

**Fortis Healthcare Limited**

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South City 1, Sector – 41, Gurgaon,  
Haryana – 122 001 (India)

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Website : [www.fortishealthcare.com](http://www.fortishealthcare.com)

**August 14, 2018**

**FHL/SEC/STEX/RR/2018-19**

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

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

**Scrip Symbol: FORTIS**

**Scrip Code:532843**

**Sub: Outcome of the Board Meeting**

Dear Sir(s),

This is to inform you that the Board of Directors of the Company at its meeting held on August 14, 2018, *inter-alia*, considered and approved the following: -

1. Un-Audited Financial Results and Limited Review Report along with the modified opinion expressed by the Statutory Auditor of the Company for the quarter ended on June 30, 2018;
2. Convening of 22<sup>nd</sup> Annual General Meeting of the Company on Friday, September 28, 2018 at National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali – Punjab-160062

Copy of the un-audited financial results, limited review report and press release being issued in this regard are attached for your reference and records.

The Board Meeting commenced at 1600 Hours and concluded at 1900 Hours.

This is for your information and records please.

Thanking you,

Yours faithfully,

For **Fortis Healthcare Limited**

**Rahul Ranjan  
Company Secretary  
Membership No.: A17035**

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**FORTIS HEALTHCARE LIMITED**

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

## **INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS**

### **TO THE BOARD OF DIRECTORS OF FORTIS HEALTHCARE LIMITED**

**A.** We have reviewed the accompanying Standalone Unaudited Financial Results of **FORTIS HEALTHCARE LIMITED** ("the Company") for the quarter ended 30 June, 2018 ("the Standalone Results") included in the accompanying Statement of Standalone Unaudited Financial Results ("the Standalone Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016.

### **B. Management's Responsibility for the Standalone Statement**

This Standalone Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Also, refer to the matters described in section D. Basis for Qualified Conclusion below.

### **C. Auditor's Responsibility**

1. Our responsibility is to issue a report on the Standalone Results included in the Standalone Statement based on our review.

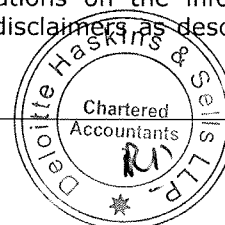
We conducted our review of the Standalone Results in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan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

2. Except as indicated in the Basis for Qualified Conclusion paragraphs below, we believe that the evidence obtained by us, is sufficient and appropriate to provide a basis for our conclusion on the Standalone Results included in the Standalone Statement.

### **D. Basis for Qualified Conclusion**

1. As explained in Note 13 of the Standalone Statement, pursuant to certain events/transactions, the erstwhile Audit and Risk Management Committee (the 'ARMC') of the Company had during the year ended March 31, 2018 decided to carry out an independent investigation through an external legal firm on certain matters more fully described in the said Note. The terms of reference for the investigation, the significant findings of the external legal firm (including identification of certain systemic lapses and override of internal controls), which are subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation Report, are summarised in the said Note.

*Independent Auditor's Review Report on the  
Review of interim standalone financial results of quarter ended June 30, 2018  
of Fortis Healthcare Limited*



Also, as explained in the said Note:

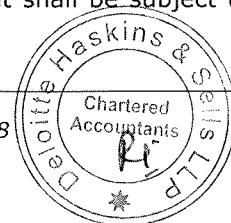
- a) As per the assessment of the Board, based on the investigation carried out through the external legal firm, and the information available at this stage, all identified/required adjustments/disclosures arising from the findings in the Investigation Report, were made in the Standalone Ind AS Financial Statements of the Company for year ended March 31, 2018. Also refer paragraph 2(b) below.
- b) The Company's Board of Director have also initiated an enquiry of the management of the certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm.
- c) At this juncture the Board of Directors of the Company are unable to make a determination on whether a fraud has occurred on the Company in respect of the matters covered in the investigation by the external legal firm, considering the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation Report.
- d) Various regulatory authorities are currently undertaking their own investigation (refer Note 13(i) and 14 of the Standalone Statement), and it is likely that they may make a determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the matters addressed in the Investigation Report.
- e) Any further adjustments/disclosures, if required, would be made in the books of account pursuant to the above actions to be taken by the Board / regulatory investigations, as and when the outcome of the above is known.

In view of the above, we are unable to comment on the regulatory non-compliances, if any, and the adjustments / disclosures which may become necessary as a result of further findings of the ongoing or future regulatory / internal investigations and the consequential impact, if any, on the Standalone Results, included in the Standalone Statement.

2. As explained in Note 12 of the Standalone Statement, the Company had, during the year ended March 31, 2018, recognised provisions aggregating to Rupees 4,743 lacs (comprising amounts due from a party Rupees 2,173 lacs and Rupees 2,570 lacs towards capital work-in-progress), due to uncertainty of recovery of these balances.

In this regard,

- a) The Group is in the process of evaluating the legal alternatives available to it to recover the aforesaid balances. Consequently, we are unable to comment if any adjustments are required to the Standalone Results included in the Standalone Statement in respect of the provisions made towards these balances.
3. As explained in Note 9 of the Standalone Statement, during the year ended March 31, 2018, a Civil Suit was filed by a third party (to whom the ICDs were assigned by a subsidiary, Fortis Hospitals Limited ('FHSL')) ('Assignee' or 'Claimant') against various entities including the Company (together "the Defendants"), before the District Court, Delhi and have, *inter alia*, claimed implied ownership of brands "Fortis", "SRL" and "La-Femme" in addition to certain financial claims and for passing a decree that consequent to a Term Sheet dated December 6, 2017 ('Term Sheet') with a certain party, the Company is liable for claims owed by the Claimant to the certain party. In connection with this, the District Court passed an ex-parte order directing that any transaction undertaken by defendants, in favour of any other party, affecting the interest of the Claimant shall be subject to orders passed in the said suit.



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

Whilst this matter was included as part of the investigation carried out by the external legal firm referred to in paragraph 1 above, the external legal firm did not report on the merits of the case since the matter was *sub judice*.

In addition to the above, the Company received four notices from the Claimant claiming (i) Rupees 1,800 lacs as per notices dated 31 May, 2018 and 1 June, 2018 (ii) Rupees 21,582 lacs as per notice dated 4 June, 2018; and (iii) and Rupees 1,962 lacs as per notice dated 4 June, 2018. All these notices have been responded to by the Company denying any liability whatsoever.

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

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

During the current quarter, the said certain party has also filed an application for being impleaded as party to the Civil Suit by the Claimant. The matter is yet to be heard.

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

Since the matter is *sub-judice*, the outcome of which is not determinable at this stage, we are unable to comment on the consequential impact, if any, of the same on the Standalone Results, included in the Standalone Statement.

4. As explained in Note 13 (f) of the Standalone Statement, related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 are as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 13 (d) (i), (ii), (vi) and (vii) of the Standalone Statement) 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 have been identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities. Therefore, there may be additional related parties whose relationship may not have been disclosed to the Company and, hence, not known to the Management.

In the absence of all required information, we were unable to comment on the completeness/accuracy of the related party relationships as required under Ind AS 24 – Related Party Disclosures, the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and the compliance with the other applicable regulations.

In view of the above, we are unable to comment on the consequential impact, if any, of the same on the Standalone Results included in the Standalone Statement.

5. As explained in Note 17 of the Standalone Statement, during the year ended March 31, 2018, the Company, having considered all necessary facts and taking into account external legal advice, has 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. The external legal counsel has also advised that the payments made to him under this LoA would be considered to be covered under the limits of section 197 of the Companies Act, 2013.

The Company is in the process of taking suitable legal measures to recover the payments made to him under the LoA as also to recover all the Company's assets in his possession. The Company has sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him.

In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for remuneration & other reimbursements), aggregating to Rupees 2,002 lacs were shown as recoverable in the Standalone Financial Statements for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts a provision of Rupees 2,002 lacs was made in the said Standalone Financial Statements and shown as an exceptional item.

The erstwhile Executive Chairman, in his response has claimed an amount of Rupees 4,610 Lacs from the Company towards his terms of employment. The Company has responded denying any liability whatsoever in this regard.

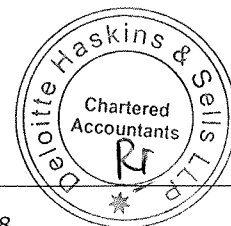
As stated above, due the nature of dispute and uncertainty involved, we are unable to comment on the tenability of the aforesaid claims, the provision made for the uncertainty in recovery of the amounts and any provision that may be required for the claim made by the erstwhile Executive Chairman, the recovery of the assets in possession of the erstwhile Director and other non-compliances, if any, with the applicable regulations and the consequential impact, if any, of the same on the Standalone Results included in the Standalone Statement.

The matters referred to in paragraphs 1 to 5 above were included as part of the Basis of Qualified Opinion in the audit report on the Standalone Financial Statements / Standalone Financial Results of the Company for the year ended March 31, 2018.

#### **E. Qualified Conclusion**

Based on our review conducted as stated above,

1. except for the effects / possible effects of the matter(s) described in section D. Basis for Qualified Conclusion above, nothing has come to our attention that causes us to believe that the Standalone Results, included in the Standalone Statement has not been prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, and
2. nothing has come to our attention that causes us to believe that the Standalone Statement is not presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.



**F. Emphasis of Matter**

We draw attention to Note 16 of the Standalone Statement wherein it has been explained that the Standalone Results have been prepared on a going concern basis for the reasons stated in the said Note.

Our report is not modified in respect of this matter.

**G. Other Matters**

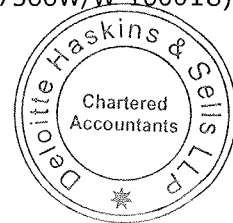
The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year then ended and the published year to date figures up to end of third quarter of that year, which contained a disclaimer of conclusion. Therefore, we did not express a conclusion on the standalone financial results for the quarter ended March 31, 2018 when they were presented as part of the Standalone Annual Results of the Company for the year then ended.

Our report on the Standalone Results included in the Standalone Statement is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**RASHIM TANDON**  
Partner  
(Membership No. 095540)

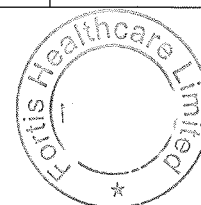
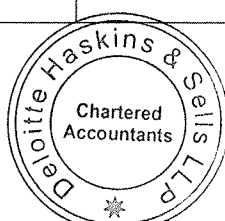


Gurugram, 14 August, 2018  
RT/YK/2018

**FORTIS HEALTHCARE LIMITED**  
**STATEMENT OF STANDALONE FINANCIAL RESULTS**

(Rupees In lacs)

Particulars	Quarter ended			Year ended
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
	Unaudited	Unaudited (Refer note 2)	Unaudited	Audited
1. Revenue from operations	15,633	15,458	16,843	65,948
2. Other income (refer Note 4)	3,728	3,278	3,822	13,789
<b>3. Total income (1+2)</b>	<b>19,361</b>	<b>18,736</b>	<b>20,665</b>	<b>79,737</b>
4. Expenses				
(a) Cost of material consumed	3,246	3,040	3,794	13,556
(b) Employee benefits expenses	3,994	3,163	4,427	16,134
(c) Finance costs	2,936	1,699	1,794	6,374
(d) Hospital service fee expense	3,497	3,405	3,515	13,927
(e) Professional charges to doctors	2,201	2,034	2,112	8,439
(f) Net depreciation/ impairment & amortisation	691	769	687	2,888
(g) Other expenses	4,968	4,402	4,368	17,654
<b>Total expenses</b>	<b>21,533</b>	<b>18,512</b>	<b>20,697</b>	<b>78,972</b>
<b>5. Net profit / (loss) before exceptional items and tax (3-4)</b>	<b>(2,172)</b>	<b>224</b>	<b>(32)</b>	<b>765</b>
6. Exceptional gain/ (loss) (refer note 6)	(3)	(6,631)	(57)	(6,795)
<b>7. Profit / (loss) before tax from continuing operations (5-6)</b>	<b>(2,175)</b>	<b>(6,407)</b>	<b>(89)</b>	<b>(6,030)</b>
8. Tax expense/ (credit)	(766)	(50)	15	343
<b>9. Net profit / (loss) for the period from continuing operations (7-8)</b>	<b>(1,409)</b>	<b>(6,357)</b>	<b>(104)</b>	<b>(6,373)</b>
10. Profit from discontinued operations before tax	-	-	-	-
11. Tax expense of discontinued operations	-	-	-	-
<b>12. Net profit / (loss) for the period from discontinuing operations (10-11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>13. Net profit / (loss) for the period (9+12)</b>	<b>(1,409)</b>	<b>(6,357)</b>	<b>(104)</b>	<b>(6,373)</b>
14. Other Comprehensive Income/(loss) ('OCI')	40	7	(9)	32
<b>15. Total comprehensive Income/(Loss) (13+14)</b>	<b>(1,369)</b>	<b>(6,350)</b>	<b>(113)</b>	<b>(6,341)</b>
16. Paid-up equity share capital (Face Value Rupees10 per Share)	51,868	51,866	51,852	51,866
<b>17. Reserves</b>				<b>370,816</b>
<b>18. Earnings per equity share for continuing operations</b>				
Basic earnings (loss) per share - In Rupees	(0.27)	(1.23)	(0.02)	(1.23)
Diluted earnings (loss) per share - In Rupees	(0.27)	(1.23)	(0.02)	(1.23)



**FORTIS HEALTHCARE LIMITED**  
**STATEMENT OF STANDALONE FINANCIAL RESULTS**

(Rupees in lacs)

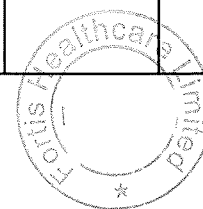
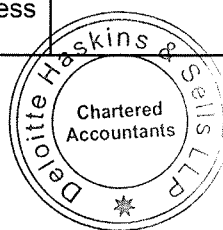
Particulars	Quarter ended			Year ended
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
<b>19. Earnings per equity share for discontinued operations</b>				
Basic earnings (loss) per share - In Rupees	-	-	-	-
Diluted earnings (loss) per share - In Rupees	-	-	-	-
<b>20. Earnings per equity share from continuing and discontinued operations</b>				
Basic earnings (loss) per share - In Rupees	(0.27)	(1.23)	(0.02)	(1.23)
Diluted earnings (loss) per share - In Rupees	(0.27)	(1.23)	(0.02)	(1.23)
<b>21. Earnings before depreciation and amortization expense, finance costs, exceptional items and tax expenses(EBITDA) (refer note 5)</b>	1,455	2,692	2,449	10,027

**Notes to the results**

- The above financial results for the quarter and year ended June 30, 2018 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their meetings held on August 14, 2018.
- The Auditors report on the results for the quarter ended December 31, 2017 and September 30, 2017 contained a disclaimer of conclusion on the standalone financial results. Figures for the quarter ended March 31, 2018, included in the Statement, are the balancing figures between the audited figure in respect of the full financial year and the published year to date figures up to the end of third quarter of the relevant financial year, which contained the disclaimer of conclusion.
- The financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.
- Other income includes Interest on bank deposits, Interest on loan others, Interest on income tax refunds, profit on redemption of mutual funds, financial guarantee income, gain on foreign currency transactions and translation (net), miscellaneous income, etc. as applicable in the respective period presented.
- The Company has presented Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) additionally in the financial results. In its measurement, the Company includes other income, but does not include depreciation and amortization expense, finance costs, exceptional items and tax expenses.
- Exceptional gain/ (loss) included in the above standalone financial results include:

(Rupees in lacs)

Particulars	Quarter ended			Year ended
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
a) Expenses on Composite Scheme of Arrangement and Amalgamation (Refer Note 7)	(3)	5	(57)	(159)
b) Allowance for advance and security deposit given to body corporate along with impairment of Capital work-in-progress (Refer Note 12)	-	(4,743)	-	(4,743)





**FORTIS HEALTHCARE LIMITED**  
**STATEMENT OF STANDALONE FINANCIAL RESULTS**

(Rupees in lacs)

Particulars	Quarter ended			Year ended
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
c) Allowance for doubtful loan given to Subsidiary Company	-	(55)	-	(55)
d) Impairment of goodwill in standalone books pertaining to a cash generating unit	-	(571)	-	(571)
e) Exceptional gain on recovery of salary & other reimbursements paid in previous year (Refer Note 17)	-	735	-	735
f) Allowance for amount recoverable for salary & other reimbursement of expenses (Refer Note 17)	-	(2,002)	-	(2,002)
<b>Net exceptional gain/ (loss)</b>	<b>(3)</b>	<b>(6,631)</b>	<b>(57)</b>	<b>(6,795)</b>

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

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

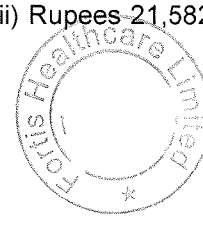
8. The Board of Directors in their meeting held on November 14, 2017 approved a significant restructuring initiative aimed at consolidating the entire India asset portfolio of RHT Health Trust ("RHT") into the Company and its subsidiaries. The Company and the Trustee Manager of RHT signed a binding Term Sheet on November 14, 2017 and entered into an exclusivity arrangement for the acquisition of all the securities of RHT's entities in India, directly or indirectly holding the clinical establishments and businesses for an enterprise value of approximately Rupees 465,000 lacs ("the Proposed Transaction"). The exclusivity period to execute definitive agreements for the Proposed Transaction was 60 days commencing from the date of the Term Sheet. On January 12, 2018, the parties to the Term Sheet mutually agreed to extend the exclusivity period by an additional period of 31 days from January 12, 2018.

On February 12, 2018, the parties to the Term Sheet entered into definitive agreement(s) with respect to the Proposed Transaction. The completion of the Proposed Transaction is subject to the satisfaction of conditions precedent under the definitive agreement(s) including regulatory approvals and any other approvals as may be required. Requisite approvals of the shareholders of the Company have been obtained.

9. A third party (to whom the ICDs were assigned by a Subsidiary, Fortis Hospitals Limited ('FHsL')) ("Assignee" or "Claimant") has filed a Civil Suit before the District Court, Delhi in February 2018 against various entities including the Company (together "the defendants") and have, *inter alia*, claimed implied ownership of brands "Fortis", "SRL" and "La Femme" in addition to certain financial claims and for passing a decree that consequent to a Term Sheet dated December 6, 2017 ('Term Sheet') with a certain party, the Company is liable for claims owed by the Claimant to the certain party. In connection with this, the District Court passed an ex-parte order directing that any transaction undertaken by defendants, in favour of any other party, affecting the interest of the Claimant shall be subject to orders passed in the said suit (also refer note 13).

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 binding Term Sheet with certain party.

In addition to the above, the Company has also received four notices from the Claimant claiming (i) Rupees 1,800 lacs as per notices dated May 30, 2018 and June 1, 2018 (ii) Rupees 21,582 lacs as



**FORTIS HEALTHCARE LIMITED**  
**STATEMENT OF STANDALONE FINANCIAL RESULTS**

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per notice dated June 4, 2018; and (iii) Rupees 1,962 lacs as per notice dated June 4, 2018. All these notices have been responded to by the Company denying any liability whatsoever.

Separately, a certain 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.

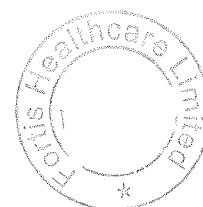
Allegations made by the aforesaid party has been duly responded to by the Company denying (i) execution of any binding agreement with the certain party and (ii) liability of any kind whatsoever. Company has also filed caveats before Hon'ble High Court of Delhi in this regard.

During the current quarter, the said certain party has also filed an application for being impleaded as party to the Civil Suit by the Claimant. The matter is yet to be heard.

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

10. As on December 31, 2017, the Promoters and Promoter Group entities together held 34.33% of the paid-up capital of the Company of which approximately 98% was pledged to various bank as a security towards the loans raised by the Promoters / Promoter Group entities. In a matter relating to the Promoters and the Promoter Group entities, the Hon'ble Supreme Court of India vide their interim orders dated August 11, 2017 and August 31, 2017 had directed that status quo was required to be maintained over the shares pledged by the Promoter and Promoter Group entities. Subsequently, the Hon'ble Supreme Court of India in its Order on February 15, 2018, has clarified that the earlier direction to maintain status quo of the promoter holding in the Company shall not apply to shares of the Company as may have been encumbered on or before the date of the interim orders. Based on this clarification, the Banks in whose favor the shares of the Company were pledged have invoked their right over the shares. The holding of the Promoters and Promoter Group entities have reduced to 0.74% of the paid-up capital of the Company as at June 30, 2018 (0.77% of the paid-up capital of the Company as at March 31, 2018). Further the Board of Directors at its meeting held on July 13, 2018, approved re-classification of existing promoter holding under the category of 'Public Shareholding'. This has been approved by the shareholders at their Extra Ordinary General Meeting dated August 13, 2018.
11. During the quarter ended June 30, 2018, the following changes have occurred in the constitution of the Board of Directors of the Company:
- (a) Mr. Rohit Bhasin was appointed as an additional independent director in the Company in April 2018. He subsequently resigned on June 26, 2018.
  - (b) In April 2018, Ms. Suvalaxmi Chakraborty, Mr. Ravi Rajagopal and Mr. Indrajit Banerjee were appointed as Non-Executive Independent Directors of the Company and their appointment was ratified by the members of the Company in the extra-ordinary general meeting ("EGM") of the Company in May 2018.
  - (c) During May 2018, Mr. Harpal Singh, Director, Lt. Gen. Tejinder Singh Shergill and Ms. Sabina Vaisoha, Additional Directors in the Company, resigned from their directorships in the Company and Dr. Brian Tempest, Independent Director and Chairman of the Audit and Risk Management Committee, disassociated from his position at the behest of the resolution of the members in the EGM held in May 2018.
  - (d) Further, Mr. Ravi Rajagopal has been appointed as Chairman of the Board with effect from June 1, 2018. As such, the re-constituted Board of Directors comprises the following directors as on date who were all appointed in April 2018 after the financial year ended March 31, 2018:
    - i. Mr. Ravi Rajagopal – Chairman & Independent Director
    - ii. Mr. Indrajit Banerjee - Independent Director
    - iii. Ms. Suvalaxmi Chakraborty - Independent Director

together referred to as the "Re-constituted Board"



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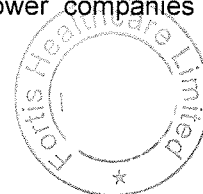
12. The Company had paid security deposits and advances aggregating to Rupees 2,173 lacs in the financial year 2013-14 to a private company ("Lessor") towards lease of office space. Due to delays in obtaining occupancy certificate (OC), the lease agreement was terminated by the Company. The amounts outstanding from the Lessor as on June 30, 2018 aggregated to Rupees 2,173 lacs (as at March 31, 2018 Rupees 2,173 lacs). Additionally, expenditure aggregating to Rupees 2,570 lacs (as at March 31, 2018 Rupees 2,570 lacs) was incurred towards capital work-in-progress on the premises proposed to be taken on lease from the Lessor, which amount is also being claimed from the Lessor pursuant to the aforesaid termination. The Company has invoked arbitration against the Lessor and issued a Legal Notice under Section 21 of the Arbitration and Conciliation Act 1996.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Company had recorded provisions aggregating to Rupees 4,743 lacs in the Standalone Financial Results for the year ended March 31, 2018 (also refer to note 13(d)(vi)).

During the current financial year, the Lessor responded to notice of the Company stating that meeting be scheduled between the Parties for amicably addressing the concern. Meetings have been held with the Lessor and the matter is being discussed for exploring resolution of the issues being agitated by the Company.

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

- (a) During the previous year there were reports in the media and enquiries from, *inter alia*, the stock exchanges received by the Company about certain inter-corporate loans ("ICDs") given by a wholly owned subsidiary of the Company, FHsL. The erstwhile Audit and Risk Management Committee of the Company in its meeting on February 13, 2018 decided to carry out an independent investigation through an external legal firm.
- (b) The terms of reference of the investigation, *inter alia*, comprised: (i) ICDs amounting to a total of Rupees 49,414 lacs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 1, 2017; (ii) the assignment of these ICDs to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party (refer Note 9 above); (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on December 31, 2017 (refer Note 12 above); (iv) investments made in certain overseas funds by the overseas subsidiaries of the Company (i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited); (v) certain other transactions involving acquisition of Fortis Healthstaff Limited ("Fortis Healthstaff") from a promoter group company, and subsequent repayment of loan by said subsidiary to the promoter group company.
- (c) The investigation report ("Investigation Report") was submitted to the re-constituted Board on June 8, 2018.
- (d) The re-constituted Board discussed and considered the Investigation Report and noted certain significant findings of the external legal firm, which are subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report.
- i. While the Investigation Report did not conclude on utilization of funds by the borrower companies, there are findings in the report to suggest that the ICDs were utilized by the borrower companies for granting/ repayment of loans to certain additional entities including those whose current and/ or past promoters/ directors are known to/ connected with the promoters of the Company.
- ii. In terms of the relationship with the borrower companies, there was no direct relationship between the borrower companies and the Company and / or its subsidiaries during the period December 2011 till December 14, 2017 (these borrower companies became related parties from December 15, 2017). The Investigation Report has made observations where promoters were evaluating certain transactions concerning certain assets owned by them for the settlement of ICDs thereby indirectly implying some sort of affiliation with the borrower companies. The Investigation Report has observed that the borrower companies could



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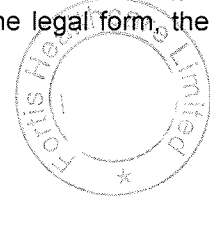
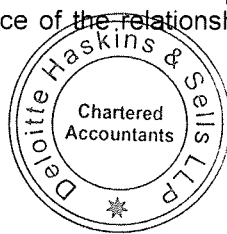
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possibly qualify as related parties of the Company and/ or FHsL, given the substance of the relationship. In this regard, reference was made to Indian accounting Standards dealing with related party disclosures, which states that for considering each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

- iii. Objections on record indicate that management personnel and other persons involved were forced into undertaking the ICD transactions under the repeated assurance of due repayment and it could not be said that the management was in collusion with the promoters to give ICDs to the borrower companies. Relevant documents/information and interviews also indicate that the management's objections were overruled. However, the former Executive Chairman of the Company, in his written responses, has denied any wrongdoing, including override of controls in connection with grant of the ICDs.
  - iv. Separately, it was also noted in the Investigation Report that the aforesaid third party to whom the ICDs were assigned has also initiated legal action against the Company. Whilst the matter was included as part of the terms of reference of the investigation, the merits of the case cannot be reported since the matter was *sub-judice*.
  - v. During the previous year ended 31 March 2018, the Company through its subsidiary (i.e. Escorts Heart Institute and Research Centre Limited ("EHIRCL")), acquired 71% equity interest in Fortis Healthstaff Limited at an aggregate consideration of Rupees 3.46 lacs. Subsequently, EHIRCL advanced a loan to Fortis Healthstaff Limited, which was used to repay the outstanding unsecured loan amount of Rupees 794.50 lacs to a promoter group company. Certain documents suggest that the loan repayment by Fortis Healthstaff Limited and some other payments to the promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs /vendor advance to FHsL / Company.
  - vi. The investigation did not cover all related party transactions during the period under investigation and focused on identifying undisclosed parties having direct/indirect relationship with the promoter group, if any. In this regard, it was observed in internal correspondence within the Company that transactions with certain other entities have been referred to as related party transactions. However, no further conclusions have been made in this regard.
  - vii. Additionally, it was observed in the Investigation Report that there were significant fluctuations in the NAV of the investments in overseas funds by the overseas subsidiaries during a short span of time. Further, similar to the paragraph above, in the internal correspondence within the Company, investments in the overseas funds have been referred to as related party transactions. The investment was realized at a discount in April 2018 with no loss in the principal value of investments
- (e) Other Matters:

In the backdrop of the investigation, the Management has reviewed some of the past information/ documents in connection with transactions undertaken by the Company and certain subsidiaries. It has been noted that the Company through its subsidiary (i.e. Fortis Hospitals Limited ("FHsL")) acquired equity interest in Fortis Emergency Services Limited from a promoter group company. On the day of the share purchase transaction, FHsL advanced a loan to Fortis Emergency Services Limited, which was used to repay an outstanding unsecured loan amount to the said promoter group company. It may be possible that the loan repayment by Fortis Emergency Services Limited to the said promoter group company was ultimately routed through various intermediary companies and was used for repayment of the ICDs /vendor advance to FHsL.

- (f) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 are as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 13 (d) (i), (ii) (vi) and (vii) above) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related



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parties have been identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities. Therefore, there may be additional related parties whose relationship may not have been disclosed to the Company and, hence, not known to the Management.

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

No further adjustments are required to be made in Standalone Financial Results for the quarter ended June 30, 2018.

- (h) With respect to the other matters identified in the Investigation Report, the Board initiated specific improvement projects to strengthen the process and control environment. The projects include revision of authority levels (both operational and financial) and power of the Board, review of Financial Reporting process, assessment of secretarial documentation w.r.t compliance to regulatory requirements and Oracle Design & Control Enhancement. Board continues to evaluate other areas to strengthen processes and build a robust governance framework. Towards this end, they will also evaluate internal organizational structure and reporting lines, the roles of authorized representatives and terms of reference of executive committees and their functional role. The Company's Board of Director have also initiated an enquiry of the management of the certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm.
- (i) The regulatory authorities are currently undertaking their own investigation (refer Note 14 below), and it is likely that they may make their determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the matters addressed in the Investigation Report on the basis of facts, including those facts that the independent investigator would not have had access to, given their limited role and limitations stated in the Investigation Report. Accordingly, in light of the foregoing, the Board of Directors at this juncture is unable to make a determination on whether a fraud has occurred. That said, the Board of Directors is committed to fully co-operating with the relevant regulatory authorities to enable them to make a determination on these matters and to undertake the remedial action, as required under, and to ensure compliance with, applicable law and regulations.

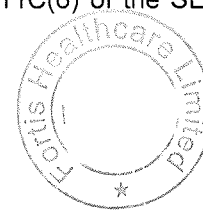
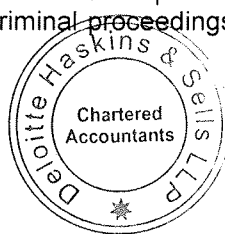
Except for the findings of the Investigation Report, including matters on internal control described above, and inability of the Board of Directors to, at this juncture, make a determination on whether a fraud has occurred on the Company considering the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation Report, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

In the event other exposures were to come to light, the Company / FHsL are committed to appropriately addressing the same, including making additional provisions where required.

- (j) Any further adjustments/disclosures, if required, would be made in the books of account pursuant to the above actions to be taken by the Board / regulatory investigations, as and when the outcome of the above is known.

#### **14. Investigation by Various Regulatory Authorities**

- a) During the previous year the Company received a communication dated February 16, 2018 from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Company. In the aforesaid letter, SEBI summoned the Company under section 11C (3) of the SEBI Act, 1992 to furnish by February 26, 2018 certain information and documents relating to the short-term investments of Rupees 473 Crores reported in the media. Failure to produce the information required for investigation could result in penalties as provided under section 15A and criminal proceedings under section 11C(6) of the SEBI Act,



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1992. SEBI has also appointed forensic auditors to conduct a forensic audit, who are also in the process of collating information from the Company and certain of its subsidiaries. The Company / its subsidiaries are in the process of furnishing all the requisite information and documents requested by SEBI and its forensic auditors.

- b) During the previous year the Registrar of Companies (ROC) under section 206(1) of the Companies Act, 2013, *inter alia*, had also sought information in relation to the Company. All requisite information in this regard has been duly shared by the Company with the ROC.
- c) During the previous year the Company has also received a letter from the Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs, under section 217(1)(a) of the Companies Act, 2013, *inter alia*, initiating an investigation and seeking information in relation to the Company, its material subsidiaries, joint ventures and associates. The Company has submitted all requisite information in this regard with SFIO. Subsequently another letter was received from SFIO in June, 2018 and the requisite information in this regard has been submitted.

The Investigation Report of the external legal firm has been submitted by the Company to the Securities and Exchange Board of India, the Serious Frauds Investigation Office ("SFIO") on June 12, 2018.

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

**15. Proposed investment in the Company**

The Board in its meeting held on May 29, 2018 decided to initiate a fresh, time-bound process inviting bids for investment into the Company. The details of the process have been disclosed on National Stock Exchange and BSE Ltd. Pursuant to the above, the Board of Directors of the Company have received binding bids on July 3, 2018. The Company on July 13, 2018 announced that it has received two Binding Bids from the TPG-Manipal Consortium and IHH Healthcare Berhad. and the Board after having detailed deliberations on each offer, approved the offer of IHH Healthcare Berhad for an equity infusion of Rupees 4,000 Crores at a price of Rupees 170 per equity share into the Company by Northern TK Venture Pte Ltd, Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue"), subject to approval of the shareholders and other regulatory approvals. The shareholders of the Company have approved the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Ltd is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The Draft Letter of Offer for the open offer has been filed with SEBI and Stock Exchanges.

**16. Going concern assumption**

The Company has incurred a net loss of Rupees 6,373 lacs during the year ended March 31, 2018 consequent to various events during the year, which necessitated creating one-time provisions in the financial results (refer note 6). These events have adversely impacted the Company's working capital position and its credit rating. Further, the Company's current liabilities exceeded its current assets by Rupees 14,666 lacs as at March 31, 2018.

During the current quarter, the Company has incurred a net loss of Rupees 1,409 lacs.

However, the Company's operations during the current year and previous year continued to generate positive cash flows from operations and the Management believes that the events stated above do not impact the entity's ability to continue as a going concern due to the following:



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1. During the current quarter in June 2018, the Company has secured new line of credit of Rupees 46,500 lacs out of which Rupees 25,000 lacs came in month of June 2018 and July 2018.
2. The Company has access to unencumbered assets that can be offered as security for any additional funding requirements in the future.

Accordingly, the Company's financials have been prepared on a going concern basis.

Additionally, the Board of Directors have, also, initiated measures to obtain capital infusion into the Group through a bidding process.

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

The Company having considered all necessary facts and taking into account external legal advice, had on June 27, 2018 decided to treat as non est the Letter of Appointment dated September 27, 2016, as amended, ("LoA") issued to the erstwhile Executive Chairman of the Company in relation to his role as 'Lead: Strategic Initiatives' in the Strategy Function. Basis legal advice taken by the Company, the payments made to him under this LOA would be considered to be covered under the limits of section 197 of the Companies Act, 2013. The Company is in the process of taking suitable legal measures to recover the payments made to him under the LoA as also to recover all the Company's assets in his possession. The Company has sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him.

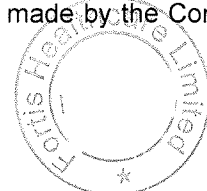
In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for remuneration & other reimbursements), aggregating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

During the current quarter, the erstwhile Executive Chairman has sent a notice to the Company claiming Rupees 4,610 lacs as allegedly due to him under the employment agreement. The Company has replied to the same through its legal counsel denying any liability and stated that the demand is not payable and illegal and accordingly no adjustment has been made in these Standalone Financial Results with respect to these claims.

18. The Company has adopted the new revenue accounting standard "Ind AS 115- "Revenue from Contracts with Customers" with effect from April 1, 2018. Based on the assessment carried out, there is no material impact consequent to the adoption of new standard.

**19. Management's response to comments of the statutory auditors in the Audit Report**

- (a) With regard to the comments of the statutory auditors in paragraph 1 of the Basis for Qualified Conclusion of Limited Review Report, pertaining to the Investigation Report, it is submitted that, based on the investigation carried out by the external legal firm, and the information available at this stage, all identified / required adjustments/ disclosures arising from the findings in the Investigation Report, have been made. Further, the Board initiated specific improvement projects to strengthen the process and control environment and it continues to evaluate other areas to strengthen processes and build a robust governance framework. . Further, various regulatory authorities are currently undertaking their own investigation. Any further adjustments/ disclosures, if required, would be made in the books of account, pursuant to the actions to be taken by the Board and as and when the results of the various investigations are known. For more details please refer to Note 13.
- (b) With regard to the comments of the statutory auditors in paragraph 2 of the Basis for Qualified conclusion of Limited Review Report, pertaining to certain provisions made by the Company due



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to uncertainty in recovery, the Company is exploring resolution of the issues. For more details, please refer to Note 12.

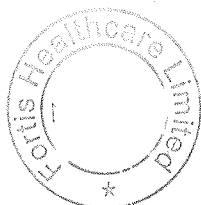
- (c) With regard to the comments of the statutory auditors in paragraph 3 of the Basis for Qualified conclusion of Limited Review Report, pertaining to certain claims against the Company, the Company has filed appropriate submissions in the court denying all allegations and praying for dismissal of the suit. For more details, please refer to Note 9.
- (d) With regard to the comments of the statutory auditors in paragraph 4 of the Basis for Qualified conclusion of Limited Review Report, pertaining to related party transactions, please refer to Note 13.
- (e) With regard to the comments of the statutory auditors in paragraph 5 of the Basis for Qualified conclusion of Limited Review Report, pertaining to the LoA issued to the erstwhile Executive Chairman, please note that the Company, having considered all necessary facts, has decided to treat as non est the LoA issued to the erstwhile Executive Chairman and is taking suitable legal measures to recover the payments made to him under the LoA as well as all the Company's assets in this possession. For more details, please refer to Note 17.

**Date: August 14, 2018**

**Place: Gurugram**

**For and on behalf of the Board of Directors**

  
**Ravi Rajagopal**  
**Chairman**  
**DIN: 00067073**





## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF FORTIS HEALTHCARE LIMITED

**A.** We have reviewed the accompanying Consolidated Unaudited Financial Results of **FORTIS HEALTHCARE LIMITED** ("the Parent" or "the Company") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the profit / (loss) of its joint venture and associates for the quarter ended 30 June, 2018 ("the Consolidated Results") included in the accompanying Statement of Consolidated Unaudited Financial Results ("the Consolidated Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016.

### **B. Management's Responsibility for the Consolidated Statement**

This Consolidated Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Also, refer to the matters described in section D. Basis for Qualified Conclusion below.

### **C. Auditor's Responsibility**

1. Our responsibility is to issue a report on the Consolidated Results included in the Consolidated Statement based on our review.

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

2. Except as indicated in the Basis for Qualified Conclusion paragraphs below, we believe that the evidence obtained by us and the evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraphs below, is sufficient and appropriate to provide a basis for our conclusion on the Consolidated Results included in the Consolidated Statement.

### **D. Basis for Qualified Conclusion**

1. As explained in Note 19 of the Consolidated Statement, pursuant to certain events/transactions, the erstwhile Audit and Risk Management Committee (the 'ARMC') of the Company had during the year ended March 31, 2018 decided to carry out an independent investigation through an external legal firm on certain matters more fully described in the said Note. The terms of reference for the investigation, the significant findings of the external legal firm (including identification of certain systemic lapses and override of internal controls), which are subject to the limitations on the information

available to the external legal firm and their qualifications and disclaimers as described in their Investigation Report, are summarised in the said Note.

Also, as explained in the said Note:

- a) As per the assessment of the Board, based on the investigation carried out through the external legal firm, and the information available at this stage, all identified/required adjustments/disclosures arising from the findings in the Investigation Report, were made in the Consolidated Ind AS Financial Statements of the Group for the year ended March 31, 2018. Also refer paragraph 2(b) below.
- b) The Company's Board of Director have also initiated an enquiry of the management of the certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm.
- c) At this juncture, the Board of Directors of the Company are unable to make a determination on whether a fraud has occurred on the Company in respect of the matters covered in the investigation by the external legal firm, considering the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation Report.
- d) Various regulatory authorities are currently undertaking their own investigation (refer Note 19(i) and 20 of the Consolidated Statement), and it is likely that they may make a determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the matters addressed in the Investigation Report.
- e) Any further adjustments/disclosures, if required, would be made in the books of account pursuant to the above actions to be taken by the Board / regulatory investigations, as and when the outcome of the above is known.

In view of the above, we are unable to comment on the regulatory non-compliances, if any, and the adjustments / disclosures which may become necessary as a result of further findings of the ongoing or future regulatory / internal investigations and the consequential impact, if any, on the Consolidated Results included in the Consolidated Statement.

2. As explained in Notes 8, 9 and 10 of the Consolidated Statement, the Group had, during the year ended March 31, 2018, recognised provisions aggregating to Rupees 44,503 lacs against the outstanding ICDs placed (including interest accrued thereon upto March 31, 2018 of Rupees 4,260 lacs), Rupees 5,333 lacs (comprising amounts due from a party Rupees 2,676 lacs and Rupees 2,657 lacs towards capital work-in-progress) and Rupees 2,549 lacs against property advance (including interest accrued thereon of Rupees 174 lacs), due to uncertainty of recovery of these balances. Further, the Group has also provided Rupees 186 lacs as an exceptional item during the current quarter towards additional expenditure on capital work-in-progress incurred during the current quarter where the recovery is uncertain.

In this regard,

- a) The recognition of interest income aggregating to Rupees 4,434 lacs as at March 31, 2018 on these doubtful ICDs and property advance was not in compliance with Ind AS 18 'Revenue' and consequently interest income and exceptional items (net) were overstated to that extent during the year ended March 31, 2018 and the same has not been de-recognised even during the current quarter.
- b) The Group is in the process of evaluating the legal alternatives available to it to recover the aforesaid balances. Consequently, we are unable to comment if any adjustments are required to the Consolidated Results included in the Consolidated Statement in respect of the provisions made towards these balances.

3. As explained in Note 13 of the Consolidated Statement, during the year ended March 31, 2018, a Civil Suit was filed by a third party (to whom the ICDs were assigned – refer Note 8 of the Consolidated Statement) ('Assignee' or 'Claimant') against various entities including the Company (together "the Defendants"), before the District Court, Delhi and have, *inter alia*, claimed implied ownership of brands "Fortis", "SRL" and "La-Femme" in addition to certain financial claims and for passing decree that consequent to a term sheet dated December 6 2017 ('Term Sheet') with a certain party, the Company is liable for claims owed by the Claimant to the certain party. In connection with this, the District Court passed an ex-parte order directing that any transaction undertaken by defendants, in favour of any other party, affecting the interest of the Claimant shall be subject to orders passed in the said suit.

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

Whilst this matter was included as part of the investigation carried out by the external legal firm referred to in paragraph 1 above, the external legal firm did not report on the merits of the case since the matter was *sub judice*.

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

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

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

During the current quarter, the said certain party has also filed an application for being impleaded as party to the Civil Suit by the Claimant. The matter is yet to be heard.

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

Since the matter is *sub-judice*, the outcome of which is not determinable at this stage, we are unable to comment on the consequential impact, if any, of the same on the Consolidated Results, included in the Consolidated Statement.

4. As explained in Note 19(d)(v) of the Consolidated Statement, during the year ended March 31, 2018, the Company had, through its subsidiary (i.e. Escorts Heart Institute and Research Centre Limited ("EHIRCL")), acquired 71% equity interest in Fortis Healthstaff Limited at an aggregate consideration of Rupees 3.46 lacs. Subsequently, EHIRCL advanced a loan to Fortis Healthstaff Limited, which was used to repay the outstanding unsecured loan amount of Rupees 794.50 lacs to a promoter group company. Certain documents suggest that the loan repayment by Fortis Healthstaff Limited and some other payments to the promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs /vendor advance to Group.

Further as explained in Note 19 (e) of the Consolidated Statement, the Company through its subsidiary (i.e. Fortis Hospitals Limited ("FHsL")), had during the year ended March 31, 2018, acquired equity interest in Fortis Emergency Services Limited from a promoter group company. On the day of the share purchase transaction, FHsL advanced a loan to Fortis Emergency Services Limited, which was used to repay an outstanding unsecured loan amount to the said promoter group company. It may be possible that the loan repayment by Fortis Emergency Services Limited to the said promoter group company was ultimately routed through various intermediary companies and was used for repayment of the ICDs /vendor advance to FHsL.

With regard to the above acquisitions, we were informed that pre-approval from the Audit Committee was obtained for acquiring the equity interest, but not for advancing the loans to these subsidiaries. Further, we understand that the aggregate of the amounts paid towards acquisition of shares and the loans given in the aforesaid transactions were substantially higher than the enterprise value of these companies at the time of acquisition, as determined by the Group.

In view of the above, we were unable to determine whether these transactions are prejudicial to the interests of the Group.

5. As explained in Note 19(f) of the Consolidated Statement, during the year ended March 31, 2018, related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 19 (d) (i), (ii), (vi) and (vii) of the Consolidated Statement) 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. Therefore, there may be additional related parties whose relationship may not have been disclosed to the Group and, hence, not known to the Management.

In the absence of all required information, we were unable to comment on the completeness/accuracy of the related party relationships during the year ended March 31, 2018 as required under Ind AS 24 – Related Party Disclosures, the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and the compliance with the other applicable regulations.

In view of the above, we are unable to comment on the consequential impact, if any, of the same on the Consolidated Results included in the Consolidated Statement.

6. As explained in Note 22 of the Consolidated Statement, during the year ended March 31, 2018, the Company, having considered all necessary facts and taking into account external legal advice, 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. The external legal counsel also advised that the payments made to him under this LoA would be considered to be covered under the limits of section 197 of the Companies Act, 2013.

The Company is in the process of taking suitable legal measures to recover the payments made to him under the LoA as also to recover all the Company's assets in his possession. The Company sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him.

In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for

remuneration & other reimbursements), aggregating to Rupees 2,002 lacs were shown as recoverable in the Consolidated Ind AS Financial Statements for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts a provision of Rupees 2,002 lacs was made in the said Consolidated Ind AS Financial Statements and shown as an exceptional item.

The erstwhile Executive Chairman, in his response has claimed an amount of Rupees 4,610 Lacs from the Company towards his terms of employment. The Company has responded denying any liability whatsoever in this regard.

As stated above, due the nature of dispute and uncertainty involved, we are unable to comment on the tenability of the aforesaid claims, the provision made for the uncertainty in recovery of the amounts and any provision that may be required for the claim made by the erstwhile Executive Chairman, the recovery of the assets in possession of the erstwhile Director, and other non-compliances, if any, with the applicable regulations and the consequential impact, if any, of the same on the Consolidated Results included in the Consolidated Statement.

7. As explained in Note 24 of the Consolidated Statement, the Company through its overseas subsidiaries made investments in an overseas fund. Subsequent to the year-end, investments held in the fund were sold at a discount of 10%. As at March 31, 2018, the consequential foreseeable loss of Rupees 5,510 lacs (between the previously recorded carrying value of the investment and the amount subsequently realised) were recognised in the Consolidated Ind AS Financial Statements for the year ended March 31, 2018.

In absence of sufficient information available with the Group demonstrating the reasonability of the discount recorded as provision for foreseeable loss in the value of the investment in the overseas fund, we are unable to comment on the losses recognised by the Group in this regard.

The matters referred to in paragraphs 1 to 7 above were included as part of the Basis of Qualified Opinion in the audit report on the Consolidated Ind AS Financial Statements / Consolidated Results of the Group for the year ended March 31, 2018.

#### **E. Qualified Conclusion**

Based on our review conducted as stated above and based on the consideration of the review reports of the other auditors and the other financial information of subsidiaries, associates and joint ventures referred to in referred to in paragraphs G.1. to G.3 below:

1. The Consolidated Results included in the Consolidated Statement includes the results of the following entities
  - a. Fortis Healthcare Limited (the Parent Company)
  - b. Fortis Hospitals Limited ("FHsL") (wholly owned subsidiary of the Parent Company) and results of its subsidiaries and joint ventures:
    - i. Birdie & Birdie Realtors Private Limited (wholly owned subsidiary of FHsL)
    - ii. Fortis C-Doc Healthcare Limited (joint venture of FHsL)
    - iii. Fortis Health Management (East) Limited (wholly owned subsidiary of FHsL)
    - iv. Fortis Cancer Care Limited ("FCCL") (wholly owned subsidiary of FHsL) and the results of its subsidiary Lalitha Healthcare Private Limited
    - v. Fortis Cauvery (joint venture of FCCL)
    - vi. Fortis Malar Hospitals Limited (subsidiary of FHsL) and the results of its wholly owned subsidiary Malar Stars Medicare Limited.
    - vii. Fortis Emergency Services Limited (subsidiary of FHsL)
    - viii. Stellant Capital Advisory Services Private Limited (wholly owned subsidiary of FHsL) and the results of its wholly owned subsidiary Religare Health Trust Trustee Manager Pte Limited.

- ix. Fortis Global Healthcare (Mauritius) Limited (wholly owned subsidiary of FHSL)
  - c. Escorts Heart Institute and Research Centre Limited ("EHIRCL") (wholly owned subsidiary of the Parent Company) and results of its subsidiaries and associate:
    - i. Fortis Health Staff Limited (subsidiary of EHIRCL)
    - ii. Fortis Asia Healthcare Pte. Limited (wholly owned subsidiary of EHIRCL) and the results of its wholly owned subsidiary Fortis Healthcare International Pte. Limited ("FHIPL")
    - iii. Lanka Hospitals Corporation Plc (associate of FHIPL)
    - iv. Fortis Healthcare Middle East LLC (subsidiary of FHIPL)
    - v. Mena Healthcare Investment Company Limited (subsidiary of FHIPL) and the results of its wholly owned subsidiary Medical Management Company Limited
  - d. SRL Limited ("SRL") (subsidiary of the Parent Company) and the results of its subsidiaries and joint venture entities :
    - i. SRL Diagnostics Private Limited (wholly owned subsidiary of SRL)
    - ii. SRL Reach Limited (wholly owned subsidiary of SRL)
    - iii. DDRC SRL Diagnostics Services Private Limited (joint venture of SRL)
    - iv. Super Religare Reference Laboratories (Nepal) Private Limited (joint venture of SRL)
    - v. SRL Diagnostics FZ-LLC (wholly owned subsidiary of SRL).
  - e. Hiranandani Healthcare Private Limited (subsidiary of the Parent Company)
  - f. Fortis Healthcare International Limited ("FHIL") (wholly owned subsidiary of the Parent Company) and results of its subsidiaries and associate:
    - i. Fortis Global Healthcare (Mauritius) Limited (wholly owned subsidiary of FHIL up to 3 October, 2016)
    - ii. Fortis Medicare International Limited (associate of FHIL) up to 7 September, 2017.
    - iii. RHT Health Trust (previously known as Religare Health Trust) and its subsidiaries (associate of FHIL)
    - iv. Medical and Surgical Centre Limited (associate of FHIL)
  - g. Fortis La Femme Limited (wholly owned subsidiary of the Parent Company)
  - h. Fortis Hospotel Limited (subsidiary of the Parent Company).
2. except for the effects / possible effects of the matter(s) described in section D. Basis for Qualified Conclusion above, nothing has come to our attention that causes us to believe that the Consolidated Results included in the Consolidated Statement, has not been prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, and
  3. nothing has come to our attention that causes us to believe that the Consolidated Statement is not presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

**F. Emphasis of Matter**

1. We draw attention to the following Notes in the Consolidated Statement
  - (a) Note 11 b) relating to outcome of income tax assessments in respect of Escorts Heart Institute and Research Centre Limited (EHIRCL), one of the subsidiaries in the Group, regarding amalgamation of two Societies and its subsequent conversion to EHIRCL.



- (b) Notes 11 a) and 11 c) relating to the outcome of the civil suit / arbitrations with regard to termination of certain land leases allotted by Delhi Development Authority (DDA) and the matter related to non-compliance with the order of the Honourable High Court of Delhi in relation to provision of free treatment / beds to poor by Escorts Heart Institute and Research Centre Limited.
- (c) Note 12 regarding matter relating to termination of Hospital lease agreement of Hiranandani Healthcare Private Limited, one of the subsidiaries in the Group, by Navi Mumbai Municipal Corporation ('NMMC') vide order dated January 18, 2018.

Based on the advice given by external legal counsel, no provision/ adjustment has been considered necessary by the Management with respect to the above matters in the Consolidated Results included in the Consolidated Statement.

2. We draw attention to Note 25 of the Consolidated Statement wherein it has been explained that the Consolidated Results have been prepared on a going concern basis for the reasons stated in the said Note.

Our report on the Consolidated Results included in the Consolidated Statement is not modified in respect of these matters.

**G. Other Matters**

1. The consolidated unaudited financial results includes interim financial results of 1 subsidiary, whose interim financial results prepared under International Financial Reporting Standards "IFRS", reflect total revenue of Rupees 720 lacs for the quarter ended 30 June, 2018, and total loss after tax of Rupees 169 lacs and total comprehensive loss of Rupees 153 lacs for the quarter ended 30 June, 2018, as considered in the Consolidated Results included in the Consolidated Statement.

These interim financial results have been reviewed by other auditor whose report has been furnished to us by the Management and our report on the consolidated results included in the Consolidated Statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of the other auditor.

Our report on the Consolidated Results included in the Consolidated Statement is not modified in respect of this matter

2. The Consolidated Results also includes the Group's share of profit after tax of Rupees 87 lacs and Total comprehensive income of Rupees 87 lacs for the quarter ended 30 June, 2018, as considered in the consolidated results included in the Statement, in respect of 1 Joint Venture, whose interim financial results have not been reviewed by us.

These interim financial results have been reviewed by other auditor whose report has been furnished to us by the Management and our report on the Consolidated Results included in the Consolidated Statement, in so far as it relates to the amounts and disclosures included in respect of the Joint Venture, is based solely on the report of the other auditor.

Our report on the Consolidated Results included in the Consolidated Statement is not modified in respect of this matter.

3. The Consolidated Results also includes the Group's share of loss after tax of Rupees 468 lacs and Total comprehensive loss of Rupees 707 lacs for the Quarter ended 30 June, 2018, as considered in the Consolidated Results included in the Consolidated Statement, in respect of 3 associates and 1 Joint venture, whose interim financial results have not been reviewed by us.

# Deloitte Haskins & Sells LLP

The interim financial results of associates and joint venture prepared under Singapore Financial Reporting Standards "SFRS" and Nepal Accounting Standard "NAS" respectively have been reviewed by other auditors whose reports have been furnished to us by the Management. The Management of the Parent Company has converted these financial results of the associates to accounting principles generally accepted in India (Indian Accounting Standards), for the purpose of the preparation of the Parent Company's Consolidated Results under accounting principles generally accepted in India (Indian Accounting Standards). Our report on the consolidated results included in the Statement, in so far as it relates to the amounts and disclosures included in respect of these associates and joint venture, is based solely on the reports of the other auditors and our review of the conversion process followed by the Management.

Our report on the Consolidated Results included in the Consolidated Statement is not modified in respect of these matters.

4. The Consolidated Results included in the Consolidated Statement includes the interim financial results of 18 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rupees 3,728 lacs for the quarter ended 30 June, 2018, and total profit after tax of Rupees 9,867 lacs and total comprehensive income of Rupees 7,166 lacs for the quarter ended 30 June, 2018, as considered in the Consolidated Results included in the Consolidated Statement.

The Consolidated Results included in the Consolidated Statement also include the Group's share of profit after tax of Rupees 113 lacs and Total comprehensive income of Rupees 113 lacs for the quarter ended 30 June, 2018, as considered in the consolidated results included in the Statement, in respect of 2 joint ventures and 3 associates, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

5. The figures for the quarter ended March 31, 2018 are the balancing figures between audited figures in respect of the full financial year then ended and the published year to date figures up to end of third quarter of that year, which contained a disclaimer of conclusion. Therefore, we did not express a conclusion on the consolidated results for the quarter ended March 31, 2018 when they were presented as part of the Consolidated Annual Results of the Group for the year then ended.

Our report on the Consolidated Results included in the Consolidated Statement is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**RASHIM TANDON**  
Partner  
(Membership No. 095540)



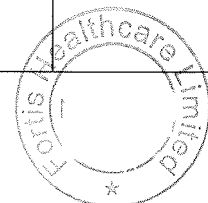
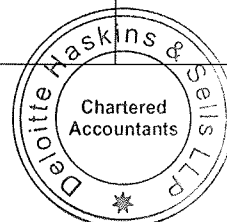
Gurugram, 14 August, 2018  
RT/YK/2018



**FORTIS HEALTHCARE LIMITED**  
**STATEMENT OF CONSOLIDATED FINANCIAL RESULTS**

(Rupees in lacs)

Particulars	Quarter ended			Year ended
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
	Unaudited	Unaudited (Refer note 2)	Unaudited	Audited
1. Income from operations	104,204	108,638	115,661	456,081
2. Other income (refer note 5)	2,851	1,871	5,761	13,973
<b>3. Total income (1+2)</b>	<b>107,055</b>	<b>110,509</b>	<b>121,422</b>	<b>470,054</b>
4. Expenses				
(a) Cost of material consumed	22,226	22,993	25,971	99,902
(b) Employee benefits expenses	23,061	20,612	23,673	90,565
(c) Finance costs	7,640	6,415	6,443	25,779
(d) Hospital service fee	9,308	9,210	9,567	37,862
(e) Professional charges to doctors	14,197	14,216	14,117	57,056
(f) Net depreciation/ impairment & amortisation	5,694	6,028	5,899	23,896
(g) Other expenses (refer note 24)	34,604	40,340	33,721	143,384
<b>Total expenses</b>	<b>116,730</b>	<b>119,814</b>	<b>119,391</b>	<b>478,444</b>
<b>5. Net profit / (loss) from continuing operations before share in profit/ (loss) of associates and joint ventures (3-4)</b>	<b>(9,675)</b>	<b>(9,305)</b>	<b>2,031</b>	<b>(8,390)</b>
6. Add : Share in profit /(loss) of associate companies and joint ventures	900	306	1,512	5,316
<b>7. Net profit / (loss) before exceptional items and tax (5+6)</b>	<b>(8,775)</b>	<b>(8,999)</b>	<b>3,543</b>	<b>(3,074)</b>
8. Exceptional gain/ (loss) (refer note 7)	111	(83,350)	(57)	(88,103)
<b>9. Profit / (loss) before tax from continuing operations (7-8)</b>	<b>(8,664)</b>	<b>(92,349)</b>	<b>3,486</b>	<b>(91,177)</b>
10. Tax expense/ (credit)	(3,384)	(917)	1,225	2,265
<b>11. Net profit / (loss) for the period from continuing operations (9-10)</b>	<b>(5,280)</b>	<b>(91,432)</b>	<b>2,261</b>	<b>(93,442)</b>
12. Profit from discontinued operations before tax	-	-	-	-
13. Tax expense of discontinued operations	-	-	-	-
<b>14. Net profit / (loss) for the period from discontinuing operations (12-13)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15. Net profit / (loss) for the period (11+14)</b>	<b>(5,280)</b>	<b>(91,432)</b>	<b>2,261</b>	<b>(93,442)</b>
<b>16. Profit/ (loss) from continuing operations attributable to:</b>				
Owners of the Company	(7,074)	(93,203)	529	(100,921)
Non-Controlling Interest	1,794	1,770	1,732	7,479
<b>17. Profit/ (loss) from discontinuing operations attributable to:</b>				
Owners of the Company	-	-	-	-
Non-Controlling Interest	-	-	-	-
18. Other Comprehensive Income/(loss) (including OCI relating to associates and joint venture (after tax)) ('OCI')	1,424	1,360	595	367
<b>19. Total comprehensive Income/(Loss) (15+18)</b>	<b>(3,856)</b>	<b>(90,072)</b>	<b>2,856</b>	<b>(93,075)</b>



**FORTIS HEALTHCARE LIMITED**  
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(Rupees in lacs)

Particulars	Quarter ended			Year ended
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
	Unaudited	Unaudited (Refer note 2)	Unaudited	Audited
<b>20. Total comprehensive Income/(Loss) attributable to:</b>				
Owners of the Company	(5,663)	(91,889)	1,141	(100,541)
Non-Controlling interest	1,807	1,817	1,715	7,466
21. Paid-up equity share capital (Face Value Rupees 10 per Share)	51,868	51,866	51,852	51,866
<b>22. Reserves</b>				354,307
<b>23. Earnings per equity share for continuing operations</b>				
Basic earnings (loss) per share - In Rupees	(1.36)	(17.97)	0.10	(19.46)
Diluted earnings (loss) per share - In Rupees	(1.36)	(17.97)	0.10	(19.46)
<b>24. Earnings per equity share for discontinued operations</b>				
Basic earnings (loss) per share - In Rupees	-	-	-	-
Diluted earnings (loss) per share - In Rupees	-	-	-	-
<b>25. Earnings per equity share from continuing and discontinued operations</b>				
Basic earnings (loss) per share - In Rupees	(1.36)	(17.97)	0.10	(19.46)
Diluted earnings (loss) per share - In Rupees	(1.36)	(17.97)	0.10	(19.46)
26. Earnings before depreciation and amortization expense, finance costs, exceptional items, tax expenses and share in profit/(loss) of associate companies and joint ventures (EBITDA) (refer note 6)	3,659	3,138	14,373	41,285

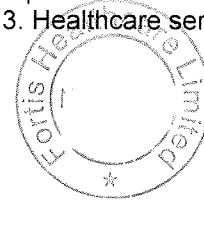
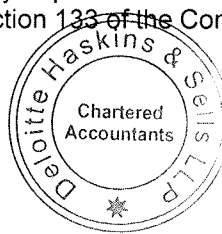
**Notes to the results**

- The above consolidated financial results for the quarter ended June 30, 2018 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their meetings held on August 14, 2018.
- The Auditors report on the results for the quarter ended December 31, 2017 and September 30, 2017 contained a disclaimer of conclusion on the consolidated financial results. Figures for the quarter ended March 31, 2018, included in the Consolidated Statement, are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to the end of third quarter of the relevant financial year, which contained the disclaimer of conclusion.
- The financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.

**4. Segment Reporting**

**Business segments:**

The Group is primarily engaged in the business of healthcare services, which in the opinion of management is considered to be the only reportable business segment as per Ind AS 108 on 'Operating Segments' prescribed under Section 133 of the Companies Act, 2013. Healthcare services



**FORTIS HEALTHCARE LIMITED**  
**STATEMENT OF CONSOLIDATED FINANCIAL RESULTS**

include various patient care services delivered through clinical establishment, medical services companies, pathology and radiology services etc.

**Geographical segments:**

The Group operates in the business segment explained above in two principal geographical areas, India and outside India. The geographical segments have been identified as secondary segment. The Group operates in two principal geographical segments, which contributes more than 10% of the Groups' revenue or segment assets. Outside India, Group now primarily operates in Dubai, Singapore and Mauritius.

**Income from operations –by geographical segments**

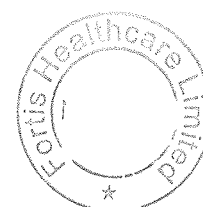
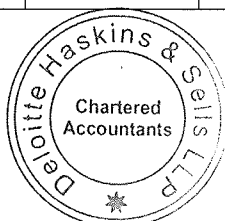
The following table shows the distribution of the Groups' consolidated revenues by geographical segment:

Region	Quarter ended			Year ended
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
India	102,358	106,984	113,730	449,027
Outside India	1,846	1,654	1,931	7,054
<b>Total</b>	<b>104,204</b>	<b>108,638</b>	<b>115,661</b>	<b>456,081</b>

5. Other income includes interest income from Inter-Corporate Deposits (ICDs) and from Banks, foreign exchange fluctuation gain (net), profit on sale of assets (net), fair value adjustments, dividend on investments, forward cover premium amortization (net) and miscellaneous income, etc., as applicable in the respective periods presented.
6. The Group has presented Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) additionally in the financial results. In its measurement, the Group includes other income, but does not include depreciation and amortization expense, finance costs, exceptional items, tax expenses and share in profit/(loss) of associates and joint ventures.
7. Exceptional gain/ (loss) included in the above consolidated financial results include:

(Rupees in lacs)

Sr No.	Particulars	Quarter ended			Year ended
		30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
(a)	Impairment of goodwill on consolidation in books pertaining to certain cash generating units (CGU's) and impairment on closure of one hospital facility.	-	(23,175)	-	(27,764)
(b)	Impairment of investment in an associate	-	(4,905)	-	(4,905)
(c)	Reversal of impairment of assets of a CGU (refer note 16)	300	-	-	-
	<b>Impairment of investment &amp; Goodwill (A)</b>	<b>300</b>	<b>(28,080)</b>	<b>-</b>	<b>(32,669)</b>
(a)	Allowance for Inter-corporate deposits and interest thereon [refer note 8]	-	(44,503)	-	(44,503)
(b)	Allowance for advance and security deposit given to body corporate along with impairment of Capital work-in-progress [refer note 9]	(186)	(5,333)	-	(5,333)
(c)	Allowance for loan given to body corporate and interest thereon [refer note 10]	-	(2,549)	-	(2,549)
(d)	Allowance for loan given to an associate and interest thereon	-	(1,623)	-	(1,623)



**FORTIS HEALTHCARE LIMITED**  
**STATEMENT OF CONSOLIDATED FINANCIAL RESULTS**

Sr No.	Particulars	(Rupees in lacs)			
		Quarter ended			Year ended
		30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
(e)	Expenses on composite scheme of arrangement and amalgamation (refer note 14)	(3)	5	(57)	(159)
(f)	Exceptional gain on recovery of salary & other reimbursements paid in previous year (refer note 22)	-	735	-	735
(g)	Allowance for amount recoverable for salary and other reimbursement of expenses (refer note 22)	-	(2,002)	-	(2,002)
	<b>Other provisions &amp; exceptional items (B)</b>	<b>(189)</b>	<b>(55,270)</b>	<b>(57)</b>	<b>(55,434)</b>
	<b>Net exceptional gain/ (loss) [Total (A)+(B)]</b>	<b>111</b>	<b>(83,350)</b>	<b>(57)</b>	<b>(88,103)</b>

8. FHSL, a wholly owned subsidiary of the Company, had placed Secured Short-Term Investments in the nature of Inter Corporate Deposits (ICDs) with three companies ('borrowers') aggregating to Rupees 49,414 lacs on July 1, 2017 for a term of 90 days (of which Rupees 40,243 lacs remained outstanding as of June 30, 2018). Further, FHSL received intimation that the borrowers became a part of the 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 Promoter Group in the Company reduced to 0.77%.

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

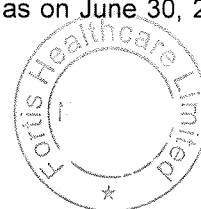
As on June 30, 2018, ICDs aggregating to Rupees 44,503 lacs (as at March 31, 2018 Rupees 44,503 lacs) including interest accrued thereon of Rupees 4,260 lacs (as at March 31, 2018 Rupees 4,260 lacs) calculated up to March 31, 2018 remained outstanding.

On failure to meet repayment obligations by the Borrowers, FHSL initiated legal action to recover the outstanding ICDs, including interest thereon. FHSL has accrued for the interest on the ICDs till March 2018 for the purpose of including the same in the legal claim on the borrowers. However, in line with applicable accounting norms, interest thereon for the quarter ended June 30, 2018 amounting to Rupees 1,405 lacs has not been accrued considering the uncertainties around ultimate realisation of the amounts. FHSL is asserting its rights for receiving entire outstanding from the three parties and is taking recourse to available legal remedies for recovery of not only the Principal but also accrued interest thereon.

In view of the uncertainty in realisability of the security and/or collection of the amounts, the amounts due, including interest thereon accrued and recognised in the books of account until March 31, 2018, aggregating to Rupees 44,503 lacs was provided for in the Consolidated Financial Results of the Group for the year ended March 31, 2018.

Reference is invited to Note 19 regarding the findings in the Investigation Report which indicate that the placement of the ICDs, including the method of such placement, their subsequent assignment and the cancellation of such assignment were done without following the normal treasury operations and treasury mandate; and without specific authorization by the Board of FHSL.

9. The Company and its subsidiary SRL Limited had paid security deposits and advances aggregating to Rupees 2,676 lacs in the financial year 2013-14 and 2017-18 respectively, to a private company ("Lessor") towards lease of office space. Due to delays in obtaining occupancy certificate (OC), the lease agreement/MOUs were terminated by the Company or expired during the previous year. SRL Limited attempted to encash the cheques issued by the Lessor for refund of the advance paid but the same were returned unpaid. The amounts outstanding from the Lessor as on June 30, 2018



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aggregated to Rupees 2,676 lacs (as at March 31, 2018 Rupees 2,676 lacs). Additionally, expenditure aggregating to Rupees 2,843 lacs (as at March 31, 2018 Rupees 2,657 lacs) was incurred towards capital work-in-progress on the premises proposed to be take on lease from the Lessor, which amount is also being claimed from the Lessor pursuant to the aforesaid termination. The Company has invoked arbitration against the Lessor and issued a Legal Notice under Section 21 of the Arbitration and Conciliation Act 1996. The subsidiary, SRL Limited, has serve legal notice under Section 138 of the Negotiable Instruments Act against the body corporate.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Group had recorded provisions aggregating to Rupees 5,333 lacs in the Consolidated Financial Results for the year ended March 31, 2018 (also refer to note 19(d)(vi)) and a further provision of Rupees 186 lacs has been made during the current quarter in respect of expenditure accrued during the quarter.

During the current financial year, the Lessor responded to notice of the Company stating that meeting be scheduled between the Parties for amicably addressing the concern. Meetings have been held with the Lessor and the matter is being discussed for exploring resolution of the issues being agitated by the Company.

10. FHsL, a wholly owned subsidiary of the Company, had advanced moneys to an entity towards acquisition of property in Mumbai in financial year 2013-14 which did not materialize. Of the total advance of Rupees 10,000 lacs, a balance of Rupees 2,375 lacs was outstanding as of March 31, 2018. Post-dated cheques received from the entity were dishonoured, and FHsL initiated legal proceedings in this regard. FHsL has accrued for the interest amounting to Rupees 174 lacs upto 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 quarter ended June 30, 2018 amounting to Rupees 71 lacs has not been accrued considering the uncertainties around ultimate realisation of the amounts. FHsL is asserting its rights for receiving entire outstanding from the entity and is taking recourse to available legal remedies for recovery of not only the Principal but also accrued interest thereon.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Group had recorded provisions aggregating to Rupees 2,549 lacs towards the amounts due, including interest, in the consolidated financial results for the year ended March 31, 2018. (also refer to note 19(d)(vi)).

Subsequent to the quarter on August 9, 2018, the matter was heard in the District Court at Gurugram and the Ld. Judge issued notice to the entity and its Directors.

11. In case of one of the subsidiaries ("Escorts Heart Institute and Research Centre Limited") ('EHIRCL'), that was formed after amalgamation of Escorts Heart Institute and Research Centre ('EHIRC'), Delhi Society with EHIRC, Chandigarh Society and thereafter registration of EHIRC, Chandigarh Society as a company:
- a) Delhi Development Authority ('DDA') had terminated the lease deeds and allotment letters relating to land parcels on which a hospital of EHIRCL exists. Consequent to termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. Both these matters are currently pending before the Hon'ble High Court of Delhi, Hon'ble Supreme Court and Estate Officer. Based on the external legal counsel opinions, the Company is of the understanding that EHIRCL will be able to suitably defend the termination order and eviction proceedings and accordingly considers that no adjustments are required to the Consolidated Financial Results.
- b) Further, EHIRCL also has open tax demands of Rupees 9,478 lacs (after adjusting Rupees 13,491 lacs (As at March 31, 2018 Rupees 9,627 lacs (after adjustment Rupees 13,342 lacs) of an escrow account which was maintained out of sale consideration payable by the Company to the erstwhile promoters) for various assessment years. Further, as per the Share Purchase Agreement, one third of any excess of the net demand, amounting to Rupees 3,209 lacs after adjusting the recovery from escrow account, would be borne by the said erstwhile promoters and the rest by the Company. During the year ended March 31, 2015, the Commissioner of



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Income Tax (Appeals) decided the case in favour of EHIRCL. Income Tax Department has filed an appeal before Income Tax Appellate Tribunal (ITAT), and the matter is currently pending at ITAT. Based on management assessment, Group believes that it has good chance of success in these cases.

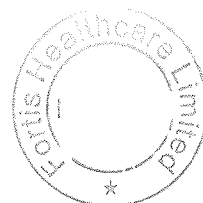
- c) In relation to the judgement of the Hon'ble High Court of Delhi relating to provision of free treatment/ beds to poor, Directorate of Health Services ('DoHS'), Government of NCT of Delhi, appointed a Firm to calculate "unwarranted profits" arising to it due to non-compliance. During the year ended March 31, 2014, the Special Committee of DoHS stated that before giving a hearing to the hospital, a formal intimation shall be given regarding the recoverable amount as per calculation of the appointed Firm, which as per their method of calculations amounts to Rupees 73,266 lacs for the period 1984-85 to 2011-12, seeking hospital's comments and inputs, if any. The company responded to the said intimation explaining errors and objections to the calculations. During the year ended March 31, 2016, EHIRCL received notice from DoHS to appear for a formal and final hearing which raised a demand of Rupees 50,336 lacs for the period till FY 2006 -2007, against which the Company again responded explaining errors and objections to the calculations. During the quarter ended June 30, 2016, DoHS issued a demand notice dated June 9, 2016 directing EHIRCL to deposit Rupees 50,336 lacs within one month. EHIRCL challenged the demand notice by way of a writ petition in Hon'ble High Court of Delhi which vide order dated August 1, 2016 set aside the demand and disposed of the petition of EHIRCL. DoHS agreed to grant hearing to EHIRCL on the reply submitted to it. Hearings were held before DoHS but an order dated May 28, 2018 was passed imposing the penalty of Rupees 50,337 lacs. This order was challenged before the Delhi High Court and the Court vide order dated June 1, 2018 has issued notice and directed that no coercive steps may be taken subject to EHIRCL depositing a sum of Rupees 500 lacs before the concerned authority. EHIRCL has deposited Rs 500 lacs on June 20, 2018. Based on its internal assessment and advice from its counsels on the basis of the documents available, The Group believes that it is in compliance of conditions of free treatment and free beds to the poor and expects the demand to be set aside.

**12. 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. NMMC granted a period of one month to HHPL to hand over the possession of the hospital to NMMC and also directed HHPL not to admit any new patients. HHPL filed Writ Petition before the Hon'ble Supreme Court of India challenging the Termination Order. The Writ Petition has been tagged with Special Leave Petition also filed by HHPL *inter alia* challenging the actions of State Government, City Industrial Development Corporation and NMMC which led to the passing of the said Termination Order. The Hon'ble Supreme Court of India in the hearing held on January 30, 2017 ordered "Status Quo". SLP has been admitted on January 22, 2018 and "Status Quo" has been continuing. Based on external legal counsel opinion, management is confident that HHPL is in compliance of conditions of Hospital Lease Agreement and accordingly considers that no adjustment is required to the Consolidated Financial Results.

- 13. A third party (to whom the ICDs were assigned – refer note 8 above) ("Assignee" or "Claimant")** has filed a Civil Suit before the District Court, Delhi in February 2018 against various entities including the Company (together "the defendants") and have, *inter alia*, claimed implied ownership of brands "Fortis", "SRL" and "La Femme" in addition to certain financial claims and for passing a decree that consequent to a Term Sheet dated December 6, 2017 ('Term Sheet') with a certain party, the Company is liable for claims owed by the Claimant to the certain party. In connection with this, the District Court passed an ex-parte order directing that any transaction undertaken by defendants, in favour of any other party, affecting the interest of the Claimant shall be subject to orders passed in the said suit (also refer note 19).

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 binding Term Sheet with certain party.



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

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

During the current quarter, the said certain party has also filed an application for being impleaded as party to the Civil Suit by the Claimant. The matter is yet to be heard.

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

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

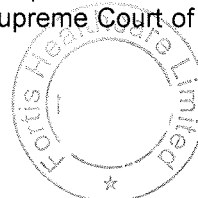
During the current quarter on June 13, 2018, the Board of the Company, SRL and FMHL decided to withdraw from the scheme, subject to the approval of National Company Law Tribunal ("NCLT"). The approval of the NCLT for withdrawal of the Composite Scheme was received on June 15, 2018.

15. The Board of Directors at their meeting held on November 14, 2017 approved a significant restructuring initiative aimed at consolidating the entire India asset portfolio of RHT Health Trust ("RHT") into the Company and its subsidiaries. The Company and the Trustee Manager of RHT signed a binding Term Sheet on November 14, 2017 and entered into an exclusivity arrangement for the acquisition of all the securities of RHT's entities in India, directly or indirectly holding the clinical establishments and businesses for an enterprise value of approximately Rupees 465,000 lacs ("the Proposed Transaction"). The exclusivity period to execute definitive agreements for the Proposed Transaction was 60 days commencing from the date of the Term Sheet. On January 12, 2018, the parties to the Term Sheet mutually agreed to extend the exclusivity period by an additional period of 31 days from January 12, 2018.

On February 12, 2018, the parties to the Term Sheet entered into definitive agreement(s) with respect to the Proposed Transaction. The completion of the Proposed Transaction is subject to the satisfaction of conditions precedent under the definitive agreement(s) including regulatory approvals and any other approvals as may be required. Requisite approvals of the shareholders of the Company have been obtained.

16. During the current quarter, Fortis Cancer Care Limited (FCCL), a step down subsidiary of the Company entered into definitive agreements in relation to sale of its entire shareholding in Lalitha Healthcare Private Limited (LHPL) another step down subsidiary of the Company, representing 79.43% of the total issued and paid up equity share capital of LHPL, to the remaining promoters of LHPL. With the consummation of the transaction, LHPL ceased to be a step down subsidiary of the Company and therefore LHPL has not been consolidated w.e.f. June 30, 2018. The gain on sale/deconsolidation aggregating to Rupees 300 Lacs has been shown as an exceptional item for the quarter ended June 30, 2018.

17. As on December 31, 2017, the Promoters and Promoter Group entities together held 34.33% of the paid-up capital of the Company of which approximately 98% was pledged to various bank as a security towards the loans raised by the Promoters / Promoter Group entities. In a matter relating to the Promoters and the Promoter Group entities, the Hon'ble Supreme Court of India vide their



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interim orders dated August 11, 2017 and August 31, 2017 had directed that status quo was required to be maintained over the shares pledged by the Promoter and Promoter Group entities. Subsequently, the Hon'ble Supreme Court of India in its Order on February 15, 2018, has clarified that the earlier direction to maintain status quo of the promoter holding in the Company shall not apply to shares of the Company as may have been encumbered on or before the date of the interim orders. Consequent to the Banks invoking their rights on the shares of the Company that were pledged by the then Promoters / Promoter Group entities, the holding of the Promoters and Promoter Group entities in the Company have reduced to 0.74% of the paid-up capital of the Company as at June 30, 2018 ( 0.77% of the paid-up capital of the Company as at March 31, 2018). Further the Board of Directors at its meeting held on July 13, 2018, approved re-classification of existing promoter holding under the category of 'Public Shareholding'. This has been approved by the shareholders at their Extra Ordinary General Meeting dated August 13, 2018.

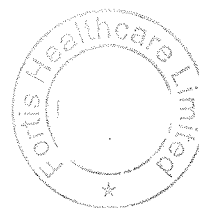
**18.** During the quarter ended June 30, 2018, the following changes have occurred in the constitution of the Board of Directors of the Company:

- (a) Mr. Rohit Bhasin was appointed as an additional independent director in the Company in April 2018. He subsequently resigned on June 26, 2018.
- (b) In April 2018, Ms. Suvalaxmi Chakraborty, Mr. Ravi Rajagopal and Mr. Indrajit Banerjee were appointed as Non-Executive Independent Directors of the Company and their appointment was ratified by the members of the Company in the extra-ordinary general meeting ("EGM") of the Company in May 2018.
- (c) During May 2018, Mr. Harpal Singh, Director, Lt. Gen. Tejinder Singh Shergill and Ms. Sabina Vaisoha, Additional Directors in the Company, resigned from their directorships in the Company and Dr. Brian Tempest, Independent Director and Chairman of the Audit and Risk Management Committee, disassociated from his position at the behest of the resolution of the members in the EGM held in May 2018.
- (d) Further, Mr. Ravi Rajagopal has been appointed as Chairman of the Board with effect from June 1, 2018. As such, the re-constituted Board of Directors comprises the following directors as on date who were all appointed in April 2018 after the financial year ended March 31, 2018:
  - i. Mr. Ravi Rajagopal – Chairman & Independent Director
  - ii. Mr. Indrajit Banerjee - Independent Director
  - iii. Ms. Suvalaxmi Chakraborty - Independent Director

together referred to as the "Re-constituted Board".

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

- (a) During the previous year there were reports in the media and enquiries from, *inter alia*, the stock exchanges received by the Company about certain inter-corporate loans ("ICDs") given by a wholly owned subsidiary of the Company. The erstwhile Audit and Risk Management Committee of the Company in its meeting on February 13, 2018 decided to carry out an independent investigation through an external legal firm.
- (b) The terms of reference of the investigation, *inter alia*, comprised: (i) ICDs amounting to a total of Rupees 49,414 lacs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 1, 2017 (refer Note 8 above); (ii) the assignment of these ICDs to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party (refer Notes 13 and 8 above); (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on December 31, 2017 (refer Note 9 and 10 above); (iv) investments made in certain overseas funds by the overseas subsidiaries of the Company (i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited) (refer Note 24 below); (v) certain other transactions involving acquisition of Fortis Healthstaff Limited ("Fortis Healthstaff") from a promoter group company, and subsequent repayment of loan by said subsidiary to the promoter group company.

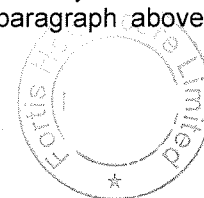
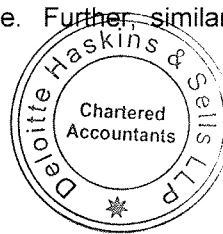




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- (c) The investigation report ("Investigation Report") was submitted to the re-constituted Board on June 8, 2018.
- (d) The re-constituted Board discussed and considered the Investigation Report and noted certain significant findings of the external legal firm, which are subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report.
- i. While the Investigation Report did not conclude on utilization of funds by the borrower companies, there are findings in the report to suggest that the ICDs were utilized by the borrower companies for granting/ repayment of loans to certain additional entities including those whose current and/ or past promoters/ directors are known to/ connected with the promoters of the Company.
  - ii. In terms of the relationship with the borrower companies, there was no direct relationship between the borrower companies and the Company and / or its subsidiaries during the period December 2011 till December 14, 2017 (these borrower companies became related parties from December 15, 2017). The Investigation Report has made observations where promoters were evaluating certain transactions concerning certain assets owned by them for the settlement of ICDs thereby indirectly implying some sort of affiliation with the borrower companies. The Investigation Report has observed that the borrower companies could possibly qualify as related parties of the Company and/ or FHsL, given the substance of the relationship. In this regard, reference was made to Indian accounting Standards dealing with related party disclosures, which states that for considering each possible related party relationship, attention is to be directed to the substance of the relationship and not merely the legal form.
  - iii. Objections on record indicate that management personnel and other persons involved were forced into undertaking the ICD transactions under the repeated assurance of due repayment and it could not be said that the management was in collusion with the promoters to give ICDs to the borrower companies. Relevant documents/information and interviews also indicate that the management's objections were overruled. However, the former Executive Chairman of the Company, in his written responses, has denied any wrongdoing, including override of controls in connection with grant of the ICDs.
  - iv. Separately, it was also noted in the Investigation Report that the aforesaid third party to whom the ICDs were assigned has also initiated legal action against the Company. Whilst the matter was included as part of the terms of reference of the investigation, the merits of the case cannot be reported since the matter was *sub-judice*.
  - v. During the previous year ended March 31, 2018, the Company through its subsidiary (i.e. Escorts Heart Institute and Research Centre Limited ("EHIRCL")), acquired 71% equity interest in Fortis Healthstaff Limited at an aggregate consideration of Rupees 3.46 lacs. Subsequently, EHIRCL advanced a loan to Fortis Healthstaff Limited, which was used to repay the outstanding unsecured loan amount of Rupees 794.50 lacs to a promoter group company. Certain documents suggest that the loan repayment by Fortis Healthstaff Limited and some other payments to the promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs /vendor advance to FHsL / Company.
  - vi. The investigation did not cover all related party transactions during the period under investigation and focused on identifying undisclosed parties having direct/indirect relationship with the promoter group, if any. In this regard, it was observed in internal correspondence within the Company that transactions with certain other entities have been referred to as related party transactions. However, no further conclusions have been made in this regard.
  - vii. Additionally, it was observed in the Investigation Report that there were significant fluctuations in the NAV of the investments in overseas funds by the overseas subsidiaries during a short span of time. Further, similar to the paragraph above, in the internal



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correspondence within the Company, investments in the overseas funds have been referred to as related party transactions. The investment was realized at a discount in April 2018 with no loss in the principal value of investments.

(e) Other Matters:

In the backdrop of the investigation, the Management has reviewed some of the past information/ documents in connection with transactions undertaken by the Company and certain subsidiaries. It has been noted that the Company through its subsidiary (i.e. Fortis Hospitals Limited ("FHsL")) acquired equity interest in Fortis Emergency Services Limited from a promoter group company. On the day of the share purchase transaction, FHsL advanced a loan to Fortis Emergency Services Limited, which was used to repay an outstanding unsecured loan amount to the said promoter group company. It may be possible that the loan repayment by Fortis Emergency Services Limited to the said promoter group company was ultimately routed through various intermediary companies and was used for repayment of the ICDs /vendor advance to FHsL.

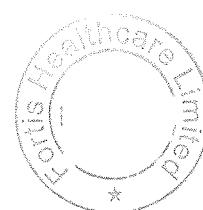
(f) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 are as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 19 (d) (i), (ii), (vi) and (vii) above) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties have been identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities. Therefore, there may be additional related parties whose relationship may not have been disclosed to the Group and, hence, not known to the Management.

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

No further adjustments have been required to be made in Consolidated Financial Results for the quarter ended June 30, 2018.

(h) With respect to the other matters identified in the Investigation Report, the Board initiated specific improvement projects to strengthen the process and control environment. The projects include revision of authority levels, both operational and financial, oversight of the Board, review of Financial Reporting processes, assessment of secretarial documentation w.r.t compliance to regulatory requirements and systems design & control enhancement. Board continues to evaluate other areas to strengthen processes and build a robust governance framework. Towards this end, it is also evaluating internal organizational structure and reporting lines, the roles of authorized representatives and terms of reference of executive committees and their functional role. The Company's Board of Director have also initiated an enquiry of the management of the certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm.

(i) The regulatory authorities are currently undertaking their own investigation (refer Note 20 below), and it is likely that they may make their determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the matters addressed in the Investigation Report on the basis of facts, including those facts that the independent investigator would not have had access to, given their limited role and limitations stated in the Investigation Report. Accordingly, in light of the foregoing, the Board of Directors at this juncture is unable to make a determination on whether a fraud has occurred. That said, the Board of Directors is committed to fully co-operating with the relevant regulatory authorities to enable them to make a determination on these matters and to undertake the remedial action, as required under, and to ensure compliance with, applicable law and regulations.



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Except for the findings of the Investigation Report, including matters on internal control described above, and inability of the Board of Directors to, at this juncture, make a determination on whether a fraud has occurred on the Company considering the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation Report, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

In the event other exposures were to come to light, the Company / FHsL are committed to appropriately addressing the same, including making additional provisions where required.

- (j) Any further adjustments/disclosures, if required, would be made in the books of account pursuant to the above actions to be taken by the Board / regulatory investigations, as and when the outcome of the above is known.

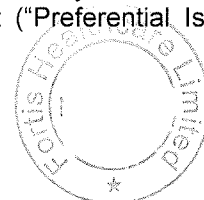
**20. Investigation by Various Regulatory Authorities:**

- a) During the previous year the Company received a communication dated February 16, 2018 from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Company. In the aforesaid letter, SEBI summoned the Company under section 11C (3) of the SEBI Act, 1992 to furnish by February 26, 2018 certain information and documents relating to the short-term investments of Rupees 473 Crores reported in the media. Failure to produce the information required for investigation could result in penalties as provided under section 15A and criminal proceedings under section 11C(6) of the SEBI Act, 1992. SEBI has also appointed forensic auditors to conduct a forensic audit, who are also in the process of collating information from the Company and certain of its subsidiaries. The Company / its subsidiaries are in the process of furnishing all the requisite information and documents requested by SEBI and its forensic auditors.
- b) During the previous year the Registrar of Companies (ROC) under section 206(1) of the Companies Act, 2013, *inter alia*, had also sought information in relation to the Company. All requisite information in this regard has been duly shared by the Company with the ROC.
- c) During the previous year the Company has also received a letter from the Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs, under section 217(1)(a) of the Companies Act, 2013, *inter alia*, initiating an investigation and seeking information in relation to the Company, its material subsidiaries, joint ventures and associates. The Company has submitted all requisite information in this regard with SFIO. Subsequently another letter was received from SFIO in June, 2018 and the requisite information in this regard has been submitted.

The Investigation Report of the external legal firm has been submitted by the Company to the Securities and Exchange Board of India, the Serious Frauds Investigation Office ("SFIO") on June 12, 2018.

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

21. The Board in its meeting held on May 29, 2018 decided to initiate a fresh, time-bound process inviting bids for investment into the Company. The details of the process have been disclosed on National Stock Exchange and BSE Ltd. Pursuant to the above, the Board of Directors of the Company have received binding bids on July 3, 2018. The Company on July 13, 2018 announced that it has received two Binding Bids from the TPG-Manipal Consortium and IHH Healthcare Berhad. and the Board after having detailed deliberations on each offer, approved the offer of IHH Healthcare Berhad for an equity infusion of Rupees 4,000 Crores at a price of Rupees 170 per equity share into the Company by Northern TK Venture Pte Ltd, Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue"), subject to



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approval of the shareholders and other regulatory approvals. The shareholders of the Company have approved the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Ltd is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The Draft Letter of Offer for the open offer has been filed with SEBI and Stock Exchanges.

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

The Company having considered all necessary facts and taking into account external legal advice, had on June 27, 2018 decided to treat as *non est* the Letter of Appointment dated September 27, 2016, as amended, ("LoA") issued to the erstwhile Executive Chairman of the Company in relation to his role as 'Lead: Strategic Initiatives' in the Strategy Function. Basis legal advice taken by the Company, the payments made to him under this LOA would be considered to be covered under the limits of section 197 of the Companies Act, 2013. The Company is in the process of taking suitable legal measures to recover the payments made to him under the LoA as also to recover all the Company's assets in his possession. The Company has sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him.

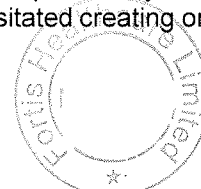
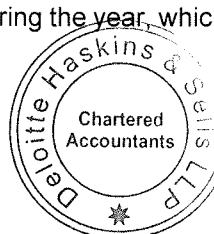
In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for remuneration & other reimbursements), aggregating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

During the current quarter, the erstwhile Executive Chairman has sent a notice to the Company claiming Rupees 4,610 lacs as allegedly due to him under the employment agreement. The Company has replied to the same through its legal counsel denying any liability and stated that the demand is not payable being illegal and accordingly no adjustment has been made in these Consolidated Financial Results with respect to these claims.

- 23.** SRL, a subsidiary of the Company, had paid Rupees 603 lacs managerial remuneration to its Executive Chairman, Malvinder Mohan Singh, which was in excess of the limits set out under Section 197 of the Companies Act 2013. The amount paid in excess of the limits aggregating to Rupees 48 lacs was shown as advances recoverable as part of other financial assets in the Consolidated Financial Results for the year ended March 31, 2018. As the Executive Chairman was associated with the subsidiary Company in his capacity of a Whole Time Director till May 27, 2018, during the current quarter the subsidiary Company has adjusted the excess amounts paid to him for the year ended March 31, 2018 from the amounts payable to him for the period April 1, 2018 to May 27, 2018.
- 24.** The Company through its overseas subsidiaries [i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited] made investments in Global Dynamic Opportunity Fund, an overseas fund. During the current quarter, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10%. As at March 31, 2018, the carrying value of the investment in the overseas fund were recorded at the net recoverable values based on subsequent realisation. The consequential foreseeable loss of Rupees 5,510 lacs (between the previously recorded carrying value of the investment and the amount subsequently realised) was considered in the Consolidated Financial Results for the year ended March 31, 2018 (Also refer to note 19).

**25. Going Concern**

The Group incurred a net loss of Rupees 93,442 lacs during the previous year ended March 31, 2018 consequent to various events during the year, which necessitated creating one-time provisions



**FORTIS HEALTHCARE LIMITED**  
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in the financial results (refer Notes 7 and 24). These events have adversely impacted the Group's working capital position and its credit rating. Further, the Group's current liabilities exceeded its current assets by Rupees 85,329 lacs as at March 31, 2018.

During the current quarter, the Group has incurred a net loss of Rupees 5,280 lacs,

However, the Group's operations during the current year and previous year continued to generate positive cash flows from operations and the Management believes that the events stated above do not impact the entity's ability to continue as a going concern due to the following:

1. During the current quarter in June 2018, the Company has secured new line of credit of Rupees 46,500 lacs out of which Rupees 25,000 lacs was drawn in month of June 2018 & July 2018.
2. The Group has access to unencumbered assets that can be offered as security for any additional funding requirements in the future.

Accordingly, the Group's financials have been prepared on a going concern basis.

Additionally, the Board of Directors have, also, initiated measures to obtain capital infusion into the Group through a bidding process.

26. During the current quarter, the Company has sold 18.2 million units of RHT Health Trust, an associate of the Company for a consideration of 13.65 million Singapore Dollars.
27. The Group has adopted the new revenue accounting standard "Ind AS 115- "Revenue from Contracts with Customers" with effect from 1 April 2018. Based on the assessment carried out, other than reclassification of certain items of the profit & loss account, there is no material impact consequent to the adoption of new standard.

**28. Management's response to comments of the statutory auditors in the Limited Review Report**

- (a) With regard to the comments of the statutory auditors in paragraph 1 of the Basis for Qualified Conclusion of Limited Review Report, pertaining to the Investigation Report, it is submitted that, based on the investigation carried out by the external legal firm, and the information available at this stage, all identified / required adjustments/ disclosures arising from the findings in the Investigation Report, have been made. Further, the Board initiated specific improvement projects to strengthen the process and control environment and it continues to evaluate other areas to strengthen processes and build a robust governance framework. . Further, various regulatory authorities are currently undertaking their own investigation. Any further adjustments/ disclosures, if required, would be made in the books of account, pursuant to the actions to be taken by the Board and as and when the results of the various investigations are known. For more details please refer to Note 19.
- (b) With regard to the comments of the statutory auditors in paragraph 2 of the Basis for Qualified conclusion of Limited Review Report, pertaining to the recognition of interest income, please refer to Notes 8, 9 and 10.
- (c) With regard to the comments of the statutory auditors in paragraph 3 of the Basis for Qualified conclusion of Limited Review Report, pertaining to certain claims against the Company, the Company has filed appropriate submissions in the court denying all allegations and praying for dismissal of the suit. For more details, please refer to Note 13.
- (d) With regard to the comments of the statutory auditors in paragraph 4 of the Basis for Qualified conclusion of Limited Review Report, pertaining to the acquisition of equity interest in Fortis Healthstaff Limited, this is a part of the investigation referred to in point no. (a) above. Please refer to 19 for more details.
- (e) With regard to the comments of the statutory auditors in paragraph 4 of the Basis for Qualified conclusion of Limited Review Report, pertaining to matters relating to acquisition of equity interest in Fortis Emergency Services Limited, please refer to 19.




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- (f) With regard to the comments of the statutory auditors in paragraph 5 of the Basis for Qualified conclusion of Limited Review Report, pertaining to related party transactions, please refer to Note 19.
- (g) With regard to the comments of the statutory auditors in paragraph 6 of the Basis for Qualified conclusion of Limited Review Report, pertaining to the LoA issued to the erstwhile Executive Chairman, please note that the Company, having considered all necessary facts, has decided to treat as non est the LoA issued to the erstwhile Executive Chairman and is taking suitable legal measures to recover the payments made to him under the LoA as well as all the Company's assets in this possession. For more details, please refer to Note 22.
- (h) With regard to the comments of the statutory auditors in paragraph 7 of the Basis for Qualified conclusion of Limited Review Report, pertaining to the foreseeable loss in the value in the overseas fund, please note that the consequential foreseeable loss of Rupees 5,510.14 lacs, was recorded and considered in the consolidated financial results for the year ended March 31 2018. For more details, please refer to Note 24.

Date: August 14, 2018  
Place: Gurugram

**For and on behalf of the Board of Directors**

  
**Ravi Rajagopal**  
**Chairman**  
**DIN: 00067073**



## **Fortis Healthcare Ltd Announces Q1 FY2019 Results**

### **Fortis Shareholders approve fund infusion of Rs 4,000 Crs from IHH Healthcare Berhad (IHH)**

**Gurugram, August 14, 2018:** Fortis Healthcare Ltd. (Fortis), India's leading healthcare delivery company, today announced its consolidated results for the quarter ended June 30, 2018 (Q1FY19).

**Outcome of EGM held on August 13, 2018:** All 3 resolutions garner strong shareholder support and have been passed with requisite votes in favour. a) Issuance of Equity Shares on a Preferential allotment, b) Increase of Authorised Capital of the Company and Alteration of Capital Clause of Memorandum of Association of the Company and c) Reclassification of members of the promoter / promoter group to the public shareholder category and classification of Northern TK Venture Pte Limited (wholly owned indirect subsidiary of IHH) as Promoter.

#### **Consolidated Key Financial Highlights for Q1FY19**

- Revenues of Rs 1,042 Cr vs Rs 1,157 Cr in Q1 FY18
- EBITDAC of Rs 80.4 Cr with a margin of 7.7%
- Operating EBITDA of Rs 15.1 Cr with a margin of 1.4%
- Net Profit for the quarter at Rs (70.9) Cr vs Net Profit of Rs 5.5 Cr in Q1 FY18

#### **Key Segments Financial Highlights for Q1FY19**

- Hospital Business Revenues of Rs 820 Cr vs Rs 939 Cr in Q1 FY18
- Hospital Business Operating EBITDAC of Rs 42 Cr with a margin of 5.1%
- Diagnostic Business Net Revenues of Rs 216 Cr vs Rs 212 Cr in Q1 FY18
- Diagnostic Business EBITDA of Rs 40.5 Cr with a margin of 16.3%

**Commenting on the outcome of EGM, Mr Ravi Rajagopal, Chairman, Fortis Healthcare Ltd said:**

"I am delighted to announce that we have received an overwhelming c.99.7% votes in favour of the preferential allotment to IHH, from the shareholders who voted. We appreciate the confidence that the investors and analysts have demonstrated in the transaction process which was run in a fair and transparent manner and has led to the best possible outcome. With this shareholder approval of preferential allotment of shares, the transaction is now awaiting other regulatory approvals. We believe a partnership with IHH will further strengthen Fortis' operational platform and open new opportunities thereby placing the company in a far more strong and resilient position. We have also charted a strategic growth plan for company, which will accelerate the current traction that we are witnessing in our business. I would like to thank all shareholders for their continued support and we look forward to creating enhanced value for all stakeholders."

**Commenting on the results, Mr Bhavdeep Singh, CEO, Fortis Healthcare Ltd said:** “Our shareholders have supported and approved the recommended IHH offer, the proceeds of which will allow us to normalize our working capital and strengthen the overall balance sheet. However, the last quarter performance has been impacted severely due the continuing challenges that the Company had been facing over the last 18 months that have led to liquidity issues which have imposed severe constraints on resources, growth initiatives and expansion.

Having said that, our hospital business has started showing signs of a strong recovery during the current quarter with a significant uptick in occupancy run rate levels now exceeding 69% from 62% in Q1 FY19. We feel confident and optimistic that this upward business momentum will accelerate further and result in a progressively improving quarterly performance. A slew of initiatives to improve occupancy, drive revenues and optimise costs have been actioned. Our target would be to further grow occupancy levels in excess of 70% by Q4FY19 expecting to translate into a significantly better operating performance. Our diagnostics business margins have shown a steady improvement over the corresponding quarter and a healthy growth over the trailing quarter which we expect to continue.

The senior management team along with team of over 20,000 employees are fully committed to normalize the business and is optimistic on the outlook. We will continue to build on Fortis platform as the leading integrated healthcare delivery service provider in India.”

### **Key Immediate Priorities**

- Accelerate initiatives to improve occupancy across the network (Q1FY19 – 62%. Q4FY19 Target >70%)
  - Expedite New Doctor Recruitment in select specialties - Medical and Surgical Oncology, Orthopaedics, Liver Transplant and Neurology
  - Re-launch various Marketing Initiatives and campaigns (One Fortis Digital Ecosystem, Senior First)
- Focus on Cost Management and optimization across functions and regions
- Judicious Capex Deployment
  - Commissioning new beds (Arcot Road, Ludhiana, BG Road, Noida)
  - Launching new specialties (Oncology, Liver Transplant, Bone Marrow and Heart Transplant)
  - Medical equipment (FMRI, BG Road, Mulund)
- Efficiently manage current liquidity situation and normalise working capital cycle



## India Business - Key Financial Highlights for Q1FY19

Particulars	Q1FY19	Q1FY18	Q4FY18
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)
Operating Revenue	1,042.0	1,156.6	1,086.4
Operating EBITDAC*	80.4	162.9	138.3
Operating EBITDAC margin	7.7%	14.1%	12.7%
Net BT Costs	65.3	67.2	63.3
Operating EBITDA	15.1	95.7	75.1
Other Income	11.9	57.5	(22.8)
EBITDA	27.0	153.2	52.2
PBT before Exceptional Item	(89.7)	21.1	(71.8)
Exceptional (Loss)/Gain^	(5.9)	(1.3)	(854.7)
PAT after minority interest and share in associates	(70.9)	5.5	(932.0)

\*EBITDAC refers to EBITDA before net business trust costs

^Exceptional loss in Q4FY18 primarily pertains to Goodwill / investment Impairment and Provisions

- Key operational parameters in the Company's hospital business for the quarter are as follows:
  - The ARPOB (Average Revenue per Occupied Bed) grew to Rs 1.53 Cr compared to Rs 1.51 Cr in Q1FY18
  - ALOS (Average length of stay) declined to 3.39 days from 3.53 days in Q1FY18
  - Occupancy levels decreased from 71% in Q1FY18 to 62% in Q1FY19
- FMRI, one of the company's largest facilities continues to be the highest ARPOB generating hospital in the Company's network of multi-specialty hospitals with an ARPOB of Rs 2.90 Cr

## Key Highlights Q1FY19 - Hospital Business

Particulars	Q1FY19	Q1FY18	Q4FY18
	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)
Operating Revenue	819.9	939.0	868.5
Operating EBITDAC*	41.8	126.5	105.2
Operating EBITDAC margin	5.1%	13.5%	12.1%
Net BT Costs	65.3	67.2	63.3
Operating EBITDA	(23.5)	59.3	41.9
Other Income	10.8	48.8	1.3
EBITDA	(12.7)	108.1	43.3

- International patient revenue at Rs 90 Cr, representing 11.0% of the overall hospital business
- Fortis Anandapur reported revenue at Rs 44 Cr, up 7%
- During the quarter, the top 10 facilities contributed approx. 77.2% of the hospital business revenue
- During the quarter, the Company introduced and expanded its clinical programs and service offerings in several facilities across its network including:
  - Fortis Hospital, Shalimar Bagh, launches Cancer Care Institute. Equipped with the latest technology in cancer care along with experienced specialists, the facility offers a trans-disciplinary and multi – modality approach in oncology. The facility also offers bone marrow transplant treatment, nuclear medicine and Interventional radiology services
  - Fortis Hospital, Anandpur, Kolkata conducts its first ever heart transplant; joins the select group of hospitals in the country capable of conducting such complex surgery
  - Fortis Hospital, Bannerghatta Road, Bengaluru, acquires the Da Vinci Xi system, the most advanced Robotic Surgery technology in the world
  - With Fortis Malar, Chennai achieving its quality accreditation, all hospitals in the South-West region are now National Accreditation Board for Hospitals and Healthcare Providers (NABH) accredited / certified
  - In a first by an Indian hospital, a team of doctors from Fortis Malar Hospital, Chennai, recently travelled to Palestine to treat children suffering from cardiac ailments on invitation from Palestine's Ministry of Health

### Key Highlights Q1FY19 - Diagnostics Business

	Q1FY19	Q1FY18	Q4FY18
Particulars	(Rs Cr.)	(Rs Cr.)	(Rs Cr.)
Net Revenue	216.4	212.0	211.9
EBITDA	40.5	39.1	33.0
EBITDA Margin	18.7%	18.5%	15.6%

- During the quarter 14 new labs were added and 4 closed; 76 collection centres were added, 68 were closed
- No of accession stood at 3.85 million, a decline of 5.2% vs Q1FY18
- SRL conducted over 9.12 million tests during Q1FY19, a decline of 3.6% vs Q1FY18

### **Awards & Accolades – Q1FY19**

- Fortis Hospital, BG Road, Bengaluru, has been ranked by the Medical Travel Quality Alliance (MTQUA) as one of the Top 10 World's Best Hospitals for Medical Tourism for 2018. The MTQUA team selected hospitals based on the quality of medical treatment and on several non-clinical factors including quality of care, communications, marketing, value for money, cultural and social sensitivity, privacy, safety, and leadership support of medical tourism
- The Nursing Team at Fortis Hospital, Anandapur, Kolkata, recently won the first prize at the 30th Quality Circle Awards organised by the Confederation of Indian Industries (CII) for its project on quality management practices for surgical safety. The prestigious award aims to foster total quality management and recognises quality management best practices of member organisations throughout the country
- Fortis Hospital and Kidney Institute, Kolkata, (FHKI), and Fortis Escorts, Okhla, New Delhi, have received the 'Best Place to Work For' award from the Association of Healthcare Providers (India). Over 300 public and private hospitals had participated in the event
- Fortis Hospital, BG Road, Bengaluru, won two awards at the recently held fourth international conference of the Consortium of Accredited Healthcare Organisations (CAHO). The awards were presented for a published research work on 'Risk Stratification of Surgical Site Infection in a Tertiary Care Hospital' and a poster design on 'Prevention and Control of Surgical Site Infection'
- Fortis Hospital, Mohali, was recognised with the 'Quality Beyond Accreditation' award by the Association of Healthcare Providers (India). This award is a reflection of the hospital's commitment and dedication towards patient care and healthcare delivery services

### **Some Cases of Clinical Excellence at Fortis – Q1FY19**

- A team of doctors at Fortis Memorial Research Institute, Gurugram, recently conducted a laparoscopic left lateral hepatectomy on a 23-year-old Iraqi woman who donated a part of her liver to her ailing son
- A multidisciplinary team at Fortis Hospital, Mulund, removed a complex tumour (Renal Cell Carcinoma) that had engulfed major abdominal organs and extended right up to the heart of a 55-year-old patient
- In a rare and unique feat, a patient suffering from hemophilia, a genetic disorder impairing the body's ability to clot blood, a process needed to stop bleeding, successfully underwent knee replacement surgery at Fortis hospital, BG Road, Bengaluru

- A team of Consultants from Fortis Hospital, Noida, removed a large tumour from the heart of a 56-year-old patient. The tumour weighed half a kilogram and was 14x14 cm in size

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Fortis Healthcare Limited

**About Fortis Healthcare Limited**

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates its healthcare delivery services in India, Dubai, Mauritius and Sri Lanka with 43 healthcare facilities (including projects under development), approximately 9,000 potential beds and 378 diagnostic centres.

**DISCLAIMER**

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