Healthcare Infrastructure Pte. Limited (FGHIPL)	Singapore	Investment holding company	27.82%	27.82%
RHT Health Trust (formerly known as Religare Health Trust) (RHT)	Singapore	Investment holding company	27.82%	27.82%

Company Note (not part of the signed financial statements):

(i) The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.

(ii) The new name of the said company has been reserved by Registrar of Companies ('RoC') as Agilus Pathlabs Private Limited vide letter dated June 08, 2023. The said company is in the process of making application to the RoC for seeking approval of the new name.

(iii) The name of the said company has been changed to Agilus Pathlabs Reach Limited with effect from July 5, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated July 5, 2023.

(iv) The name of the said company has been changed to Agilus Diagnostic FZ-LLC with effect from July 3, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies of the Dubai Healthcare City Authority vide the certificate of Company name change dated July 3, 2023.

(v) The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.

Notes Forming part of the Consolidated Financial Statements (Contd.)

7. Composition of the Group (Contd.)

Name of the Group Company	Place of incorporation and principal place of business	Principal activity	Proportion of effective interest/ voting power ownership held by Group	
			March 31, 2023	March 31, 2022
c) Joint Ventures				
Fortis Cauvery (Partnership firm)	India	Operates a hospital	51.00%	51.00%
Fortis C-Doc Healthcare Limited (C-Doc)	India	Operates a hospital	60.00%	60.00%
DDRC SRL Diagnostics Limited* (DDRC) (upto Apr 4, 2021) (refer note 2)	India	Operates a network of diagnostics centres	-	-
SRL Diagnostics Nepal Private Limited**	Nepal	Operates a network of diagnostics centres	28.56%	28.56%

Notes:

1. During the year ended March 31, 2015, the Group incorporated 'Fortis CSR Foundation', a non-profit Company under Section 8 of the Companies Act, 2013 for carrying out Corporate Social Responsibilities ('CSR') of the Group. Since the objective of control over the entity by the Group is not to obtain economic benefits from its activities, it is not considered for preparation of consolidated financial statement of the Group.

2. SRL Limited[(i)], already holding 50% equity stake in DDRC (Joint Venture) has acquired the remaining 50% equity stake in April 2021. Thereby DDRC has become wholly owned subsidiary of the Group w.e.f. April 05, 2021.

Company Note (not part of the signed financial statements):

**The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.*

*** SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.*

[(i)] The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.

8. SEGMENT REPORTING

The Group has presented healthcare and diagnostic as two separate reportable segments in accordance with "Ind AS 108 Operating segments".

(₹ in Lakhs)

Sr. No	Particulars	Year Ended	
		March 31, 2023	March 31, 2022
1	**Segment value of sales and services (revenue)**		
	- Healthcare	510,740.99	426,364.28
	- Diagnostics	134,746.24	160,491.12
	Subtotal	**645,487.23**	**586,855.40**
	Less: Inter segment sales	(15,724.03)	(15,094.23)
	Revenue from operations	**629,763.20**	**571,761.17**
2	**Segment results**		
	- Healthcare	63,536.79	43,647.86
	- Diagnostics	15,000.62	33,163.66
	Total segment profit before interest and tax	**78,538.41**	**76,811.52**

Notes Forming part of the Consolidated Financial Statements (Contd.)

8. Segment Reporting (Contd.)

(₹ in Lakhs)

Sr. No	Particulars	Year Ended	
		March 31, 2023	March 31, 2022
	(i) Finance cost	(12,909.22)	(14,684.52)
	(ii) Exceptional items and un-allocable expenditure (net of un-allocable income)	13,555.90	34,236.96
	(iii) Share of profit of associates and joint ventures	2,183.87	2,414.73
	Profit before tax	**81,367.96**	**98,778.69**
3	**Segment assets**		
	- Healthcare	886,258.51	866,082.59
	- Diagnostics	197,835.51	181,751.12
	- Un-allocable assets	161,696.57	143,386.20
	Total assets	**1,245,790.59**	**1,191,219.91**
	Less: Inter segment assets	(2,430.15)	(2,745.04)
	Total segment assets	**1,243,360.44**	**1,188,474.87**
4	**Segment liabilities**		
	- Healthcare	283,605.53	320,992.57
	- Diagnostics	40,179.16	34,225.45
	- Un-allocable liabilities	111,967.09	135,176.40
	Total liabilities	435,751.78	490,394.42
	Less: Inter segment liabilities	(2,430.15)	(2,745.04)
	Total segment liabilities	**433,321.63**	**487,649.38**

Sales by market- Revenue from external customers by location of customers

The following table shows the distribution of the Group's consolidated revenues by geographical market.

(₹ in Lakhs)

Region	Year ended	
	March 31, 2023	March 31, 2022
India	626,671.02	566,791.88
Outside India	3,092.18	4,969.29
Total	**629,763.20**	**571,761.17**

Carrying value of Assets- by location of assets

The following table shows the carrying amount of segment assets by geographical area in which the assets are located:

(₹ in Lakhs)

Region	Carrying amount of assets	
	March 31, 2023	March 31, 2022
India	1,229,827.06	1,174,632.06
Outside India	13,533.38	13,842.81
Total	**1,243,360.44**	**1,188,474.87**

Major customer

The Group does not derive revenue from any customer which would amount to 10 % or more of the Group's revenue.

Notes Forming part of the Consolidated Financial Statements (Contd.)

9. RELATED PARTY DISCLOSURES

Names of related parties and names of related party relationship:

Nature of relationship	Name of the related party
Ultimate Holding Company	IHH Healthcare Berhad
Intermediate Holding Company	Integrated Healthcare Holdings Limited
	Parkway Pantai Limited
Holding Company	Northern TK Venture Pte Limited
Subsidiary	Fortis CSR Foundation [refer note 7(1) above]
Associates (parties with whom transactions have taken place)	RHT Health Trust (RHT)
	Lanka Hospitals Corporation PLC
	Lanka Hospitals Diagnostics (Private) Limited
Joint Ventures (parties with whom transactions have taken place)	DDRC SRL Diagnostics Limited* (Previously known as DDRC SRL Diagnostics Private Limited)
	SRL Diagnostics (Nepal) Private Limited**
	Fortis C-Doc Healthcare Limited (C-Doc)
	Fortis Cauvery, Partnership Firm (Joint Venture of FCCL)
Key Management Personnel ('KMP')/ Directors and their Relatives (with whom transactions have been taken place)	Dr. Ashutosh Raghuvanshi - Managing Director and Chief Executive Officer
	Mr. Vivek Kumar Goyal - Chief Financial Officer
	Mr. Ravi Rajagopal – Independent Director
	Mr. Shirish Moreshwar Apte – Non-executive Non-independent Director (upto July 15, 2021)
	Ms. Suvalaxmi Chakrobarty – Independent Director
	Mr. Indrajit Banerjee – Independent Director
	Mr. Sumit Goel- Company Secretary (up to April 04, 2022)
	Mr. Murlee Manohar Jain-Company Secretary (w.e.f. April 05, 2022)
	Mr. Mehmat Ali Aydinlar-Additional Director (w.e.f. March 28, 2023)
	Mr. Tomo Nagahiro-Additional Director (w.e.f. March 28, 2023)
	Dr. Kelvin Loh Chi-Keon - Non-Executive Non-Independent Director (Up to February 22, 2023)
	Mr. Dilip Kadambi- Non Executive Non Independent Director
	Mr. Sim Heng Joo Joe - Non-Executive Non-Independent Director
	Dr. Farid Bin Mohamed Sani - Non-Executive Non-Independent Director (up to March 28, 2023)
	Ms. Shailaja Chandra Non-Executive Independent Director
	Mr. Takeshi Saito- Non Executive Non Independent Director (up to March 28, 2023)
	Mr. Joerg Ayrle - Director
	Jacob Ballas Capital India Private Limited
	Mauritius International Trust Company Limited

Company Note (not part of the signed financial statements):

**The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.*

*** SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

9. Related party disclosures (Contd.)

Nature of relationship	Name of the related party
Enterprises owned or significantly controlled / influenced by subsidiary of holding/ultimate holding company/ enterprise having significant influence over ultimate holding company (with whom transactions have been taken place)	Continental Hospitals Private Limited
	Ravindranath GE Medical Associates Private Limited
	Centre for Digestive and Kidney Diseases (India) Private Limited
	Apollo Gleneagles Hospital Limited
	Apollo Hospitals Enterprises Limited
	Bharat Insecticides Limited
	Mitsui and Co India Private Limited
Entities having significant influence (Enterprises having significant influence over ultimate holding company through its subsidiary)	Mitsui & Co Limited Khazanah Nasional Berhad

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Transactions during the year		
Operating income (including Income from medical services, Management fees from hospitals and Pharmacy income)		
Continental Hospitals Private Limited	-	1.40
SRL Diagnostic (Nepal) Private limited*	234.34	214.22
Fortis C-Doc Healthcare Limited	125.37	85.20
RHT Health Trust	52.87	49.67
Apollo Gleneagles Hospital Limited	2.14	78.89
Apollo Hospitals Enterprises Limited	21.26	29.43
Ravindranath GE Medical Associates Private Limited	-	1.77
Mitsui and Co India Private Limited	0.34	0.75
Lanka Hospitals Diagnostics (Private) Limited	46.87	42.14
Centre for Digestive and Kidney Diseases (India) Private Limited	-	100.52
Bharat Insecticides Limited	-	0.18
Dividend Income		
DDRC SRL Diagnostics Services Limited**	-	1,104.55
Lanka Hospitals Corporation Plc	280.32	645.89
Consultation fees to doctors		
Ravindranath GE Medical Associates Private Limited	30.65	-
Fortis C-Doc Healthcare Limited	43.09	51.61
Collection on behalf of company by		
Fortis C-Doc Healthcare Limited	0.33	-
Legal and Professional Fees		

Company Note (not part of the signed financial statements):

** SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.*

*** The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.*

9. Related party disclosures (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Mauritius International Trust Company Limited	15.67	11.84
Rates and taxes		
Mauritius International Trust Company Limited	-	1.30
Transfer of employee benefit liability from		
Fortis CSR Foundation	-	7.56
Fortis C-Doc Healthcare Limited	2.12	-
Transfer of employee benefit liability to		
Fortis C-Doc Healthcare Limited	4.98	5.06
Managerial remuneration		
Dr. Ashutosh Raghuvanshi		
Short-term employee benefits	823.18	728.35
Post employment benefits:		
Gratuity expense	36.75	-
Compensated absences	8.74	-
Mr. Vivek Kumar Goyal		
Short-term employee benefits	315.31	306.49
Post employment and other long-term benefits	7.82	
Mr. Sumit Goel		
Short-term employee benefits	13.63	89.39
Post employment and other long-term benefits	9.61	
Mr. Murlee Manohar Jain		
Short-term employee benefits	77.35	-
Post employment and other long-term benefits	2.17	
Loans/ advances received back		
Fortis C-Doc Healthcare Limited	-	67.72
Allowance for Interest accrued on loans recoverable (reversed)		
Fortis C-Doc Healthcare Limited	-	12.28
Allowance for doubtful loans (Reversed)		
Fortis C-Doc Healthcare Limited	-	67.72
Reversal of impairment on investments		
Lanka Hospitals Corporation Plc	7,360.99	-
Interest income		
Fortis C-Doc Healthcare Limited	0.06	0.09

Notes Forming part of the Consolidated Financial Statements (Contd.)

9. Related party disclosures (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Conversion of loan given into 0.01% Optionally Convertible Redeemable Preference Shares		
Fortis C-Doc Healthcare Limited	-	1,300.00
Expenses incurred by the Company on behalf of		
SRL Diagnostic (Nepal) Private limited*	16.37	1.17
Fortis C-Doc Healthcare Limited	2.01	5.58
Expense incurred on behalf of the Company by		
SRL Diagnostic (Nepal) Private limited*	18.96	15.03
Fortis C-Doc Healthcare Limited	4.30	-
Independent Directors Remuneration		
Mr. Ravi Rajagopal	106.20	106.20
Mr. Indrajit Banerjee	82.60	82.60
Ms. Suvalaxmi Chakrabarty	82.60	82.60
Ms. Shailaja Chandra	82.60	82.60
Director Sitting Fees		
Mr. Indrajit Banerjee	26.43	27.73
Mr. Ravi Rajagopal	30.30	27.61
Mr. Shirish Moreshwar Apte	-	3.54
Ms. Suvalaxmi Chakrobarty	33.01	23.60
Northern TK Venture Pte. Limited (Dr. Kelvin Loh Chi-Keon)	5.90	9.44
Northern TK Venture Pte. Limited (Sim Heng Joo Joe)	7.08	10.62
Ms. Shailaja Chandra	30.87	32.45
Mitsui & Co. Limited. (Mr.Takeshi Saito)	3.54	7.08
Northern TK Venture Pte. Limited (Mr. Dilip Kadambi)	10.62	16.52
Northern TK Venture Pte. Limited (Mr. Joerg Ayrle)	14.16	12.98
Khazanah Nasional Berhad (Dr. Farid Bin Mohamed Sani)	-	5.90
Mr. Mehmet Ali Aydinlar	1.18	-
Mitsui and Co. Limited. (Mr.Tomo Nagahiro)	1.18	-
Reimbursement of expenses		
Ravi Rajagopal	13.60	14.07
Transfer of Medical Consumables and drugs from		
Fortis C-Doc Healthcare Limited	6.26	1.08
Transfer of Medical Consumables and drugs to		
Fortis C-Doc Healthcare Limited	0.24	59.49

Company Note (not part of the signed financial statements): **SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

9. Related party disclosures (Contd.)

Balance Outstanding at the year end

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans/Advances recoverable		
Lanka Hospitals Diagnostics (Private) Limited	3.97	3.97
Interest accrued		
Fortis C-Doc Healthcare Limited	168.33	168.33
Provision for doubtful interest		
Fortis C-Doc Healthcare Limited	168.33	168.33
Gross Investments (net of sale proceeds)		
Fortis CSR Foundation	5.00	5.00
Lanka Hospitals Corporation Plc	19,762.82	19,762.82
RHT Health Trust	60,853.75	60,853.75
SRL Diagnostic (Nepal) Private limited*	150.00	150.00
Fortis C-Doc Healthcare Limited	1,300.00	1,300.00
Provision for Investment		
Lanka Hospitals Corporation Plc	3,130.66	10,491.65
Fortis C-Doc Healthcare Limited	1,300.00	1,300.00
Investments (at net book value)		
Lanka Hospitals Corporation Plc	18,082.01	7,593.10
RHT Health Trust	2,628.28	2,447.85
SRL Diagnostic (Nepal) Private limited*	319.99	319.04
Other balance recoverable		
Fortis C-Doc Healthcare Limited	34.66	30.82
Fortis Cauvery	13.25	13.25
Trade receivables		
SRL Diagnostics (Nepal) Private Limited*	266.78	136.58
Fortis C-Doc Healthcare Limited	505.63	409.43
Apollo Gleneagles Hospital Limited	0.69	28.11
Ravindranath GE Medical Associates Private Limited	0.11	0.83
Apollo Hospitals Enterprises Limited	10.32	9.79
Lanka Hospitals Diagnostics (Private) Limited	-	20.72
Bharat Insecticides Limited	0.31	0.31
Centre for Digestive and Kidney Diseases (India) Private Limited	0.44	0.44
Mitsui & Co India Private Limited	0.23	0.75

Company Note (not part of the signed financial statements): **SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

9. Related party disclosures (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for doubtful receivable		
Fortis Cauvery	13.25	13.25
Trade Payables		
SRL Diagnostics (Nepal) Private Limited*	7.97	5.51
Fortis C-Doc Healthcare Limited	11.89	51.61
Mauritius International Trust Company Limited	11.76	3.00
Ravindranath GE Medical Associates Private Limited	30.65	-
Advance from customers		
Jacob Ballas Capital India Private Limited	0.23	0.23

Company Note (not part of the signed financial statements): **SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.*

Notes:

1. Also refer note 12(a) and 12 (c).

10. LEASES

(a) As a lessee:

The Group leases many assets including land, buildings and plant and equipment. Information about leases for which the Group is a lessee is presented below:

(₹ in Lakhs)

Right-of-use assets	Leasehold land (refer note (i) and (ii) below)	Buildings	Plant & equipments	Total
Gross carrying value				
As at April 01, 2021	**88,623.22**	**26,983.32**	**1,637.22**	**117,243.76**
Additions	-	5,221.21	421.64	5,642.85
Derecognition	-	(640.79)	(112.41)	(753.20)
Acquisitions through business combinations (refer note 38)	-	597.26	-	597.26
Exchange translation adjustments	-	24.85	-	24.85
As at March 31, 2022	**88,623.22**	**32,185.85**	**1,946.45**	**1,22,755.52**
Addition	-	5,501.09	1,555.82	7,056.91
Derecognition	-	(2,528.86)	-	(2,528.86)
Classified as held for sale (refer note 36)	-	(7,938.05)	-	(7,938.05)
Exchange translation adjustments	-	53.36	-	53.36
As at March 31, 2023	**88,623.22**	**27,273.39**	**3,502.27**	**1,19,398.88**
Accumulated depreciation				
As at April 01, 2021	**1,026.66**	**5,360.73**	**276.64**	**6,664.03**
Charge for the year	465.26	4,284.93	250.21	5,000.40

Notes Forming part of the Consolidated Financial Statements (Contd.)

10. Leases (Contd.)

(₹ in Lakhs)

Right-of-use assets	Leasehold land (refer note (i) and (ii) below)	Buildings	Plant & equipments	Total
Derecognition	-	(604.31)	(112.41)	(716.72)
Exchange translation adjustments	-	13.50	-	13.50
As at March 31, 2022	**1,491.92**	**9,054.85**	**414.44**	**10,961.21**
Charge for the year	450.56	4,489.28	347.28	5,287.12
Derecognition	-	(1,704.78)	-	(1,704.78)
Classified as held for sale (refer note 36)	-	(949.37)	-	(949.37)
Exchange translation adjustments	-	32.17	-	32.17
As at March 31, 2023	**1,942.48**	**10,922.15**	**761.72**	**13,626.35**
Net carrying value				
As at March 31, 2022	**87,131.30**	**23,131.00**	**1,532.01**	**111,794.31**
As at March 31, 2023	**86,680.74**	**16,351.24**	**2,740.55**	**1,05,772.53**

Notes:

(i) Leasehold Land includes ₹ 377.11 Lakhs (Previous year ₹ 377.11 Lakhs) in respect of a subsidiary. Delhi Development Authority had terminated all the allotment letters lease/ deeds in respect of this land during the financial year 2005-06. The subsidiary has filed an appeal in the Delhi High Court and repossession of land has been stayed by an interim stay order of Delhi High Court. Leasehold land is not amortised since it has been taken on a perpetual lease. [also refer note 14 (II) (i)]

(ii) Leasehold Land includes ₹ 21.11 Lakhs (Previous year ₹ 21.11 Lakhs) in respect of a subsidiary, for which, the deed is not in possession of the Group. The subsidiary has written to the Delhi Development Authority to provide a copy of the deed and reply is awaited.

(iii) Under the lease agreement, Fortis Hospotel Limited (subsidiary company) is required to pay annual lease rental of ₹ 32.55 Lakhs till December 31, 2032. Rent shall be revised thereafter at the end of each successive period of 30 years and such increase shall not at each such time exceed one- half of the increase in the letting value of land as assessed by collector or additional collector of Delhi. Lease liability of ₹ 971.00 Lakhs recorded in the books represents the perpetuity value of annual lease payments.

(₹ in Lakhs)

Lease Liabilities included in Balance Sheet (discounted)	As at March 31, 2023	As at March 31, 2022
Current	3,993.93	3,562.14
Non-current	18,263.17	25,363.63

(₹ in Lakhs)

Maturity analysis - contractual undiscounted cash flows	As at March 31, 2023	As at March 31, 2022
Less than one year	6,690.16	6,004.26
One to five years	17,250.43	18,420.32
More than five years	32,210.96	33,091.36
Total undiscounted lease liabilities	**56,151.55**	**57,515.94**

Notes Forming part of the Consolidated Financial Statements (Contd.)

10. Leases (Contd.)

(₹ in Lakhs)

Amounts recognised in Statement of Profit and Loss	As at March 31, 2023	As at March 31, 2022
Interest on lease liabilities	3,066.07	2,954.77
Expenses relating to short-term leases	7,645.39	6,454.23

(₹ in Lakhs)

Amounts recognised in Statement of Cash Flow	As at March 31, 2023	As at March 31, 2022
Cash outflow for lease payments	4,374.99	3,065.79
Interest on lease liabilities (included in Interest paid)	3,066.07	2,954.77
Total cash outflow for leases	**7,441.06**	**6,020.56**

(b) As a lessor

The Group has sub-leased some portion of hospital premises and certain medical equipment. The Group has classified these leases as operating lease, because they do not transfer substantially all the risks and rewards incidental to the ownership of the assets. The total lease income received/ receivable in respect of hospital premises recognised in the consolidated statement of profit and loss for the year are ₹ 1,587.31 Lakhs (Previous year ₹ 2,166.24 Lakhs). The equipment lease rental received in respect of medical equipment recognised in the consolidated statement of profit and loss for the year are ₹ 615.25 Lakhs (Previous year ₹ 660.41 Lakhs). All leases are cancellable at the option of either parties.

The details of assets given on lease is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Gross carrying value	Accumulated Depreciation	Net carrying value	Gross carrying value	Accumulated Depreciation	Net carrying value
Building & Furniture and fittings	172.45	137.99	34.46	126.48	126.48	-
Plant and machinery	91.59	91.59	-	96.66	96.66	-
Medical equipment	3,992.83	3,067.77	925.06	4,312.39	3,170.81	1,141.58
Computers	7.31	7.31	-	7.31	7.31	-
Office equipment	2.05	2.05	-	9.35	9.35	-
Vehicles	3.70	3.70	-	15.70	15.70	-
Total	**4,269.93**	**3,310.41**	**959.52**	**4,567.89**	**3,426.31**	**1,141.58**

11. BORROWINGS

I. Long-term borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2023		As at March 31, 2022	
Security and guarantee details	Repayment terms	Interest rate per annum	Non-current	Current	Non-current	Current
A. Term loan from banks – Secured						
Fortis Hospitals Limited (FHsL) Term loan facility from HSBC of ₹ 10,050 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHsL and exclusive charge on cumulative immoveable fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, IHL, FHTL, EHSSHL & HEPL which have been withdrawn during the current year.	Repayable in structured quarterly instalments at 11 years with call and put option due on September 05, 2026.	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	7,822.11	-	8,598.81	-
Fortis Hospitals Limited (FHsL) Term loan facility from DBS Bank of ₹ 1,620.34 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHsL and first and exclusive charge on certain immoveable fixed assets of EHSSHL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, IHL, FHTL, & EHSSHL which have been withdrawn during the current year.	Repayable in 5 years in structured monthly instalments	DBS 3 / 12 months MCLR + 1% margin or any other rate as may be mutually agreed upon	315.88	380.98	695.16	-
Fortis Hospitals Limited (FHsL) Term loan for capex from HSBC of ₹ 11,000 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHsL and exclusive charge on cumulative immoveable fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, IHL, FHTL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable in 7 years in 24 equal quarterly instalments with 1 year moratorium.	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	5,053.48	-	5,090.15	81.66

Notes Forming part of the Consolidated Financial Statements (Contd.)

11. Borrowings (Contd.)

I. Long-term borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2023		As at March 31, 2022	
Security and guarantee details	**Repayment terms**	**Interest rate per annum**	**Non-current**	**Current**	**Non-current**	**Current**
Fortis Hospitals Limited (FHsL) Term loan for capex from HSBC of ₹ 6,500 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHsL and exclusive charge on certain immoveable fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, IHL, FHTL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable in 7 years in 20 equal quarterly instalments with 2 year moratorium.	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	1,200.00	-	-	-
Fortis Hospitals Limited (FHsL) Term loan facility for capex from DBS Bank of ₹ 7,500 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHsL and first and exclusive charge on certain immoveable fixed assets of EHSSHL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, IHL, FHTL, & EHSSHL which have been withdrawn during the current year.	Repayable in 5 years in 16 equal quarterly instalments	DBS 3 / 12 months MCLR + 1% margin or any other rate as may be .mutually agreed upon	1,641.26	987.01	4,661.33	215.11
Fortis Hospitals Limited (FHsL) During the current year, FHsL has availed an ECLGS Term Loan facility from Axis Bank Limited amounting to ₹ 12,900 Lakhs. The aforesaid term loan facility is secured by second pari-passu charge over all the existing and future current assets of the Company and second pari-passu charge over movable fixed assets of the Company both present and future, excluding vehicles and medical equipment exclusively financed by other lenders.	The term loan facility is repayable in 48 equal monthly repayments with 2 years of principal moratorium	Repo rate + 2.40% payable at monthly intervals	8,300.62	-	-	-

11. Borrowings (Contd.)

I. Long-term borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2023		As at March 31, 2022	
Security and guarantee details	Repayment terms	Interest rate per annum	Non-current	Current	Non-current	Current
Escorts Heart Institute and Research Centre Limited (EHIRCL) Term loan facility from HSBC of ₹ 1,000 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and exclusive charge on cumulative immoveable fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by FHsL, IHL, FHTL, & EHSSHL which have been withdrawn during the current year.	Repayable in 7 years in 20 equal quarterly instalments with 2 year moratorium.	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	617.00	-	240.00	-
Escorts Heart Institute and Research Centre Limited Term loan for capex from HSBC of ₹ 500 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and exclusive charge on cumulative immoveable fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by FHsL, IHL, FHTL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable in 7 years in 24 equal quarterly instalments with 1 year moratorium.	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	208.34	83.33	291.67	83.33
Escorts Heart Institute and Research Centre Limited Term loan facility from DBS Bank of ₹ 573.44 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and first and exclusive charge on certain immoveable fixed assets of EHSSHL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL, FHsL, IHL, FHTL & EHSSHL. The term loan facility has been repaid during the year.	Repayable in 5 years in structured instalments	DBS 3 / 12 months MCLR + 1% margin or any other rate as may be mutually agreed upon	-	-	283.10	129.05
Escorts Heart Institute and Research Centre Limited Term loan facility for capex from DBS Bank of ₹ 500 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and first and exclusive charge on certain immoveable fixed assets of EHSSHL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by FHsL IHL, FHTL, & EHSSHL which have been withdrawn during the current year.	Repayable in 16 structured quarterly instalments	DBS 3 / 12 months MCLR + 1% margin or any other rate as may be mutually agreed upon	103.77	69.18	312.50	125.00

Notes Forming part of the Consolidated Financial Statements (Contd.)

11. Borrowings (Contd.)

I. Long-term borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2023		As at March 31, 2022	
Security and guarantee details	**Repayment terms**	**Interest rate per annum**	**Non-current**	**Current**	**Non-current**	**Current**
International Hospital Limited Term loan facility from HSBC of ₹ 3,300 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of IHL and exclusive charge on cumulative immoveable fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, FHsL, FHTL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable in 7 years in 24 equal quarterly instalments with 1 year moratorium.	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	1,373.04	-	1,922.45	-
International Hospital Limited Term loan facility from HSBC of ₹ 6,100 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of IHL and exclusive charge on cumulative immoveable fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, FHsL, FHTL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable in 7 years in 20 equal quarterly instalments with 2 year moratorium.	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	2,230.00	-	-	-
International Hospital Limited Term loan facility from DBS Bank of ₹ 3,000 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of IHL and first and exclusive charge on certain immoveable fixed assets of EHSSHL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, FHsL, FHTL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable in 4 years in 16 equal quarterly instalments	DBS 3 / 12 months MCLR + 1% margin or any other rate as may be mutually agreed upon	447.88	253.43	1,705.58	353.43

11. Borrowings (Contd.)

I. Long-term borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2023		As at March 31, 2022	
Security and guarantee details	Repayment terms	Interest rate per annum	Non-current	Current	Non-current	Current
Fortis Hospotel Limited Term loan facility from HSBC of ₹ 3,200 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHTL and exclusive charge on cumulative immoveable fixed assets of IHL, EHSSHL, FHTL and HEPL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, FHsL, IHL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable in 7 years in 24 equal quarterly instalments with 1 year moratorium.	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	1,538.62	-	1,298.92	-
Fortis Hospotel Limited Term loan facility from DBS Bank of ₹ 2,500 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHTL and first and exclusive charge on certain immoveable fixed assets of EHSSHL with minimum assets cover of 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, FHsL, IHL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable in 5 years in 16 equal quarterly instalments	DBS 3 / 12 months MCLR + 1% margin or any other rate as may be mutually agreed upon	148.79	76.02	1,032.40	275.81
Fortis Healthcare Limited Term loan facility from HSBC of ₹ 59,480 Lakhs [((i) ₹ 30,000 Lakhs and (ii) ₹ 29,480 Lakhs)] secured against the first pari-passu charge on moveable fixed and current assets of FHL and exclusive charge on cumulative immoveable fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x. During the year ended March 31, 2022, ₹ 20,000 Lakhs out of the facility of ₹ 29,480 Lakhs had been refinanced through Axis Bank. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, FHsL, IHL, HEPL, FHTL & EHSSHL which have been withdrawn during the current year.	Facility (i): Repayable in 5years (in 3 equal instalments from the end of 3rd year) and Facility (ii) in structured quarterly instalments in 11 years with call and put option on due from September 05, 2026	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	12,278.77	-	25,269.38	-

Notes Forming part of the Consolidated Financial Statements (Contd.)

11. Borrowings (Contd.)

I. Long-term borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2023		As at March 31, 2022	
Security and guarantee details	**Repayment terms**	**Interest rate per annum**	**Non-current**	**Current**	**Non-current**	**Current**
Fortis Healthcare Limited The term loan facility of ₹ 20,000 Lakhs from Axis Bank Limited which shall be utilised for the part – refinance of existing term loan of HSBC Bank Limited to the extent of ₹ 20,000 Lakhs. The loan is secured by first pari-pasu charge on entire current assets and moveable fixed assets of the Company, excluding vehicles and medical equipment exclusively financed by other lenders and exclusive charge on certain fixed assets (immovable) with minimum security cover of 1.33x of IHL. The loan is further guaranteed by corporate guarantees issued by IHL.	Repayable in structured quarterly instalments	Repo Rate + 2.80%	7,956.24	-	19,931.44	-
Fortis Healthcare Limited Term loan facility from DBS Bank of ₹ 2,075.82 Lakhs secured against the first ranking pari-passu charge on moveable fixed and current assets of FHL and first and exclusive charge on certain immoveable fixed assets of EHSSHL with minimum assets cover of 1.33x. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, FHsL, IHL, FHTL & EHSSHL which have been withdrawn during the current year.	Repayable in 5 years in structured monthly instalments	DBS 3 / 12 months MCLR + 1% margin or any other rate as may be mutually agreed upon	178.85	-	760.59	-
Fortis Healthcare Limited Term loan facility for capex from HSBC of ₹ 7,000 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHL and exclusive charge on cumulative immoveable fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, FHsL, IHL, HEPL, FHTL & EHSSHL which have been withdrawn during the current year.	Repayable in 7 years in 24 equal quarterly instalments with 1 year moratorium.	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	2,972.89	-	3,954.17	-

11. Borrowings (Contd.)

I. Long-term borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2023		As at March 31, 2022	
Security and guarantee details	Repayment terms	Interest rate per annum	Non-current	Current	Non-current	Current
Fortis Healthcare Limited Term loan facility for capex from HSBC of ₹ 400 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHL and exclusive charge on cumulative immoveable fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x.	Repayable in 7 years in 20 equal quarterly instalments with 2 year moratorium.	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	400.00	-	-	-
Fortis Healthcare Limited Term loan facility for capex from DBS Bank of ₹ 4,000 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHL and first and exclusive charge on certain immoveable fixed assets of EHSSHL with minimum assets cover of 1.33x. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, FHsL, IHL, FHTL & EHSSHL which have been withdrawn during the current year.	Repayable in 5 years in 16 equal quarterly instalments with 1 year moratorium.	DBS 3 / 12 months MCLR + 1% margin or any other rate as may be mutually agreed upon	991.99	637.57	1,196.66	257.14
Hiranandani Healthcare Private Limited Term loan facility for capex from HSBC of ₹ 1,200 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of HHPL and first and exclusive charge on certain immoveable fixed assets of FHTL, HEPL, IHL and EHSSHL with minimum assets cover of 1.33x. The loan is guaranteed by corporate guarantee issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, FHsL, IHL, HEPL, FHTL & EHSSHL which have been withdrawn during the current year. The loan has been repaid during the year.	Repayable in 5 years in 16 equal quarterly instalments with 1 year moratorium.	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	-	-	159.38	10.63
Hospitalia Eastern Private Limited (HEPL) Term loan facility from HSBC Bank Limited of ₹ 3,300 Lakhs secured against charge over fixed assets of the HEPL and immovable fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum asset cover of 1.33x. The loan is further guarantee by corporate guarantee issued by FHL.	Tenor of 7 years with moratorium of 2 years and No put option	HSBC 3 / 12 months MCLR or any other rate as may be mutually agreed upon	720.00	-	-	-
Total (A)			**56,499.53**	**2,487.52**	**77,403.69**	**1,531.16**

Notes Forming part of the Consolidated Financial Statements (Contd.)

11. Borrowings (Contd.)

I. Long-term borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2023		As at March 31, 2022	
Security and guarantee details	**Repayment terms**	**Interest rate per annum**	**Non-current**	**Current**	**Non-current**	**Current**
B. Vehicle Loan – Secured against hypothecation of the specific vehicles purchased						
Fortis Hospitals Limited (FHsL)	Repayable in equated monthly instalments over 4 years.	7.00% to 9.20% p.a.	176.53	69.73	64.58	26.68
Fortis Healthcare Limited			-	8.73	8.75	13.87
Fortis Healthcare Limited			128.04	57.88	71.32	28.76
Fortis Hospotel Limited			76.05	21.67	-	-
SRL Limited*			176.43	93.35	149.04	28.30
Total (B)			**557.05**	**251.36**	**293.69**	**97.61**
C. Deferred payment liabilities - Secured:						
Fortis Hospitals Limited (FHsL) Deferred payment facility taken is secured by first charge by way of hypothecation of specific equipment of FHsL.	The loan is repayable in 84 structured monthly instalments commencing from September 2017.	7.88% p.a. payable monthly	29.47	66.91	96.38	61.86
Total (C)			**29.47**	**66.91**	**96.38**	**61.86**
D. Loan from a body corporate - Unsecured:						
Fortis Healthcare International Pte. Limited (FHIPL) The loan is repayable to Fortis Medicare International Limited.			136.07	-	116.33	-
Total (D)			**136.07**	**-**	**116.33**	**-**
TOTAL(I=A+B+C+D)			**57,222.12**	**2,805.79**	**77,910.09**	**1,690.63**

Company Note (not part of the signed financial statements): ** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

11. Borrowings (Contd.)

II. Short term borrowings

(₹ in Lakhs)

	Security and guarantee details	Repayment terms	Interest rate	31-Mar-23	31-Mar-22
E.	**Bank overdrafts & Working Capital Demand Loan - Secured:**				
	Escorts Heart Institute and Research Centre Limited (EHIRCL) The facility of ₹ 8,000 Lakhs (PY 8,000 Lakhs) secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL The loan is further guaranteed by corporate guarantees issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by FHsL IHL, FHTL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable on demand.	HSBC Bank Overnight MCLR/ 1 month MCLR or as may be agreed with the bank.	3,489.19	7,179.56
	Fortis Healthcare Limited (FHL) The facility of ₹ 6,800 Lakhs (previous year ₹ 6,800 Lakhs) secured against the first pari-passu charge on moveable fixed and current assets of FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by FHsL IHL, FHTL, EHIRCL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable on demand.	HSBC Bank Overnight MCLR/ 1 month MCLR or as may be agreed with the bank	1,316.15	2,080.75
	Fortis Healthcare Limited (FHL) The facility of ₹ 5,000 Lakhs from DBS bank Limited secured against the first pari-passu charge on moveable fixed and current assets of FHL (except vehicle which are exclusively charged by other banks) Till the previous year, the loan was further guaranteed by corporate guarantee issued by FHsL IHL, FHTL, EHIRCL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable on demand.	DBS Bank's 3-month / 12-month MCLR plus 100 bps	-	1.90
	Fortis Healthcare Limited (FHL) The facility of ₹ 2,000 Lakhs from Axis Bank Limited for meeting day to day working capital requirements. The working capital loan loan is secured against first pari-pasu charge on entire current assets and moveable fixed assets of the Company, excluding vehicles and medical equipment exclusively financed by other lenders. The working capital loan have been repaid during the year.	Repayable on demand.	1 Month MCLR +35 bps or any rate as may be mutually agreed upon at the time of disbursement	-	500.00

Notes Forming part of the Consolidated Financial Statements (Contd.)

11. Borrowings (Contd.)

II. Short term borrowings

(₹ in Lakhs)

Security and guarantee details	Repayment terms	Interest rate	31-Mar-23	31-Mar-22
Fortis Hospitals Limited (FHsL) The facility of ₹ 500 Lakhs from DBS Bank secured against the first pari-passu charge on moveable fixed and current assets of FHsL The loan is further guaranteed by corporate guarantee issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, IHL, FHTL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable on demand	DBS 3 / 12 months MCLR + 100 bps or any other rate as may be mutually agreed	0.30	31.97
Fortis Hospitals Limited (FHsL) The facility from HSBC of ₹ 10,000 Lakhs (PY 16,390 Lakhs) secured against the first pari-passu charge on moveable fixed and current assets of FHsL to 1.33x. The loan is further guaranteed by corporate guarantee issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by EHIRCL, IHL, FHTL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable within 6 months	HSBC Bank Overnight MCLR/ 1 month MCLR or as may be agreed with the bank	5,112.47	6,180.77
Hiranandani Healthcare Private Limited The facility from HSBC of ₹ 1,200 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of HHPL The loan is further guaranteed by corporate guarantee issued by FHL. Till the previous year, the loan was further guaranteed by corporate guarantee issued by FHsL, EHIRCL, IHL, FHTL, HEPL & EHSSHL which have been withdrawn during the current year.	Repayable on demand	HSBC Bank Overnight MCLR/ 1 month MCLR or as may be agreed with the bank	128.20	869.04
International Hospital Limited The facility from HSBC Bank Limited of ₹ 2,000 Lakhs secured against the first pari-passu over moveable fixed assets of the Company both present and future except the machinery, vehicles specifically financed by other bank / Financial institutions and first pari-passu charge on stocks and receivables of the borrower both present and future. The loan is further guaranteed by corporate guarantee issued by FHL.	On demand	HSBC Bank Overnight MCLR/ 1 month MCLR or as may be agreed with the bank	6.75	-
Fortis Hospotel Limited The facility from HSBC Bank Limited of ₹ 1,000 Lakhs secured against the first pari-passu over moveable fixed assets of the Company both present and future except the machinery, vehicles specifically financed by other bank / Financial institutions and first pari-passu charge on stocks and receivables of the borrower both present and future. The loan is further guaranteed by corporate guarantee issued by FHL.	On demand	HSBC Bank Overnight MCLR/ 1 month MCLR or as may be agreed with the bank	28.80	-

Notes Forming part of the Consolidated Financial Statements (Contd.)

11. Borrowings (Contd.)

II. Short term borrowings

(₹ in Lakhs)

Security and guarantee details	Repayment terms	Interest rate	31-Mar-23	31-Mar-22
Fortis Health Management Limited The facility from HSBC Bank Limited of ₹ 500 Lakhs secured against the first pari-passu over moveable fixed assets of the Company both present and future except the machinery, vehicles specifically financed by other bank / Financial institutions and first pari-passu charge on stocks and receivables of the borrower both present and future.	On demand	HSBC Bank Overnight MCLR/ 1 month MCLR or as may be agreed with the bank	64.62	-
Total (E)			**10,146.48**	**16,843.99**
F. Loan from a body corporate - Unsecured:				
Fortis Healthcare International Pte. Limited Interest free loan has been taken from Fortis Medicare International Limited.	The loan is repayable on demand.		140.66	122.55
Total (F)			**140.66**	**122.55**
TOTAL (II= E+F)			**10,287.14**	**16,966.54**

As described above, some companies within the Group have been sanctioned borrowings on the basis of security of current assets wherein the companies are required to file quarterly statements of cash flows / trade receivables / creditors / inventory. The quarterly statements filed by companies with respective banks are in agreement with the books of account except as mentioned below:

Company	Quarter	Name of Bank	Particulars	Amount as per books of account (₹ in Lakhs)	Amount as reported in the quarterly return/ statement (₹ in Lakhs)	Amount of difference (₹ in Lakhs)
FHL	Jun'22	Axis Bank Limited & DBS Bank Limited	Net increase / (decrease) in cash and cash equivalents	68.50	32.87	35.63
FHsL	Dec'22	Axis Bank Limited & DBS Bank Limited	Net increase / (decrease) in cash and cash equivalents	(371.77)	(213.50)	(158.27)
	Mar'23		Net increase / (decrease) in cash and cash equivalents	(141.55)	(48.86)	(92.69)
EHIRCL	Dec'22	DBS Bank Limited	Net increase / (decrease) in cash and cash equivalents	133.81	100.97	32.84
	Mar'23		Net increase / (decrease) in cash and cash equivalents	(32.31)	(21.47)	(10.84)
SRL Limited*	Jun'22	Axis Bank Limited, Kotak Mahindra Bank Limited, DBS Bank India Limited	Inventory	3,887.00	3,504.00	383.00
			Creditors	3,537.00	3,514.00	23.00
	Sep'22		Inventory	3,803.00	3,364.00	439.00
			Creditors	5,318.00	5,272.00	46.00
	Dec'22		Inventory	4,169.00	3,716.00	453.00
			Creditors	3,613.00	3,613.00	-
	Mar'23		Inventory	4,435.00	3,944.00	491.00
			Creditors	4,344.00	4,307.00	37.00

The differences in the statements submitted to the banks as mentioned above are due to general period end adjustments made post filing of the preliminary statements with the respective banks.

Company Note (not part of the signed financial statements): **The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

12. COMMITMENTS:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account [net of capital advances of ₹ 2,922.31 Lakhs (as at March 31, 2022 ₹ 2,332.47 Lakhs) and deposit with bank held in escrow account of ₹ 640.00 Lakhs as at March 31, 2023 (₹ Nil as at March 31, 2022)] (refer note 6(xiii)(c))	36,505.79	21,534.92

a. As part of Sponsor Agreement entered between The Trustee-Manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively for International Hospital Limited, Fortis Hospotel Limited, Escorts Heart and Super Specialty Hospitals Limited and Fortis Health Management Limited) (collectively referred as 'Indemnified parties') with the Company, the Company has undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, the Group has till date accrued ₹ 205.03 Lakhs (as at March 31, 2022 ₹ 205.03 Lakhs) as provision for contingency.

b. As per an Exit Agreement dated June 12, 2012, certain non-controlling shareholders of SRL Limited* (subsidiary company) have the right to exercise a Put Option on the Company on the occurrence of certain events as described in the Exit Agreement. During the earlier years an amendment agreement to the shareholders' agreement was entered between the parties which also incorporated the new proposed exit rights. In accordance with the same the minority shareholders of subsidiary have agreed not to exercise the cash put option for a further period of 36 months from a relevant date (February 05, 2021) as defined in the amendment agreement in lieu of the new proposed exit rights. As at March 31, 2023, the Company has recorded a cumulative liability in its consolidated financial statements in accordance with the requirements of Ind AS 32 - "Financial Instruments: Presentation" with a corresponding debit to "other equity" for an amount of ₹ 1,59,100.00 Lakhs (as at March 31, 2022 ₹ 2,07,400.00 Lakhs).

c. Going concern support in form of funding and operational support letters has been issued by the Group in favor of Fortis C-Doc Healthcare Limited (Joint Venture).

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

e. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Company or its subsidiary companies and joint venture company incorporated in India during the current or previous year.

Company Note (not part of the signed financial statements):
**The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

13. CONTINGENT LIABILITIES (NOT PROVIDED FOR):

(In addition, refer other litigations and claims assessed as contingent liabilities described in Note 14 below)

(₹ in Lakhs)

Particular	As at	
	March 31, 2023	March 31, 2022
Income tax	134,482.15	129,664.40
Medical negligence and related	46,049.30	44,945.07
Value Added Tax and luxury tax	7,109.58	7,109.58
Customs	165.24	166.62
Service Tax & GST	3,726.50	3,919.50
Others (refer note 14 (II) (iii))	55,441.98	53,433.43
Grand Total	**2,46,974.75**	**239,238.60**

i. On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. The Group has been legally advised not to consider that there are any probable obligations for periods prior to date of aforesaid judgment.

ii. Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Group believes that none of the above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgments/decisions pending at various stages/ forums. The Group has assessed that it is only possible but not probable, that outflow of economic resources will be required.

14. OTHER LITIGATIONS AND CLAIMS ASSESSED AS CONTINGENT LIABILITIES AND NOT PROVIDED FOR, UNLESS OTHERWISE STATED:

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

The Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Third Party. The matter is pending adjudication before District Court, Delhi. The Third Party has approached Delhi High Court for seeking certain interim reliefs against the Company under the provisions of The Arbitration and Conciliation Act, 1996. This Third party had also filed a claim for damages and injunctive reliefs against the Company

Company Note (not part of the signed financial statements): *The name(s) of the companies and entities that were utilizing the said brand have either changed their names or are in the process of changing their names in accordance with applicable law.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

14. Other litigations and claims assessed as contingent liabilities and not provided for, unless otherwise stated: (Contd.)

before International Chamber of Commerce (ICC). The Company has invited the attention of ICC to the aforesaid pending litigations before various Courts and non-maintainability of claim raised by said Third party. Proceedings before Delhi High Court have been withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC has also been withdrawn by Third Party on February 23, 2020 and the same has been closed by ICC on February 28, 2020. The Company has filed an application for perjury against the Third Party and other entities which is pending before the Delhi High Court. During the year ended March 31, 2022, signatories of Third Party to the Term Sheet have also filed a duly affirmed affidavit before Delhi High Court stating that Term Sheet was neither signed on behalf of the Company before them nor did it ever come in force.

During the year ended March 31, 2022, another Party, claiming to be one of the assignee of Third Party has filed a case against 28 named defendants, including the Company and its ultimate parent Company IHH, and 21 non-party defendants, including the Company in the United States District Court, District of New Jersey, USA. Notice of the case has not yet been served on the Company under the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. In December 2021, a notice of this case was served to IHH which was subsequently disclosed by it to Bursa Stock Exchange, Malaysia. Company is given to understand that the case has been filed for alleged violation of, inter-alia, the U.S. Racketeer, Influenced and Corrupt Organisations Act, copyright infringement, tortious interference with contracts, etc. and Party has claimed damages in excess of US$ 6.5 Billion against all the defendants. Company has made disclosure about this case to stock exchange. It has also sought legal advice and will pray for dismissal of this case, as and when served. Company is given to understand that vide order dated September 07, 2022, case has been dismissed by United States District Court, New Jersey on grounds of forum non conveniens. During the year ended March 31, 2023 another Party, claiming to be one of the assignee of the Third Party has initiated arbitration proceedings wherein an Interim Award was passed which was subsequently terminated by the Learned Arbitrator. Neither any notice nor any statement of claim has been received by the Company of the arbitration proceedings. Company will seek t legal advice and pray for dismissal of this case, as and when served. Company has filed a Civil Suit against the said third party which is sub-judice before the Hon'ble High Court of Delhi.

In addition in the year 2018, the Company had received four notices from the Plaintiff claiming (i) ₹ 1,800 Lakhs as per notices dated May 30, 2018 and June 1, 2018 (ii) ₹ 21,582 Lakhs as per notice dated June 4, 2018; and (iii) ₹ 1,962 Lakhs as per notice dated June 4, 2018. All these notices were responded to by the Company denying any liability whatsoever.

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

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

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

II. 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:

i. 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

14. Other litigations and claims assessed as contingent liabilities and not provided for, unless otherwise stated: (Contd.)

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 is of the understanding 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 Consolidated Financial Statements.

ii. There was a net tax demand of ₹ 5,801.87 Lakhs for various assessment years (₹ 6,497.31 Lakhs as at March 31, 2022) after adjusting ₹ 17,167.19 Lakhs (₹ 16,471.75 Lakhs for March 2022) maintained in an escrow account out of sale consideration payable by the Company to the erstwhile promoters of EHIRCL. Further, as per the Share Purchase Agreement, one third of any excess of the net demand, amounting to ₹ 1,933.96 Lakhs (March 31, 2022: ₹ 2,165.77 Lakhs) after adjusting the recovery from escrow account, would be borne by the said erstwhile promoters of EHIRCL and the rest by EHIRCL. During the year ended March 31, 2015, the Commissioner of Income Tax (Appeals) decided the case in favor of EHIRCL. Income Tax Department had filed an appeal before Income Tax Appellate Tribunal (ITAT) and during the year ended March 31, 2020, ITAT decided the case in favor of EHIRCL. Income Tax Department has contested the decision of ITAT before the Hon'ble High Court of Delhi.

iii. 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 ₹ 73,266 Lakhs 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 ₹ 50,336 Lakhs 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 09, 2016 directing EHIRCL to deposit ₹ 50,336 Lakhs 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 01, 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 ₹ 50,336 Lakhs. This order was challenged by EHIRCL before the Delhi High Court and the Court vide order dated June 1, 2018 had issued notice and directed that no coercive steps may be taken subject to EHIRCL depositing a sum of ₹ 500 Lakhs before the concerned authority. EHIRCL deposited ₹ 500 Lakhs 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 Consolidated Financial Statements.

III. 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

Notes Forming part of the Consolidated Financial Statements (Contd.)

14. Other litigations and claims assessed as contingent liabilities and not provided for, unless otherwise stated: (Contd.)

Termination Order. The Writ Petition has been tagged with Special Leave Petition ('SLP') 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 these Consolidated Financial Statements.

IV. In respect of one of the subsidiaries ("Fortis Malar Hospitals Limited") ("FMHL"), a request for regularisation of the hospital building in which the Company operates was made vide an application dated May 29, 1999 to Chennai Metropolitan Development Authority ("CMDA"). In the year 2012, Land and hospital building was sold by the Company to Fortis Health Management Limited ("FHML"). The FMHL and FHML had also simultaneously entered into a "Hospital and Medical Services Agreement" w.r.t. rendering of medical and healthcare services in the hospital premises (including right to use of the hospital building). CMDA by its Order dated March 18, 2016 ("Rejection Order") rejected the regularisation application that was submitted in the year 1999. A statutory appeal was preferred in April 2016 before Secretary to the Government of Tamil Nadu, Housing and Urban Development Authority ("Authority") challenging the said rejection. During the pendency of the statutory appeal, on May 03, 2016, CMDA served a "Lock & Seal" Notice stating that in view of the Rejection Order, construction at the site of the Hospital premises is unauthorised and called upon to restore the land to its original state within 30 days from the date of the Notice. A writ petition was filed before the Hon'ble High Court of Judicature at Madras which set aside the "Lock & Seal" Notice and ordered that no coercive steps should be taken by CMDA, till disposal of the statutory appeal. The said appeal is still sub-judice.

At the request of the FMHL, CMDA inspected the hospital building and issued a letter dated August 25, 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularisation. In this regard, an extension of time was sought in November 2020. Simultaneously, actions were initiated for collating/ obtaining requisitioned clearances and certificates which involves taking number of actions, significant expenses and capital expenditure. During the ongoing pandemic, there were lockdowns resulting in limited and restricted access to various offices all across, which slowed down the progress of actions initiated. FMHL is taking bona fide steps to complete the process of submission of the clearances and certificates sought by CMDA. On May 20, 2021, an update was sent to CMDA confirming that out of six requirements, as set out in their letter dated August 25, 2020, three have already been complied with and steps were underway for completion of the remaining actions. Further, the Company has obtained NOC from Airport authority of India on February 24, 2022. Pursuant thereto, for regularisation of the building, on June 07, 2022, an application along with available documents have been submitted with CMDA. For processing of the application, which is accompanied with available documents in support of Company's claim for regularisation, requisite scrutiny fee has been deposited. In addition to the legal action already being undertaken by FHML for getting possession of the Land parcel adjacent to the hospital premises occupied by Bharat Petroleum Corporation Limited, Chennai (BPCL), a writ petition has also been filed against BPCL and others before the Hon'ble High Court of Judicature at Madras by FHML on March 29, 2023 seeking peaceful and vacant possession of the said Land parcel. While FMHL is co-operating to get all the clearances, based on legal advice, FMHL also continues to believe that all Orders / Notices issued by CMDA prima facie would not result in any significant adverse impact on its operations and accordingly considers that no adjustment is required to these Consolidated Financial Statements.

14. Other litigations and claims assessed as contingent liabilities and not provided for, unless otherwise stated: (Contd.)

V. SRL*, a subsidiary of the Company, has received a legal notice from an ex-employee on June 29, 2018 claiming a sum of ₹ 935.00 Lakhs with respect to Provident Fund, Variable Pay and ESOPs. Further, SRL* has also received a legal notice from the same ex-employee on June 29, 2018 claiming a sum of ₹ 1,923.00 Lakhs with respect to certain Technology transfer amounts allegedly due to him. On April 02, 2019, SRL* received fresh legal notice under Insolvency and Bankruptcy Act from the ex-employee seeking amount of ₹ 3,638.00 Lakhs (₹ 1,131.00 Lakhs on account of technology Transfer Agreement and ₹ 1,341.00 Lakhs on account of short salary payment, ₹ 131.00 Lakhs on account of PF contribution of SRL*; ₹ 310.00 Lakhs on account of performance bonus; ₹ 722.00 Lakhs towards loss of ESOPs (145,708 stock) which were granted to him under the ESOP 2009 Scheme of SRL*.)

Based on an advice of the in-house legal counsel on the merits of the claim, the Company and SRL* are of the opinion that claims made by ex-employee are not sustainable. Accordingly, no adjustment is required to these Consolidated Financial Statements.

VI. There is a pending medical litigation against the Company or FHsL where the complainant had alleged negligence in the treatment given by the Company doctors. The complainant had filed a complaint with PS Sushant Lok, Gurgaon, based on which a FIR was registered against one of the treating doctors. The Complainant had also filed a Writ Petition before the Hon'ble Supreme Court of India wherein Company has also been made a party amongst others. In the Writ Petition, the Complainant has demanded ₹ 1,000 Lakhs alleging wrongful death of the patient and ₹ 10,000 Lakhs towards a fund to be set up in the name of the patient for treatment of under privileged pediatric cases. Company is contesting the said demand. Based on external legal advice, management believes that the claims are without legal basis and are not tenable.

VII. SRL Diagnostics Private Limited** ('SRLD') has disputed the coverage of Employees State Insurance Corporation (ESIC) for period prior to FY 2005-06 for its Kolkata unit as "Pathlabs" were not covered for Employee State Insurance Corporation (ESIC). Pending settlement of matter, provision is recognised every year for the ESI liability. The same will be paid once the matter is settled.

15. During the current year, a Composite Scheme of Amalgamation u/s 230-232 of the Companies Act, 2013 which provides for merger of Fortis Emergency Services Limited, Birdie & Birdie Realtors Private Limited, Fortis Health Management (East) Limited and Fortis Cancer Care Limited with Fortis Hospitals Limited (FHsL) ("Scheme") (one of the wholly owned subsidiaries of the Company), has been approved by the Board of Directors and Shareholders of the Holding Company, subject to requisite approval(s). The application is subject to the approval of National Company Law Tribunal (NCLT).

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.

16. EMPLOYEE STOCK OPTION PLAN

i. In case of Fortis Malar Hospital Limited (FMHL), employees (including senior executives) of FMHL and its Subsidiary receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Malar Employee Stock Option Plan 2008 (Scheme) was approved by the board of directors of FMHL on July 31, 2008/May 28, 2009 and by shareholders in the annual general meeting held on September 29, 2008 /August 21, 2009. The following are some of the important conditions to the scheme: The details of activity under the Plan have been summarised below:

Vesting Plan

- 25% of the option shall vest on the completion of 12 months from the grant date.
- 25% of the option shall vest on the completion of 24 months from the grant date.
- 25% of the option shall vest on the completion of 36 months from the grant date.
- 25% of the option shall vest on the completion of 48 months from the grant date.

Company Note (not part of the signed financial statements):

**The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

*** The new name of the said company has been reserved by Registrar of Companies ('RoC') as Agilus Pathlabs Private Limited vide letter dated June 08, 2023. The said company is in the process of making application to the RoC for seeking approval of the new name.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

16. Employee Stock Option Plan (Contd.)

Exercise Plan

There shall be no lock in period after the options have vested. The vested options will be eligible to be exercised on the vesting date itself. Notwithstanding any provisions to the contrary in this plan the options must be exercised before the end of the tenure of the plan.

Effective Date

The plan was effective from August 21, 2009.

The details of activity under the Scheme are summarised below:

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of options	Weighted Average Exercise Price (₹ in Lakhs)	Number of options	Weighted Average Exercise Price (₹ in Lakhs)
Outstanding at the beginning of the year	**-**	**-**	**11,250**	**26.20**
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	11,250	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

ii. A subsidiary (SRL Limited*) has provided share-based payment scheme to the eligible employees and then directors of SRL Limited*, its subsidiary, Fortis Healthcare Limited (holding company) and RHC Holding Private Limited. The shareholders of SRL* granted approval to 'Super Religare Laboratories Limited Employee Stock Option Plan 2009' and 'SRL Limited* Employee Stock Option Scheme 2013'. SRL* has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with SRL Limited*. Details of these schemes are as follows:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII
Scheme	ESOP 2009	ESOP 2013	ESOP 2013	ESOP 2013	ESOP 2013	ESOP 2013	ESOP 2013
Date of grant	August 22, 2009	September 30, 2013	November 2, 2015	November 8, 2016	March 22, 2017	May 06, 2017	August 02, 2017
Date of Board Approval	August 22, 2009	August 23, 2013	August 23, 2013	August 23, 2013	August 23, 2013	August 23, 2013	August 23, 2013
Date of Shareholder's approval	August 17, 2009	September 20, 2013	September 20, 2013	September 20, 2013	September 20, 2013	September 20, 2013	September 20, 2013
Number of options granted	1,517,470	200,000	995,937	75,000	125,000	25,000	25,000
Number of options cancelled	849,545	134,000	724,437	75,000	125,000	25,000	25,000
Number of options exercised	154,716	66,000	-	-	-	-	-
Number of options not yet vested	-	-	-	-	-	-	-
Number of options not yet exercised	513,209	-	271,500	-	-	-	-
Vesting Period	August 22, 2009 to August 21, 2012	September 30, 2016 to September 30, 2018	November 2, 2018 to November,1 2020	November 7, 2019 to November 7, 2021	March 22, 2020 to March 22, 2022	May 26, 2020 to May 26, 2022	August 02, 2020 to August 02, 2022

Company Note (not part of the signed financial statements): ** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

16. Employee Stock Option Plan (Contd.)

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII
Exercise Period	Up to August 21, 2019*	Up to September 29, 2022	Up to November 01, 2022	Up to November 01, 2022	Up to November 01, 2022	Up to November 01, 2022	Up to November 01, 2022
Grant value	40	201	428	674	674	674	674

The details of activity under the Plan have been summarised below: (₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Options	Weighted Average exercise price (₹ in Lakhs)	Number of Options	Weighted Average exercise price (₹ in Lakhs)
Outstanding at the beginning of the year	784,709	174.24	783,518	194.68
Granted during the year	-	-	-	-
Vested during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited/ Cancelled during the year	-	-	25,000	600.11
Reinstated during the year	-	-	26,191	40.00
Outstanding at the end of the year	784,709	174.24	784,709	174.24
Exercisable option at the end of the year	784,709	174.24	784,709	174.24
Weighted average remaining life (years)**	-	-	-	-
Range of exercise price (₹)	-	40-428	-	40-428

#**SRL@ has extended the exercise period of all outstanding options (Grant I, Grant III and Grant VII) till a future event occurs (i.e. exit of existing private equity investors or any other listing event). Further, as per the revised terms, employees due to retire or getting superannuated prospectively will also be entitled to exercise the options before the future event. As there is no fixed time limit for future event, weighted average remaining life of such options has not been disclosed.

There are no options granted in current year. Black-Scholes Option Pricing Model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Grant II	Grant III	Grant IV-V	Grant VI-VII
Vesting Schedule	100%	100%	100%	100%
Stock Price (S)	201	428	674	674
Exercise Price (X)	201	428	674	674
Volatility (s)	17.41%	15.54%	15.54%	16.19%
Risk-free Rate	8.70%	7.63%	7.63%	6.95%
Expected Option Life (T)	5yrs	5yrs	5yrs	5yrs
Dividend Yield	1.00%	0.47%	0.47%	0.47%
Option Value	**66.32**	**135.30**	**213.00**	**202.61**
Exit/Attrition Rate	16.50%	16.50%	16.50%	16.50%
Modified Option Value	**55.38**	**112.98**	**177.86**	**169.18**

Note:

1. SRL@ has recognised (income)/ expense in relation to employee stock option plan of ₹ Nil (previous year ₹ Nil).
2. In respect of Nil (previous year 25,000) options forfeited during the year, amount aggregating to ₹ Nil (previous year 30.99 Lakhs) has been transferred to general reserve [proportionate Group share ₹ Nil (Previous year 17.09 Lakhs)].
3. On the date of transition to Ind AS (i.e. April 01, 2015), SRL Limited@ had opted for optional exemption available under Ind AS 101 'First time adoption' and not recorded any stock option outstanding account for the options fully vested (ESOP Scheme 2009) as at transition date.

Company Note (not part of the signed financial statements): *#The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

17. EMPLOYEE BENEFITS PLAN:

Defined contribution plan:

The Group's contribution towards its employee provident fund is a defined contribution retirement plan for qualifying employees. The provident fund contribution of certain employees of the Group is being deposited with "Fortis Healthcare Limited Provident Fund Trust" and "Escorts Heart Institute and Research Centre Limited PF Trust" which is recognised by the income tax authority (refer note below) and rest payment is made to provident fund commissioner.

The Group recognised ₹ 4,582.11 Lakhs (previous year ₹ 4,228.40 Lakhs) for Provident Fund, Employee state insurance and Superannuation fund contribution in the Consolidated Statement of Profit and Loss. The Contribution payable to the plan by the Group is at the rate specified in rules to the scheme.

Defined benefit plan

The Group companies have a defined benefit gratuity plan, whereby the employees are entitled to gratuity benefits based on last salary drawn and completed number of year of services. The gratuity plan for two subsidiaries of the Company is 100% funded with an insurance policy with Life Insurance Corporation of India.

The following table summarises the components of net benefit expenses recognised in the Statement of Profit and Loss and the amounts recognised in the Balance Sheet.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
i. Movement in net liability		
Present value of obligation at the beginning of the year	10,860.05	9,764.24
Acquisitions through business combinations (refer note 38)	-	563.23
Current service cost	1,396.23	1,283.56
Interest cost	692.73	596.38
Amount recognised to OCI (actuarial (gain)/loss)	834.00	(169.60)
Obligation transferred to/ from subsidiary	7.19	(1.60)
Benefits paid	(1,384.13)	(1,176.16)
Present value of obligations at the end of the year	**12,406.07**	**10,860.05**
Present value of unfunded obligation		
Amounts in the Balance Sheet		
(a) Liabilities	12,406.07	10,860.05
(b) Assets	(731.12)	(624.87)
(c) Net liability/(asset) recognised in the balance sheet	**11,674.95**	**10,235.18**
Current liability	1,451.97	1,274.81
Non-current liability	10,222.98	8,960.37
ii. Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	624.87	651.26
Return on plan assets	44.29	16.76
Contributions by employer	99.41	58.93
Benefit payments	(37.45)	(102.08)
Closing value of plan assets	**731.12**	**624.87**

17. Employee Benefits Plan: (Contd.)

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount recognised in employee benefit expense		
Service cost	1,396.23	1,283.56
Total	**1,396.23**	**1,283.56**
Amount recognised in finance cost		
Interest cost	692.73	596.38
Total	**692.73**	**596.38**
Grand Total	**2,088.96**	**1,879.94**

iv. Expense recognised in Statement of Other comprehensive income as follows :

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net actuarial loss due to changes in demographic assumptions	-	**42.30**
Net actuarial loss / (gain) due to experience adjustment recognised during the year	1,191.16	(11.90)
Net actuarial (gain)/ loss due to assumptions changes recognised during the year	(356.05)	(200.00)
Net return on plan assets (excluding interest income)	(1.11)	(16.76)
(Income)/ Expense	**834.00**	**(186.36)**

The Principal assumptions used in determining gratuity obligation for the Group's plan are shown below:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discounting rate (p.a.)	6.10%-7.40%	5.65%-7.10%
Expected salary increase rate (p.a.)	6.00%-8.00%	5.00%-8.00%
Withdrawal rate (p.a.)		
Age up to 30 years	10.00%-39.00%	10.00%-39.00%
Age from 31 to 44 years	6.00% - 26.00%	6.00% - 26.00%
Age above 44 years	0.00% to 16.00%	0.00% to 16.00%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Notes:

1. The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

2. Significant actuarial assumption for the determination of the defined obligation are discount rate, expected salary escalation rate and withdrawal rate. The sensitivity analyses below have been determined by the actuarial based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constants.

Notes Forming part of the Consolidated Financial Statements (Contd.)

17. Employee Benefits Plan: (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.5% to 1%	3,305.81	3,714.98	3,087.83	3,490.17
Change in salary increase rate by 1%	4,140.83	3,686.27	3,840.78	3,382.85
Change in withdrawal rate by 1% to 5%	3,300.29	3,265.58	3,144.33	3,160.47

3. Certain companies within the Group have invested in the schemes with Life Insurance Corporation of India (LIC) for the plan assets.

   The details of investments maintained by LIC are not available and therefore have not been disclosed.

4. **Expected benefit payments for the future**

Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2027	Year ended March 31, 2028 to year ended March 31, 2033
1,425.83	1,131.25	1,294.73	1,193.61	10,350.97

Provident Fund:

The Group makes monthly contributions to provident fund managed by trust for qualifying employees. Such contribution for the current year are ₹ 855.44 Lakhs (previous year ₹ 793.75 Lakhs). Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Group is obliged to meet interest shortfall, if any, with respect to covered employees.

Key assumptions and other disclosures are as follows:

(₹ in Lakhs)

Assumptions:	March 31, 2023	March 31, 2022
Discount rate (p.a.)	7.25% p.a.	7.00% p.a.
Expected return on exempt fund	8.15% - 8.50% p.a.	8.10% p.a.
Expected EPFO return	8.10%-8.15% p.a.	8.10% p.a.
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal rate for primary categories of employees		
Entity	**Withdrawal Rate p.a.**	
Fortis Emergency Services Limited	Ages From 20 - 30 - 12.50%;	Ages From 20 - 30 - 12.50%;
	Ages From 31 and above - 15.00%	Ages From 31 - 58 - 15.00%
Others	Ages From 20 - 30 - 18.00%;	Ages From 20 - 30 - 18.00%;
	Ages From 31 - 44 - 6.00%;	Ages From 31 - 44 - 6.00%;
	Ages From 45 and above - 2.00%	Ages From 45 - 58 - 2.00%

17. Employee Benefits Plan: (Contd.)

The assessed actuarial liability in respect of future anticipated shortfall is as follows:

(₹ in Lakhs)

Provident fund scheme	As at March 31, 2023	As at March 31, 2022
Defined Benefit Obligation (DBO)	27,139.00	27,605.67
Fair Value of Plan Assets (FVA)	27,877.08	28,234.30
Funded status {Surplus/(Deficit)}	**738.08**	**628.63**

The Defined Benefit Obligation as at March 31, 2022 and March 31, 2023 includes obligation in respect of Interest Guarantee Shortfall in future. The obligation for Interest Guarantee Shortfall as at March 31, 2022 is ₹ 567.12 Lakhs and as at March 31, 2023 is ₹ 484.37 Lakhs.

Asset allocation

(₹ in Lakhs)

Asset Category	As at March 31, 2023	As at March 31, 2022
Government of India Securities (Central and State)	53.14%	51.40%
High quality corporate bonds (including Public Sector Bonds)	36.60%	39.59%
Mutual Funds	10.00%	8.94%
Cash (including Special Deposits)	0.26%	0.07%
Total	**100.00%**	**100.00%**

18. FINANCIAL INSTRUMENTS

Capital Management

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

The capital structure of the Group consists of net debt (borrowings, interest accrued and lease liabilities as detailed in notes 6(xvii), 6(xviii) and 10 respectively offset by cash and cash equivalents) and total equity of the Company.

The Group is not subject to any externally imposed capital requirements other than for covenants under various loan arrangements of the Group.

The Holding Company's Board of Directors reviews the capital structure of the Group on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Amongst other things, the Groups' objective for capital management is to ensure that it maintains stable capital management by monitoring the financial covenants attached to the interest bearing loans and borrowings. The gearing ratio at March 31, 2023 is as follows:

Gearing ratio

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Debt*	92,745.60	**125,724.14**
Cash and cash equivalents [refer note 6(xii)]	(14,108.25)	(14,323.27)
Net debt	**78,637.35**	**111,400.87**
Total equity	810,038.80	700,825.49
Net debt to equity ratio	**9.71%**	**15.90%**

*Debt is defined as long-term and short-term borrowings (including lease liabilities, interest accrued and due on borrowings and excluding derivative).

Notes Forming part of the Consolidated Financial Statements (Contd.)

19. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets including market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors manages the financial risk of the Group through internal risk reports which analyse exposure by magnitude of risk. The Group has limited exposure from the international market as the Group's operations are primarily in India. The Group has limited exposure towards foreign currency risk as it earns less than 10% of its revenue in foreign currency from international patients. Also, capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Group has not taken any derivative contracts to hedge the exposure. However, the exposure towards foreign currency fluctuation is partly hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

Market Risk

The Group's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates.

a) Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	Foreign Currency	March 31, 2023		March 31, 2022	
		Foreign Currency Amount	Rupees	Foreign Currency Amount	Rupees
Trade payables	US$	3.44	282.19	3.30	250.98
	Euro	0.00	0.03	-	-
	AED	14.37	321.38	13.29	274.77
Cash and bank balances	US$	1.29	105.52	0.78	59.21
	SGD	0.17	10.57	0.85	47.53
	MUR	-	-	10.70	17.88
	AED	10.00	223.58	10.00	206.77
	LKR	176.48	44.05	671.67	173.40
Trade receivables	US$	28.68	2,354.75	34.00	2,580.26
	AED	5.49	122.86	5.14	106.33
Loan Payables (Borrowings)	AED	6.09	136.07	5.63	116.33

Foreign currency sensitivity analysis

The group is mainly exposed to US$, SGD, EURO, LKR, AED & MUR currency. The following table details the Group's sensitivity to a 5% increase and decrease in Rupees against each foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. This analysis assumes that all other variables, in particular, interest rates, remain constant. A positive number below indicates an increase in profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

19. Financial risk management objectives (Contd.)

(₹ in Lakhs)

If increase by 5%	Currency impact US$	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	(108.90)	(118.08)
Increase / (decrease) in total equity	(70.85)	(76.83)
If decrease by 5%	**Currency impact US$**	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	108.90	118.08
Increase / (decrease) in total equity	70.85	76.83

(₹ in Lakhs)

If increase by 5%	Currency impact Euro	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	0.00	-
Increase / (decrease) in total equity	0.00	-
If decrease by 5%	**Currency impact US$**	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	(0.00)	-
Increase / (decrease) in total equity	(0.00)	-

(₹ in Lakhs)

If increase by 5%	Currency impact SGD	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	(0.53)	(2.38)
Increase / (decrease) in total equity	(0.34)	(1.55)
If decrease by 5%	**Currency impact SGD**	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	0.53	2.38
Increase / (decrease) in total equity	0.34	1.55

(₹ in Lakhs)

If increase by 5%	Currency impact AED	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	5.55	3.90
Increase / (decrease) in total equity	3.61	2.54
If decrease by 5%	**Currency impact AED**	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	(5.55)	(3.90)
Increase / (decrease) in total equity	(3.61)	(2.54)

Notes Forming part of the Consolidated Financial Statements (Contd.)

19. Financial risk management objectives (Contd.)

(₹ in Lakhs)

If increase by 5%	Currency impact MUR	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	-	(0.89)
Increase / (decrease) in total equity	-	(0.58)
If decrease by 5%	**Currency impact MUR**	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	-	0.89
Increase / (decrease) in total equity	-	0.58

(₹ in Lakhs)

If increase by 5%	Currency impact LKR	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	(2.20)	(8.67)
Increase / (decrease) in total equity	(1.43)	(5.64)
If decrease by 5%	**Currency impact LKR**	
Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Increase / (decrease) in profit or loss for the year	2.20	8.67
Increase / (decrease) in total equity	1.43	5.64

Foreign exchange derivative and Non-derivative financial instruments

The Group uses derivative for hedging financial risks that arise from its commercial business activities. The Group's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 12 months for hedges of forecasted purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency. All identified exposures are managed as per the policy duly approved by the Board of Directors.

The following table details the foreign currency derivative contracts outstanding at the end of the reporting period:

Outstanding Contracts*			Maturity	
	No. of Deals	Contract value of foreign Currency	Up to 12 months	More than 12 months
		(In Lakhs) **	Nominal Amount*	Nominal Amount*
			(₹ In Lakhs)	(₹ In Lakhs)
	As at March 31, 2023	As at March 31, 2023	As at March 31, 2023	As at March 31, 2023
US$/₹ Buy forward	7	3,447.42	3,470.31	-

19. Financial risk management objectives (Contd.)

Outstanding Contracts*	No. of Deals	Contract value of foreign Currency (In Lakhs) **	Maturity: Up to 12 months Nominal Amount* (₹ In Lakhs)	Maturity: More than 12 months Nominal Amount* (₹ In Lakhs)
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022	As at March 31, 2022
US$/₹ Buy forward	2	1,184.54	1,191.47	-

* Computed using average forward contract rates.

** Sensitivity on the above forward contracts in respect of foreign currency exposure is insignificant.

Currency Option Contracts

The Group uses currency options for hedging financial risks that arise from its commercial business activities. The Group manages its foreign currency risk by hedging transactions that are expected to occur for hedges of forecasted purchases and capital expenditures. When a contract is entered into for the purpose of being a hedge, the Group negotiates the terms of those contracts to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.

The following table details the option contracts outstanding at the end of the reporting period:

Outstanding Contracts	No. of Deals	Option premium paid (In Lakhs)	Nominal Amount (US$. In Lakhs)
	As at March 31, 2023	As at March 31, 2023	As at March 31, 2023
US$/₹ Buy Option	1	56.10	16.50
US$/₹ Buy Option	1	53.29	16.50
US$/₹ Buy Option	1	48.51	16.50

The Company has entered into option contracts with DBS Bank and HSBC for purchase of machinery (MR-Linac, Ultrasound & Cath lab).

Interest rate risk management

The Group is exposed to interest rate risk because Group borrows funds at both fixed and floating interest rates. The interest rate on the Group's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Notes Forming part of the Consolidated Financial Statements (Contd.)

19. Financial risk management objectives (Contd.)

(₹ in Lakhs)

If increase by 50 basis point	Interest impact	
Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Increase / (decrease) in profit or loss for the year	(346.00)	(479.69)
Increase / (decrease) in total equity	(225.10)	(312.07)
If decrease by 5%	**Interest impact**	
Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Increase / (decrease) in profit or loss for the year	346.00	479.69
Increase / (decrease) in total equity	225.10	312.07

Credit risk management

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

Refer note 6(v) of the consolidated financial statements for carrying amount and maximum credit risk exposure for trade receivables.

Reconciliation of loss allowance measured at life-time for credit impaired financial assets other than trade receivables.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	54,391.97	55,638.93
Loss allowance on loan converted [also refer note 22 (c)]	-	(1,300.00)
Loss allowance recognised/ (utilised)	(772.02)	53.04
Balance at the end of the year	53,619.95	54,391.97

The Group held cash and cash equivalents and other bank balances of ₹ 36,272.70 Lakhs at March 31, 2023 (March 31, 2022: ₹ 41,269.99 Lakhs). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties, which have high credit ratings assigned by credit-rating agencies.

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note given below sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

19. Financial risk management objectives (Contd.)

As at March 31, 2023

(₹ in Lakhs)

Particulars	Sanctioned limit	Undrawn limit
HSBC Bank (Term Loan)	55,632.16	19,063.00
HSBC Bank (Overdraft/ Short Term Loan)	30,000.00	19,850.02
DBS Bank (Term Loan)	8,644.58	2,405.68
DBS Bank (Overdraft/ Short Term Loan)	5,500.00	5,499.70
Axis Bank (Term Loan)	16,331.25	-
Axis Bank (Overdraft/ Short Term Loan)	10,000.00	10,000.00
Kotak Bank (Overdraft/ Short Term Loan)	100.00	100.00
ICICI (Term Loan)	97.73	-
Other Bank (Term Loan)	806.55	-
Others Bank (Overdraft/ Short Term Loan)	100.00	100.00
Grand Total	**1,27,212.27**	**57,018.40**

As at March 31, 2022

(₹ in Lakhs)

Particulars	Sanctioned limit	Undrawn limit
Axis Bank (Overdraft/ short term loan)	4,500.00	4,000.00
Axis Bank (Term Loan)	20,000.00	-
DBS (Overdraft/ short term loan)	11,000.00	10,966.13
DBS (Term Loan)	15,642.77	3,636.17
HDFC (Overdraft/ short term loan)	100.00	100.00
HSBC (Overdraft/ short term loan)	30,000.00	13,689.71
HSBC (Term Loan)	75,385.32	28,339.74
ICICI (Term Loan)	91.26	-
Kotak (Overdraft/ short term loan)	100.00	100.00
Kotak Bank (Term Loan)	123.02	-
Others (Term Loan)	371.21	-
Grand Total	**1,57,313.58**	**60,831.75**

Liquidity and interest risk

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

The Group has funds available of ₹ 36,272.70 Lakhs (gross of bank and book overdraft) and unutilised borrowing facilities sanctioned by banks amounting to ₹ 57,018.40 Lakhs.

The tables include both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

Notes Forming part of the Consolidated Financial Statements (Contd.)

19. Financial risk management objectives (Contd.)

(₹ in Lakhs)

Particulars	Within 1 year	More than 1 year	Total	Carrying amount
As at March 31, 2023				
Borrowings (current and non-current)	7,580.86	69,015.76	76,596.62	70,488.50
Lease liabilities (current and non-current)	6,690.15	49,461.40	56,151.55	22,257.10
Trade payables	71,428.69	-	71,428.69	71,428.69
Other financial liabilities (current and non-current) other than put option	20,656.37	2,051.45	22,707.82	22,707.82
Put option [refer note 12(b)]	-	159,100.00	159,100.00	159,100.00
Total	**1,06,356.07**	**2,79,628.61**	**3,85,984.68**	**3,45,982.11**

(₹ in Lakhs)

Particulars	Within 1 year	More than 1 year	Total	Carrying amount
As at March 31, 2022				
Borrowings (current and non-current)	24,185.24	90,653.82	1,14,839.06	96,567.26
Lease liabilities (current and non-current)	6,004.26	51,511.68	57,515.94	28,925.77
Trade payables	66,092.50	-	66,092.50	66,092.50
Other financial liabilities (current and non-current) other than put option	16,525.53	439.16	16,964.69	16,964.69
Put option [refer note 12(b)]	-	2,07,400.00	2,07,400.00	2,07,400.00
Total	**1,12,807.53**	**3,50,004.66**	**4,62,812.19**	**4,15,950.22**

The Group has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Borrowings from Axis Bank Limited, DBS Bank Limited and HSBC Bank Limited will become repayable on demand if the Group's EBIDTA to loan ratio exceeds 4. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement.

20. FAIR VALUE MEASUREMENT

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at March 31, 2023

(₹ in Lakhs)

Particulars	Note	Carrying Value			Fair value measurement using
		Fair value through profit and loss (FVTPL)	Amortised cost	Total	Level 3
Financial assets					
Loans (Non-current)	(b)	-	90.62	90.62	-
Other financial assets (Non-current)	(b)	-	4,918.05	4,918.05	-
Trade receivables (including unbilled receivables)	(a)	-	58,160.79	58,160.79	-
Cash and cash equivalents	(a)	-	14,108.25	14,108.25	-

20. Fair value measurement (Contd.)

(₹ in Lakhs)

Particulars	Note	Carrying Value			Fair value measurement using
		Fair value through profit and loss (FVTPL)	Amortised cost	Total	Level 3
Other bank balances	(a)	-	22,164.45	22,164.45	-
Loans (current)	(a)	-	161.67	161.67	-
Other financial assets (current)	(d)/(a)	169.54	2,989.27	3,158.81	169.54
Total		**169.54**	**1,02,593.10**	**1,02,762.64**	**169.54**
Financial Liabilities					
Borrowings – non-current	(c)	-	57,222.12	57,222.12	-
Borrowings – Current	(a)	-	13,092.93	13,092.93	-
Lease liabilities -- Non-Current	(e)	-	18,263.17	18,263.17	-
Lease liabilities – Current	(e)	-	3,993.93	3,993.93	-
Trade payables – Current	(a)	-	71,428.69	71,428.69	-
Other financial liabilities – Non-Current	(b)/ (d)	1,59,100.00	2,051.45	1,61,151.45	159,100.00
Other financial liabilities – Current	(d) /(a)	22.15	20,807.67	20,829.82	22.15
Total		**1,59,122.15**	**1,86,859.96**	**3,45,982.11**	**1,59,122.15**

As at March 31, 2022

(₹ in Lakhs)

Particulars	Note	Carrying Value			Fair value measurement using
		Fair value through profit and loss (FVTPL)	Amortised cost	Total	Level 3
Financial assets					
Loans (Non-current)	(b)	-	29.49	29.49	-
Other financial assets (Non-current)	(b)	-	4,963.34	4,963.34	-
Trade receivables	(a)	-	51,217.06	51,217.06	-
Cash and cash equivalents	(a)	-	14,323.27	14,323.27	-
Other bank balances	(a)	-	26,946.72	26,946.72	-
Loans (current)	(a)	-	148.62	148.62	-
Other financial assets (current)	(a)	-	2,112.93	2,112.93	-
Total		**-**	**99,741.43**	**99,741.43**	**-**
Financial Liabilities					
Borrowings – non-current	(c)	-	77,910.09	77,910.09	-
Borrowings – Current	(a)	-	18,657.17	18,657.17	-
Lease liabilities -- Non-Current	(e)	-	25,363.63	25,363.63	-
Lease liabilities -- Current	(e)	-	3,562.14	3,562.14	-
Trade payables – Current	(a)	-	66,092.50	66,092.50	-
Other financial liabilities – Non-Current	(b) /(d)	2,07,400.00	439.16	207,839.16	2,07,400.00
Other financial liabilities – Current	(a)	-	16,525.53	16,525.53	-
Total		**2,07,400.00**	**2,08,550.22**	**4,15,950.22**	**2,07,400.00**

Notes Forming part of the Consolidated Financial Statements (Contd.)

20. Fair value measurement (Contd.)

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

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

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

(c) The Group's borrowings have been contracted at floating rates of interest, which are reset at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

(d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

(e) Fair value measurement of lease liabilities is not required to be disclosed.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2023 and March 31, 2022.

Financial Instruments measured at amortised cost

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

Valuation technique used to determine fair value of Put option liability (Other financial liabilities):

The management has used average of Comparable Companies' Quoted Multiple Method (CCM) and Discounted Cash Flow Method (DCF) for determining the fair value of the put option.

The key assumptions used in the estimation of fair value are as follows:

i) **CCM approach:** Fair value of the instrument is the value of Enterprise value/ Earnings before interest, tax, depreciation and amortisation (EV/ EBITDA) multiple. As at March 31, 2023, the weighted average EV/ EBITDA multiple has been determined at 29.3x (previous year 35.94x).

ii) **DCF approach:** Fair value of the instrument is the value of discounted cash flow based on financial budgets approved by management. Key assumptions used for value in use calculations are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Compound average net sales growth rate	5%	7%
EV/ EBITDA multiple used for terminal value	29.34x	35.94x
Discount rate	16%	16%

Management has identified that a reasonable possible change in the key assumptions could cause a change in fair value of the instrument.

The following table shows the amount by which the fair value would change on change in this assumption, all other factors remaining constant

(₹ in Lakhs)

Increase/ (decrease) in fair value	As at March 31, 2023	As at March 31, 2022
EV/ EBITDA multiple		
Increase by 1x	4,800.00	5,367.00
Decrease by 1x	(4,800.00)	(5,367.00)
Discount rate		
Increase by 1%	(2,800.00)	(3,708.00)
Decrease by 1%	2,800.00	3,708.00

20. Fair value measurement (Contd.)

Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2023 and March 31, 2022:

(₹ in Lakhs)

Particulars	Put option
As at April 01, 2021	**162,100.00**
Addition during the year (refer note 12 b)	45,300.00
As at March 31, 2022	**207,400.00**
Derecognition during the year (refer note 12 b)	48,300.00
As at March 31, 2023	**159,100.00**

21. NON-CONTROLLING INTEREST

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations :

(₹ in Lakhs)

Particulars		SRL Group*	Malar Group	Other individually immaterial subsidiaries	Total
	NCI Percentage	**42.89%**	**37.29%**		
(a)	Non-current assets	1,86,102.54	5,352.47		
(b)	Current assets	55,771.89	8,447.52		
(c)	Non-current liabilities	20,020.11	4,207.23		
(d)	Current liabilities	27,296.62	3,175.52		
	Net assets	**1,94,557.70**	**6,417.24**		
	Net assets attributable to NCI/accumulated NCI	**83,445.80**	**2,392.99**	**(26.22)**	**85,812.57**
(a)	Revenue	1,37,110.22	9,258.89	-	-
(b)	Profit for the year	11,663.57	(1,548.11)	-	-
(c)	Other comprehensive income for the year	3.84	(47.80)	-	-
(d)	**Total comprehensive income for the year**	**11,667.41**	**(1,595.91)**	**-**	**-**
(e)	Profit allocated to NCI	5,002.51	(577.20)	-	-
(f)	OCI allocated to NCI	1.64	(17.92)	-	-
(a)	Cash flows from/ (used in) operating activities	19,351.18	560.99	-	-
(b)	Cash flows from/ (used in) investment activities	(10,754.11)	49.97	-	-
(c)	Cash flows from/ (used in) financing activities (dividends to NCI: nil)	(7,600.49)	(1,265.18)	-	-
(d)	Net increase (decrease) in cash and cash equivalents	996.58	(654.22)	-	-

Company Note (not part of the signed financial statements): **The relevant entities in this group have either changed their names or are in the process of changing their names in accordance with applicable law.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

21. Non-Controlling Interest (Contd.)

As at March 31, 2022

(₹ in Lakhs)

	Particulars	SRL Group#	Malar Group	Other individually immaterial subsidiaries	Total
	NCI Percentage	**42.89%**	**37.29%**		
(a)	Non-current assets	1,68,851.70	11,183.88		
(b)	Current assets	59,144.78	4,907.42		
(c)	Non-current liabilities	17,146.93	4,936.07		
(d)	Current liabilities	24,234.09	3,142.08		
	Net assets	**1,86,615.46**	**8,013.15**		
	Net assets attributable to NCI/accumulated NCI	**80,039.40**	**2,988.10**	**(26.22)**	**83,001.28**
(a)	Revenue	1,61,834.73	9,356.87	-	-
(b)	Profit for the year	55,470.85	(827.35)	-	-
(c)	Other comprehensive income for the year	6.39	(33.96)	-	-
(d)	**Total comprehensive income for the year**	**55,477.24**	**(861.31)**	**-**	**-**
(e)	Profit allocated to NCI	23,791.45	(308.52)	-	-
(f)	OCI allocated to NCI	2.74	(12.66)	-	-
(a)	Cash flows from/ (used in) operating activities	29,541.11	684.22	-	-
(b)	Cash flows from/ (used in) investment activities	(39,836.45)	823.32	-	-
(c)	Cash flows from/ (used in) financing activities (dividends to NCI: nil)	(3,351.41)	(1,010.01)	-	-
(d)	Net increase (decrease) in cash and cash equivalents	(13,646.75)	497.53	-	-

22. EXCEPTIONAL GAIN

(a) The Company through its subsidiary Fortis Healthcare International Pte. Limited. bought 64,120,915 shares @ 62 LKR total value in ₹ 19,762.82 Lakhs in year ended March 31, 2012 representing 28.60% of total equity of Lanka Hospital Corporation Plc, which is listed in Lanka Stock exchange.

During the current year, the management of the Group performed an impairment test for the carrying value of its investment in associate in Lanka Hospital Corporation Plc. The carrying value of its investment as on March 31, 2022 was ₹ 7,593.10 Lakhs in the consolidated financial statements. A reversal of impairment loss of ₹ 7,360.99 Lakhs (previous year ₹ Nil) has been recognised for the year ended March 31, 2023 to reflect the said carrying value to its likely recoverable value based on the published price quotation (Level 1 Fair value) as at March 31, 2023.

(b) During the previous year, SRL Limited*, a material subsidiary has acquired additional 50% stake equivalent to 2,50,000 equity shares in 'DDRC SRL Diagnostics Limited'**(DDRC SRL) (joint venture), Post this acquisition DDRC SRL has become subsidiary of Group. As per Ind AS 103, in a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss. Accordingly, the Group has recognised gain of ₹ 30,614.26 Lakhs on previously held equity as an exceptional item. (also refer note 38)

Company Note (not part of the signed financial statements):

** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

*** The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.*

#The relevant entities in this group have either changed their names or are in the process of changing their names in accordance with applicable law.

(c) The Company through its wholly owned subsidiary Fortis Hospitals Limited has invested (Equity and loan) in Fortis C-Doc Healthcare Limited which is a joint venture in which Fortis holds 60% stake at an amount of ₹ 622.85 Lakhs through equity shares and amount of ₹ 1,598.34 Lakhs (including interest accrued of ₹ 168.33 Lakhs) through loan. During earlier years, considering the recoverability of the investment and uncertainty in recoverability of loan with no foreseeable chances of recovery of the amount, an impairment loss of ₹ 1,598.34 Lakhs was recognised. During the previous year, the loan of ₹ 1,300.00 Lakhs has been converted into optionally redeemable convertible preference shares.

During the previous year, the Company have received an amount of ₹ 80.00 Lakhs against the interest accrued earlier and recorded the same as an exceptional gain.

(d) During the previous year, Birdie and Birdie Realtors Private Limited (subsidiary) has sold its land & building. The Group has recognised gain on sale of assets amounting to ₹ 809.05 Lakhs (net of goodwill impairment amounting to ₹ 1,231.10 Lakhs).

23. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013 and rules therein, some of the Companies within the Group are required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibility expenditures as certified by Management are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Amount required to be spent by the Group during the year,	1,448.97	1,303.74
(ii) Amount of expenditure incurred, (includes administrative expenses of ₹ 7.00 Lakhs (Previous year Nil))	1,448.97	1,303.74
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities undertaken by the Company	(i) Contributed to IIT Madras engaged in conducting research in Science, Technology, Engineering and Medicine aimed at promoting Sustainable Development Goals (SDGS) (ii) Donation to Yuva unstoppable (for Education related activities). (iii) Contribution to Indian Council of Medical Research.	Contribution to PM Cares Fund and ICMR Fund
(vii) details of related party transactions, e.g, contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant accounting standard,	-	-

Notes Forming part of the Consolidated Financial Statements (Contd.)

24. 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 utilise the money so received strictly in various CSR programmes.

However, there are unutilised amounts lying with FCF related to periods before March 31, 2018, 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 unutilised amount of ₹ 182.00 Lakhs during the year ended March 31, 2021.

25. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

26. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

(₹ in Lakhs)

S. No.	Name of the entity	Net assets, i.e. total assets minus total liabilities		Share in PAT		Share in OCI		Share in TCI	
		As % of consolidated net assets	Amount	As % of consolidated net PAT	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Parent								
	Fortis Healthcare Limited	123.77%	8,96,353.61	15.20%	9,624.01	16.10%	(126.79)	15.19%	9,497.22
	Subsidiaries								
	Indian								
1	Escorts Heart Institute And Research Centre Limited	8.52%	61,669.97	5.17%	3,271.32	21.16%	(166.62)	4.97%	3,104.70
2	Fortis Hospitals Limited	(8.10)%	(58,643.08)	9.16%	5,796.65	50.84%	(400.31)	8.63%	5,396.34
3	Fortis Malar Hospitals Limited	0.86%	6,195.74	(2.45)%	(1,553.32)	6.09%	(47.94)	(2.56)%	(1,601.26)
4	Malar Stars Medicare Limited	0.03%	226.50	0.00	5.49	0.02%	(0.14)	0.01%	5.35
5	Fortis HealthStaff Limited	(0.20)%	(1,450.64)	(0.14)%	(88.69)	0.00%	-	(0.14)%	(88.69)
6	Fortis Lafemme Limited	(0.01)%	(100.67)	(0.01)%	(8.27)	0.00%	-	(0.01)%	(8.27)
7	Fortis Cancer Care Limited	(0.60)%	(4,316.55)	(0.49)%	(311.97)	0.00%	-	(0.50)%	(311.97)

(₹ in Lakhs)

S. No.	Name of the entity	Net assets, i.e. total assets minus total liabilities		Share in PAT		Share in OCI		Share in TCI	
		As % of consolidated net assets	Amount	As % of consolidated net PAT	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
8	Fortis Health Management (East) Limited	(0.19)%	(1,389.48)	(0.16)%	(101.09)	0.00%	-	(0.16)%	(101.09)
9	Hiranandani Healthcare Private Limited	0.96%	6,941.90	3.65%	1,679.50	4.21%	(33.15)	2.63%	1,646.35
10	SRL Limited[(i)]	18.97%	1,37,399.23	12.78%	8,092.13	(3.94)%	31.06	12.99%	8,123.19
11	SRL Diagnostics Private Limited[(ii)]	2.45%	17,721.03	(6.03)%	3,814.81	(4.05)%	31.88	6.15%	3,846.69
12	SRL Reach Limited[(iii)]	0.00	29.48	(0.15)%	96.27	(0.09)%	0.74	0.16%	97.01
13	DDRC SRL Diagnostics Limited[(iv)]	2.17%	15,736.17	(7.58)%	4,796.03	(1.15)%	9.08	7.69%	4,805.11
14	Birdie and Birdie Realtors Private Limited	(1.96)%	(14,182.52)	(0.38)%	(238.49)	0.00%	-	(0.38%)	(238.49)
15	Stellant Capital Advisory Services Private Limited	0.58%	4,207.91	(0.65)%	(413.57)	1.60%	(12.58)	(0.68)%	(426.15)
16	Fortis Hospotel Limited	34.35%	2,48,800.61	33.50%	21,205.47	2.17%	(17.06)	33.90%	21,188.41
17	Fortis Emergency Services Limited	(1.15)%	(8,298.12)	(0.77)%	(486.12)	0.00%	-	(0.78)%	(486.12)
18	Escort Heart and Super Speciality Hospital Limited	2.30%	16,646.76	3.31%	2,096.77	1.87%	(14.75)	3.33%	2,082.02
19	International Hospital Limited	16.06%	1,16,329.60	17.65%	11,172.43	3.04%	(23.92)	17.83%	11,148.51
20	Hospitalia Eastern Private Limited	(2.20)%	(15,909.80)	(3.04)%	(1,926.37)	0.00%	-	(3.08)%	(1,926.37)
21	Fortis Health Management Limited	(10.01)%	(72,523.41)	(10.97)%	(6,940.84)	0.45%	(3.58)	(11.11)%	(6,944.42)

Company Note (not part of the signed financial statements):

[(i)] The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.

[(ii)] The new name of the said company has been reserved by Registrar of Companies ('RoC') as Agilus Pathlabs Private Limited vide letter dated June 08, 2023. The said company is in the process of making application to the RoC for seeking approval of the new name.

[(iii)] The name of the said company has been changed to Agilus Pathlabs Reach Limited with effect from July 5, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated July 5, 2023.

[(iv)] The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.

Notes Forming part of the Consolidated Financial Statements (Contd.)

(₹ in Lakhs)

S. No.	Name of the entity	Net assets, i.e. total assets minus total liabilities		Share in PAT		Share in OCI		Share in TCI	
		As % of consolidated net assets	Amount	As % of consolidated net PAT	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Foreign								
22	Fortis Asia Healthcare Pte Limited	(17.24)%	(1,24,884.40)	(0.76)%	(480.83)	1254.24%	(9,875.04)	(16.57)%	(10,355.86)
23	Fortis Healthcare International Limited	0.27%	1,923.20	(0.15)%	(96.57)	(19.19)%	151.09	0.09%	54.52
24	Fortis Global Healthcare (Mauritius) Limited	(5.67)%	(41,029.50)	(2.44)%	(1,542.97)	382.92%	(3,014.81)	(7.29)%	(4,557.78)
25	SRL Diagnostics FZ-LLC*	(0.17)%	(1,231.01)	(0.66)%	(419.82)	8.75%	(68.92)	(0.78)%	(488.74)
26	Fortis Healthcare International Pte Limited	1.15%	8,316.73	(0.43)%	(269.84)	145.27%	(1,143.76)	(2.26)%	(1,413.60)
27	Mena Healthcare Investment Company Limited	(0.13)%	(967.21)	-	-	0.00%	-	0.00%	-
28	Medical Management Company Limited	0.12%	850.23	-	-	0.00%	-	0.00%	-
29	RHT Health Trust Manager Pte Limited	1.38%	9,983.30	(0.69)%	(438.94)	(8.70)%	68.53	(0.59)%	(370.41)
	Associates (investment as per the equity method)								
	Foreign								
1	RHT Health Trust	0.36%	2,628.28	(0.10)%	(62.03)	(30.80)%	242.46	0.00%	180.43
2	Lanka Hospitals Corporate Plc	2.50%	18,082.02	3.55%	2,244.95	(147.75)%	1,163.29	5.45%	3,408.24
	Joint Ventures (as per the equity method)								
	Indian								
1	Fortis C-Doc Healthcare Limited	0.00%	-	-	-	0.00%	-	0.00%	-
2	Fortis Cauvery	0.01%	53.81	-	-	0.00%	-	0.00%	-

Company Note (not part of the signed financial statements):

** The name of the said company has been changed to Agilus Diagnostic FZ-LLC with effect from July 3, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies of the Dubai Healthcare City Authority vide the certificate of Company name change dated July 3, 2023.*

(₹ in Lakhs)

S. No.	Name of the entity	Net assets, i.e. total assets minus total liabilities		Share in PAT		Share in OCI		Share in TCI	
		As % of consolidated net assets	Amount	As % of consolidated net PAT	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Foreign								
3	SRL Diagnostics Nepal Private Limited*	0.04%	319.99	0.00	0.95	0.00%	-	0.00%	0.95
	Consolidation adjustments	(69.21)%	(5,01,263.44)	7.75%	4,781.35	(1,583.06%)	12,463.90	27.59%	17,245.25
	Total	**100.00%**	**7,24,226.24**	**100.00%**	**63,298.39**	**100.00%**	**(787.33)**	**100.00%**	**62,511.06**
	Non-Controlling Interest in all subsidiaries								
	Indian								
1	Fortis Malar Hospitals Limited	0.32%	2,307.85	(0.92)%	(579.19)	2.28%	(17.92)	(0.96)%	(597.11)
2	Malar Star Medicare Limited	0.01%	85.14	0.00%	1.99	0.00%	-	0.00%	1.99
3	SRL Limited**	11.52%	83,445.79	7.90%	5,002.50	(0.21%)	1.65	8.01%	5,004.15
	Foreign								
4	Mena Healthcare Investment Company Limited, and Medical Management Company Limited	(0.00)%	(27.77)	0.00%	-	0.00%	-	0.00%	-
	Total		**85,811.02**		**4,425.30**		**16.27**		**4,409.03**

Company Note (not part of the signed financial statements):

** SRL Diagnostics (Nepal) Private Limited is in the process of changing its name to Agilus Diagnostics (Nepal) Private Limited.*

*** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

27. 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 ₹ 49,414 Lakhs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 01, 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. Limited, 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 analysed 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 01, 2014 to September 30, 2018 involving additional matters by engaging independent experts with specialised 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 ₹ 49,414 Lakhs on July 01, 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 05, 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 ₹ 44,503 Lakhs including interest accrued thereon of ₹ 4,260 Lakhs 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 authorisation by the Board of FHsL. (Also refer note 28 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 ₹ 52,019 Lakhs before Hon'ble Delhi

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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 ₹ 2,676 Lakhs 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 ₹ 2,843 Lakhs 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 authorised 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 ₹ 460 Lakhs paid towards Security Deposit and ₹ 304 Lakhs 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 ₹ 5,333 Lakhs in the Consolidated Financial Statements for the year ended March 31, 2018 and a further provision of ₹ 186 Lakhs 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 materialise. Of the total advance of ₹ 10,000 Lakhs, balance of ₹ 2,375 Lakhs was outstanding to be received back. Post-dated cheques received from the entity were dishonored, and FHsL initiated legal proceedings in this regard. FHsL had accrued for the interest amounting to ₹ 174 Lakhs 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 realisation of the amounts.

In view of the facts stated above and the uncertainty in the ultimate recovery of the

Company Note (not part of the signed financial statements): ** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

aforesaid balances, the Group had recorded provisions aggregating to ₹ 2,549 Lakhs 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 ₹ 2,300 Lakhs 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 ₹ 3.46 Lakhs from erstwhile promoter group companies. Subsequently, EHIRCL advanced a loan to Healthstaff which was used to repay the outstanding unsecured loan amount of ₹ 794.50 Lakhs 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 ₹ 0.255 Lakhs from erstwhile promoter group company. Subsequently, FHsL advanced a loan to FESL, which was used to repay the outstanding unsecured loan amount of ₹ 215 Lakhs 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

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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 ₹ 1,768 Lakhs) 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 characterised 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 ₹ 234 Lakhs 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 ₹ 4,610 Lakhs 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 ₹ 2,002.39 Lakhs was recognised as recoverable in the Consolidated Financial Statements of the Company for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts, a provision of ₹ 2,002.39 Lakhs was made in the Consolidated Financial Statements 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 ~ ₹ 846 Lakhs and managerial remuneration was paid for the period January 2016 to May 2016, amounting to equivalent ~ ₹ 349 Lakhs. Further, remuneration paid in excess of Central Govt. approval by the Company for FY 2014-15 & FY 2015-16 amounting to ~ ₹ 528 Lakhs 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 ~ ₹ 528 Lakhs 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 ~ ₹ 344 Lakhs 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 Private Limited. ("Birdie") from certain persons related to the erstwhile promoters, wherein ₹ 12,275 Lakhs were paid towards ICDs at a rate of interest of 14% per annum and ₹ 7,725 Lakhs were paid for the shares acquired. The total enterprise value of Birdie was projected at ₹ 20,000 Lakhs based on the valuation report of land and building by an independent valuer. However, the equity valuation of ₹ 7,725 Lakhs was arrived based on a land and building valuation report by another valuer of ₹ 23,700 Lakhs 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 ₹ 12,275 Lakhs were utilised 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 ₹ 10,661 Lakhs, goodwill to the extent of ₹ 9,430 Lakhs 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. Limited, 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 ₹ 5,510 Lakhs (between the previously recorded carrying value of the investment and the amount subsequently realised) was considered in the Consolidated Financial Statements 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 Statements of the Group. 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

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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.

28. 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 said 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 ₹ 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 ("Interim 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 the erstwhile promoters (and certain entities controlled by them) and misrepresentation in financial statements of the Company. Further, it inter alia directed the Company to take all necessary steps to recover ₹ 40,300 Lakhs along with due interest from erstwhile promoters and various other entities, as mentioned in the Interim Order. More importantly, the said entities had also been directed to jointly and severally repay ₹ 40,300 Lakhs along with due interest to Company within three months of the Interim order. Incidentally, the Interim 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.

The Company and its wholly owned subsidiary i.e. Fortis Hospitals Limited (FHsL) had then filed applications for modification of the Interim 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 Interim order dated October

17, 2018 deleting FHsL from the list of entities against whom the Interim 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 ₹ 40,300 Lakhs along with due interest from erstwhile promoters and various other entities, as mentioned in the Interim Order.

Company and FHsL had filed necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile promoters and varisous other entities to the Company and FHsL. SEBI vide its letter dated June 14, 2019 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 ₹ 52,019 Lakhs 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 Private. Limited., Fern Healthcare Private. Limited. and Modland Wears Private. Limited. 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. The new promoters of the Company (i.e. NTK Venture Pte. Limited.) assumed control of the Company pursuant to a preferential allotment which was approved by both the Competition Commission of India and SEBI which approved the open offer triggered pursuant to 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. SEBI passed an order dated April 19, 2022 w.r.t SCN -1 directing the Company & FHsL to pursue the measures taken to recover the amount of ₹ 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 has imposed a penalty of ₹ 100 Lakhs and

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₹ 50 Lakhs 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. Appeal is pending adjudication. During the current year, the Company and FHsL have deposited ₹ 50.00 Lakhs and ₹ 25.00 Lakhs respectively under protest with Hon'ble Securities Appellate Tribunal, Mumbai.

On April 09, 2021, SEBI issued another Show cause notice (SCN-2) to various notices including Escorts Heart Institute and Research Centre Limited ("EHIRCL"). In the said SCN-2, with respect to EHIRCL, it was alleged that ₹ 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 was 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 had been clubbed along with the other notices, and had been painted with the same brush as the other notices in alleging that certain notices, 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 ₹ 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 promoter's 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 ₹ 100 Lakhs on EHIRCL. EHIRCL filed an appeal against the order dated May 18, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai. SEBI has filed its response to which EHIRCL has filed a rejoinder. Appeal is pending adjudication. During the current year, EHIRCL has deposited ₹ 50.00 Lakhs under protest with Hon'ble Securities Appellate Tribunal, Mumbai.

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.

29. The Board of Directors, after seeking inputs from reputed investment bankers, had approved an equity infusion of Directors, after seeking inputs from reputed investment bankers, had approved an equity infusion of ₹ 400,000 Lakhs at a price of ₹ 170 per equity share into the Company by Northern TK Venture Pte Limited 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 Limited, 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 Limited. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Limited 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 September 22, 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 Suo 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

Notes Forming part of the Consolidated Financial Statements (Contd.)

forensic auditor(s) to analyses 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 October 18, 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. Decree Holder has filed application(s) before Delhi High Court seeking appropriate directions in connection with forensic audit. Matter is pending adjudication.

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 Consolidated Financial statements.

30. Further during the year ended March 31, 2021, 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.

31. The Board of Directors at its meeting held on July 13, 2018, approved re-classification of the then promoter holding under the category of 'Public Shareholding'. This was approved by the shareholders at their Extra Ordinary General Meeting dated August 13, 2018. During the year ended March 31, 2020, the Company received approval from SEBI for re-classification of erstwhile promoters as "public shareholder". SEBI has also reclassified the erstwhile promoters as "public shareholder".

32. The Group has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under Section 92D for its international transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2023 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

33. The Group has entered in various agreements with equipment manufacturer suppliers. As per agreements, the Group will get equipment free of cost and reagents have to be purchased from those specific vendors only. These equipment can be replaced at any point of time as per the discretion of the respective vendors.

34. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT, 2006

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

Notes Forming part of the Consolidated Financial Statements (Contd.)

34. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, -2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
-Principal amount due to micro and small enterprises (including payable against PPE)	12,938.97	6,861.42
-Interest due on above	25.25	5.10
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	31.15	26.58
The amount of interest accrued and remaining unpaid at the end of each accounting year	88.08	31.68
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

*Including payable to micro enterprises and small enterprises included in other financial liabilities [refer note 6(xviii)]

35. The Board of Directors of the Company in its meeting on May 23, 2023 recommended a dividend of Rupee 1.00 per equity share (at the rate of 10% on face value of ₹ 10 per share) of the Company for the year ended March 31, 2023 which will be paid subject to the approval of the shareholders in the Annual General Meeting (AGM) of the Company, to those shareholders whose names appear on the register of members as on the date of Book Closure in proportion to the paid up value of the equity shares and if approved, would result in a net cash outflow of approximately ₹ 7,550 Lakhs.

Further, the Board of Directors of SRL Limited*, a subsidiary of the Company in its meeting held on May 18 2023, recommended a dividend of ₹ 2.97 per equity share for the financial year ended March 31 2023. This payment is subject to the approval of shareholders in the AGM of SRL Limited*.

36. ASSET HELD FOR SALE

On March 31, 2023, the Board of directors of the Company gave their consent to sell/transfer/dispose-off Arcot Road Hospital, Chennai as a going concern/on slump sale basis on “as is where is” basis on such terms and conditions as per the draft business transfer agreement and with closure of points under discussion. Further, the related assets and liabilities have been classified as held for sale as per provisions of “IND AS 105-non-current assets held for sale” in these standalone financial results. This transaction is expected to be materialised within one year from the reporting.

Company Note (not part of the signed financial statements):

** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

The carrying amounts of assets and liabilities as at March 31, 2023 were as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023
Non-Current Assets	
Property, plant and equipment	16,373.25
Capital Work In Progress	59.57
Right-of-use assets	6,988.68
Other Intangible Assets	7.07
Other financial assets	178.91
Deferred tax assets (net)	430.25
Other non current assets	20.01
Total Non-Current Assets (A)	**24,057.74**
Current Assets	
Inventory	205.15
Trade receivables	749.88
Cash and cash equivalents	2.20
Other financial assets	2.18
Other Current Assets	552.63
Total Current Assets (B)	**1,512.04**
Total Assets (C = A+B)	**25,569.78**
Non-current liabilities	
Lease liabilities	9,060.86
Provisions	81.09
Total Non-current liabilities (D)	**9,141.95**
Current Liabilities	
Trade payables	1,599.10
Lease liabilities	107.96
Other financial liabilities	200.65
Provisions	29.52
Other current liabilities	152.66
Total current liabilities (E)	**2,089.89**
Total liabilities (F = D+E)	**11,231.84**
Net Assets (C-F)	**14,337.94**

37. a) During the current year, effective from July 01, 2022, the Company acquired R K Diagnostic, the whole pathology business vertical. The transaction was for a purchase consideration of ₹ 1,125 Lakhs. The amount shall be payable in three tranches ₹ 281.25 Lakhs payable on Effective Date, ₹ 562.50 Lakhs payable on or before Closing date and ₹ 281.25 Lakhs payable with 120 days from Closing Date. The transaction is accounted as business combination and based on purchase price allocation performed, a goodwill of ₹ 964.10 Lakhs has been recorded.

The following table summarises the recognised amount of assets acquired:

(₹ in Lakhs)

Particulars	**Fair Value**
Trademark and non compete fees	101.10
Right of Use assets	28.57
Property, plant and equipment	59.80
Lease liability	(28.57)
Net assets acquired	**160.90**

Goodwill

Goodwill arising from acquisition has been determined as follows:

(₹ in Lakhs)

Particulars	**Amount**
Purchase consideration	1,125.00
Fair value of net identifiable assets	160.90
Goodwill	**964.10**

Property, plant and equipment

Cost approach has been adopted to estimate the fair value of Property, plant and equipment.

Non-compete

The intangible asset related to non-compete has been valued using with or without method, which is form of the income approach. Non-compete is having useful life of 10 years.

The Goodwill is attributable mainly to the synergies expected to be achieved by integrating the entities into the Company's existing diagnostic business.

Statutory financial statements of the acquiree are not available for the period prior to acqusition hence it is impracticable to disclose revenue and profit or loss of the acquiree for the current reporting period as if the acquisition date for the business combination had been as of April 01, 2022. Contribution of the above business in the current year's revenue and profit is also not available since the books of accounts are not separately maintained. None of the goodwill recognised is deductible for income tax purposes.

b) During the current year, effective from January 15, 2023, the Company acquired Dr Ponkshe Path Lab (Including care diagnostics), located at Ramdaspeth Nagpur, Maharashtra. The transaction was for a purchase consideration of ₹ 1,091 Lakhs. The amount is payable in two tranches. First tranche of ₹ 545.5 Lakhs has been paid during the year and the second tranche of ₹ 545.5 Lakhs is payable within 60 days from the expiry of the one year period on achievement of net revenue target. The transaction is accounted as a business combination and based on purchase price allocation performed, a goodwill of ₹ 814 Lakhs has been recorded.

The following table summarises the recognised amount of assets acquired:

(₹ in Lakhs)

Particulars	**Fair Value**
Trademark and non compete fees	223.00
Softwares	1.43
Right of use assets	142.41
Property, plant and equipment	52.57
Lease liability	(142.41)
Net assets acquired	**277.00**

Notes Forming part of the Consolidated Financial Statements (Contd.)

Goodwill arising from acquisition has been determined as follows:

(₹ in Lakhs)

Particulars	Amount
Fair value of net identifiable assets	277.00
Purchase consideration (Including contingent consideration of ₹ 545.5 Lakhs)	1,091.00
Goodwill	**814.00**

Property, plant and equipment

Cost approach has been adopted to estimate the fair value of Property, plant and equipment.

Non-compete

The intangible asset related to non-compete has been valued using with or without method, which is form of the income approach. Non compete is having useful life of 9 years.

The Goodwill is attributable mainly to the synergies expected to be achieved by integrating the entities into the Company's existing diagnostic business.

Statutory financial statements of the acquiree are not available for the period prior to acquisition hence it is impracticable to disclose revenue and profit or loss of the acquiree for the current reporting period as if the acquisition date for the business combination had been as of April 01, 2022. The contribution of the above business in the current year's revenue and profit is also not available since the books of accounts are not separately maintained. None of the goodwill recognised is deductible for income tax purposes.

38. During the previous year, effective from April 05, 2021, SRL Limited* ("SRL") acquired 50% stake in DDRC SRL Diagnostics Limited** (in which SRL Diagnostics Private Limited*** (SRL's 100% subsidiary), had already held 50% stake), from the joint venture partner. With the completion of this transaction, the aforesaid entity became a wholly owned subsidiary of SRL*. The transaction was for a consideration of ₹ 35,000 Lakhs (₹ 32,500 Lakhs upfront and balance in two half yearly tranches of ₹ 1,250 Lakhs each on October 04, 2021 and April 04, 2022) towards acquisition of 50% stake in DDRC SRL Diagnostics Limited**. The deferred consideration payable on April 04, 2022 has been paid in the current year. The transaction is accounted as a business combination and based on purchase price allocation performed, a goodwill of ₹ 41,380.74 Lakhs has been recorded.

The following table summarises the recognised amount of assets acquired and liabilities assumed at the date of acquisition in relation to acquisition of balance 50% stake in DDRC SRL Diagnostics Limited**:

Company Note (not part of the signed financial statements): **The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

*** The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.*

**** The new name of the said company has been reserved by Registrar of Companies ('RoC') as Agilus Pathlabs Private Limited vide letter dated June 08, 2023. The said company is in the process of making application to the RoC for seeking approval of the new name.*

(₹ in Lakhs)

Particulars	Fair Value
Property, plant and equipment	4,425.37
Right-of-use assets	597.26
Intangible Assets	73.20
Other non-current financial assets	1,368.68
Deferred tax assets	308.98
Other non-current assets	251.12
Inventory	791.61
Trade and other receivables	798.58
Cash and cash equivalents	1,371.48
Current tax assets	177.17
Other assets	75.84

(₹ in Lakhs)

Particulars	Fair Value
Lease liability	(651.01)
Provision for employee benefits	(563.23)
Trade payables	(704.27)
Other financial liabilities	(164.68)
Other liabilities	(737.43)
Customer relationships	5,733.06
Non compete	746.21
Trademarks	21,500.00
Deferred tax liabilities	(7,041.82)
Net assets acquired	**28,356.12**

With effect from April 05, 2021 (date of acquisition), DDRC has contributed ₹ 31,301.72 Lakhs and ₹ 7,373.54 Lakhs to the Group's revenue and profit before taxation respectively for the year ended March 31, 2022.

The management estimates that if the acquisition had occurred on April 01, 2021, consolidated revenue and consolidated profit before tax and other comprehensive (loss) for the year ended March 31, 2022 would have been ₹ 572,105.82 Lakhs, ₹ 98,877.91 Lakhs and ₹ (4,650.17) Lakhs.

Measurement of fair values

The valuation techniques for measurement of fair value is as follows:

Property, plant and equipment

Cost approach has been adopted to estimate the fair value of leasehold improvement, plant and machinery, air conditioners, medical equipments whereas for rest of the asset classes, the Group has considered their respective Net Book Values.

Customer relationships

The intangible asset related to customer relationships has been valued using Multi Period Excess Earnings Method ("MEEM"). Business to business (B2B) Customer relationships are assumed to have a remaining useful life till FY 2036.

Non-compete

The intangible asset related to non-compete has been valued using with or without, which is form of the income approach. Non-compete is having useful life of 3 years.

Trademarks

Being "DDRC" registered trademark, it has been valued using differential pricing method of the income approach. Trademarks is having indefinite useful life.

Goodwill

Goodwill arising from acquisition has been determined as follows:

(₹ in Lakhs)

Particulars	Amount
Consideration	32,500.00
Deferred consideration (₹ 25 Crores payable in two instalments)	2,368.43
Total purchase consideration for 50% stake	34,868.43
Fair value of 100% equity stake in DDRC SRL Diagnostics Limited* - (A)	69,736.86
Fair value of net identifiable assets - (B)	28,356.12
Goodwill (A)-(B)	**41,380.74**

Company Note (not part of the signed financial statements): **The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.*

Notes Forming part of the Consolidated Financial Statements (Contd.)

The goodwill is attributable mainly to the synergies expected to be achieved by integrating the entities into the Group's existing diagnostics business. The goodwill recognised is not expected to be deductible for income tax purposes.

Step Acquisition

As per Ind AS 103, in a business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognise the resulting gain or loss, if any, in profit or loss. As SRL Limited* through its 100% subsidiary, SRL Diagnostics Private Limited**, was holding 50% equity interest in DDRC SRL Diagnostics Limited*** prior to the acquisition, the same has been remeasured at fair value at the acquisition date. The remeasured value is calculated as below :

(₹ in Lakhs)

Particulars	Amount
Fair value of 50% equity stake in DDRC SRL Diagnostics Limited***	34,868.43
Less: Carrying value of investment in DDRC SRL Diagnostics Limited***	4,254.17
Gain on remeasurement of previously held equity interest	**30,614.26**

Company Note (not part of the signed financial statements): **The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

*** The new name of the said company has been reserved by Registrar of Companies ('RoC') as Agilus Pathlabs Private Limited vide letter dated June 08, 2023. The said company is in the process of making application to the RoC for seeking approval of the new name.*

**** The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.*

39. OTHER STATUTORY INFORMATION

i. The Group is not declared the willful defaulter by any bank or financial institution or other lender.

ii. The Group has following transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956:

Name of the Company	Reason for continuous transactions	Nature of transaction	Balance outstanding as at March 31, 2023 (payable/ (advance))	Balance outstanding as at March 31, 2022 (payable/ (advance))	Transactions in FY 2022-23	Transactions in FY 2021-22
Aniketshubham Private Limited	NA	Purchase of material / services	3.65	3.65	-	-
Faber Star Facilities Management Limited	NA	Purchase of material / services	(2.98)	(2.98)	-	-
Ayuh-Meditech Solutions Private Limited	NA	Purchase of material / services	0.46	0.46	-	-
Enin Projects India Private Limited	NA	Purchase of material / services	0.01	0.01	-	-
Rxpress Digimed Services Private Limited	Business requirement	Purchase of material / services	2.94	-	2.94	-
Overseas Medical Services (India) Private Limited	Business requirement	Purchase of material / services	71.85	74.78	-	-
Orison Healthcare Solutions Private Limited	NA	Purchase of material / services	2.10	2.10	-	-
Bionisa Lifesciences Private Limited	NA	Purchase of material / services	(1.19)	(1.19)	-	-

Notes Forming part of the Consolidated Financial Statements (Contd.)

Name of the Company	Reason for continuous transactions	Nature of transaction	Balance outstanding as at March 31, 2023 (payable/ (advance))	Balance outstanding as at March 31, 2022 (payable/ (advance))	Transactions in FY 2022-23	Transactions in FY 2021-22
Bingo Technologies Private Limited	NA	Purchase of material / services	0.02	0.02	-	-
First Star Hotels Private Limited	NA	Purchase of material / services	0.02	0.02	-	-
Global Medi Advisors Private Limited	NA	Purchase of material / services	(0.05)	(0.05)	-	-
Thotwaves Innovations Private Limited	NA	Purchase of material / services	(0.40)	(0.40)	-	-
VLS Healthcare Private Limited	Business requirement	Purchase of material / services	0.54	0.10	1.87	0.10
El Shaddai Integrated Solutions India Private Limited	Business requirement	Purchase of material / services	2.15	5.52	11.60	5.63
Aquimed Devices Private Limited	NA	Purchase of material / services	0.07	0.07	-	-
Medineel Healthcare (Opc) Private Limited	NA	Purchase of material / services	0.23	0.23	-	-
Now N Next Concepts Private Limited	Business requirement	Purchase of material / services	0.11	2.44	-	-
Vision Medi Distributors India Limited.	NA	Purchase of material / services	(0.11)	(0.11)	-	-
Green Park Hotels And Resorts Limited	Business requirement	Purchase of material / services	(0.05)	0.51	6.06	3.06
Enmax Global Technologies Private Limited	NA	Purchase of material / services	1.51	1.51	-	-
Indiavepro Medical Informatics (P) Limited.,	Business requirement	Purchase of material / services	-	-	1.11	1.05
J.M. Weightronix Private. Limited.	Business requirement	Purchase of material / services	(0.04)	(0.04)	0.76	0.38
Safe Vacations Private Limited.	NA	Purchase of material / services	0.02	0.02	-	-

i. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes Forming part of the Consolidated Financial Statements (Contd.)

ii. The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment except loan given by SRL Limited* ("the holding company") to SRL Diagnostics Private Limited** (''wholly owned subsidiary) and SRL Diagnostics FZ-LLC*** ("wholly owned subsidiary") amounting to ₹ 7,700 Lakhs which is repayable on demand.

iii. The Group does not have any such transaction which is not recorded in the books of accounts of the Group that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961.

iv. The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Act.

v. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

vi. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

40. SUBSEQUENT EVENTS

i. On April 20, 2023, the Company signed definitive agreements with the VPS group for the acquisition of assets of Medeor Hospital in Manesar, Gurugram, Haryana, ("Medeor Hospital") for an overall purchase consideration of ₹ 22,500 Lakhs. The Hospital has a potential bed capacity of 350 beds and can be operationalised in a phased manner in approximately 9 months.

   The transaction entails the purchase of land, building and moveable assets of Medeor Hospital in Manesar, Gurugram, owned by Medeor Hospitals Limited and is expected to close by end of July 2023, subject to the completion of certain conditions precedent as stipulated in the definitive agreements. The transaction will be funded through a mix of debt and internal accruals.

ii. The healthcare business operates inter alia within two categories of entities within the Fortis Group i.e. operations entities and establishment entities. In order to consolidate the operations entities and establishment entities such that both operations and establishment of a hospital are housed in same entity, the Board of Directors of the Company consented to the demerger of certain healthcare operations from the operations entities into the establishment entities. This is subject to the approval of the shareholders of the Company and Board of Directors of the respective Companies.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Rajesh Arora
Partner
Membership Number: 076124

Place: Gurugram
Date: May 23, 2023

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

Ashutosh Raghuvanshi
Managing Director &
Chief Executive Officer
DIN: 02775637

Shailaja Chandra
Independent Director
DIN: 03320688

Murlee Manohar Jain
Company Secretary
Membership No.: F9598

Vivek Kumar Goyal
Chief Financial Officer

Place: Gurugram
Date: May 23, 2023

Company Note (not part of the signed financial statements):

** The name of the said company has been changed to Agilus Diagnostics Limited with effect from May 31, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies vide the fresh Certificate of Incorporation dated May 31, 2023.*

*** The new name of the said company has been reserved by Registrar of Companies ('RoC') as DDRC Agilus Pathlabs Limited vide letter dated June 07, 2023. The said company has made an application to the RoC seeking approval of the new name & the same is awaited.*

**** The name of the said company has been changed to Agilus Diagnostic FZ-LLC with effect from July 3, 2023, subsequent to the date of approval by the Board of Directors on May 23, 2023. The said change in name was approved by the Registrar of Companies of the Dubai Healthcare City Authority vide the certificate of Company name change dated July 3, 2023.*

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Registered Office:
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https://www.instagram.com/fortis.healthcare

https://www.facebook.com/fortishealth

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