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

FHL/SEC/2021-22 **August 13, 2021**

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

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

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

Dear Sir(s),

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, this is to inform you that the Board of Directors of the Company at its meeting held today i.e. August 13, 2021, *inter-alia*, considered and approved standalone and consolidated un-audited financial results of the Company for the period ended on June 30, 2021 along with limited review report thereon.

Accordingly, please find enclosed standalone and consolidated un-audited financial results along with limited review report given by the Statutory Auditor of the Company for period ended on June 30, 2021. Further, a copy of the press release and investor presentation being issued in this regard is also enclosed.

The meeting commenced at 1100 Hours IST and concluded at 1740 Hours IST.

This is for your information and records please.

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

SUMIT GOEL
Digitally signed by SUMIT GOEL
Date: 2021.08.13 17:41:08 +05'30'

Sumit Goel
Company Secretary
ICSI Membership: F6661

B S R & Co. LLP

Chartered Accountants

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

Telephone: +91 124 719 1000
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To
Board of Directors of **Fortis Healthcare Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Fortis Healthcare Limited ("the Company") for the quarter ended 30 June 2021 ("the Statement").

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

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

4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

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

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

   i. Note 7 and 8 of the Statement which deal with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") and ongoing adjudication proceedings by Securities and Exchange Board of India ("SEBI") on Fortis Healthcare Limited and its subsidiaries ("the Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 (including matters relating to remuneration paid to managerial personnel) and SEBI laws and regulations. These transactions and non-compliances relate to or originated prior to take over of control by reconstituted board of directors in the year ended 31 March 2018. As mentioned in the note, the Group has been submitting information required by SFIO and the Company has responded to the SEBI notice and is also cooperating in the regulatory investigations/ proceedings.

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

ii. Note 6 of the of the Statement relating to the order dated 15 November 2019 of the Hon'ble Supreme Court, where it is stated that the Hon'ble Supreme Court has issued suo- moto contempt notice to, among others, the Company and directed its Registry to register a fresh contempt petition in regard to alleged violation of its order dated 14 December 2018. In this respect, the Hon'ble Supreme Court has sought an enquiry, into (i) whether the subscription by Northern TK Venture Pte Ltd., Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia, to the shares of the Company was undertaken after the status quo order was issued by the Hon'ble Court on December 14, 2018 and accordingly, if such subscription was in violation of this status quo order; and (ii) the consummation of the acquisition of healthcare assets from RHT Health Trust by the Company. As also explained in the said note, the management believes that it has a strong case on merits and as per the current position of the case, the liability, if any, arising out of this contingency cannot be determined at this stage. Accordingly, at present, no adjustment is required in the Statement.

iii. As explained in Note 5 of the of the Statement, a Civil Suit claiming Rs. 25,344 lacs was filed by a third party against various entities including the Company and certain entities within the Group relating to "Fortis, SRL and La-Femme" brands. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. Further, as mentioned in Note 6 of the statement, the tenure of brand license agreement entered by the Company has expired and the Company has filed an application before the Hon'ble Supreme Court of India seeking permission for change of company name, brand and logo. The matter is currently sub-judice.

iv. Note 13 in the statement, which describes the economic and social consequences the entity is facing as a result of COVID-19 which is impacting supply chains / demand / personnel available for work and/ or being able to access of offices/ hospitals.

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

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

Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAADI4196

Place: Gurugram
Date: 13 August 2021

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(Rupees in lacs)

Particulars	Standalone			
	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Unaudited	Audited	Unaudited	Audited
1. Revenue from operations	20,352	19,482	10,056	63,287
2. Other income	3,349	2,738	5,355	19,198
3. Total income (1+2)	**23,701**	**22,220**	**15,411**	**82,485**
4. Expenses				
(a) Purchases of medical consumable and drugs	5,616	4,603	2,247	14,919
(b) Changes in inventories of medical consumable and drugs	(485)	16	39	139
(c) Employee benefits expense	4,095	3,989	3,460	14,765
(d) Finance costs	3,272	3,416	3,535	14,145
(e) Hospital service fee expense	1,393	1,365	760	4,482
(f) Professional charges to doctors	3,501	3,250	1,996	10,580
(g) Depreciation and amortisation expense	2,793	2,793	2,716	11,078
(h) Other expenses	3,750	6,603	2,620	15,610
Total expenses	**23,935**	**26,035**	**17,373**	**85,718**
5. Net profit / (loss) from continuing operation before exceptional items and tax (3-4)	**(234)**	**(3,815)**	**(1,962)**	**(3,233)**
6. Exceptional gain / (loss) (refer note 4)	-	(694)	5,072	5,646
7. Profit / (loss) before tax from continuing operations (5-6)	**(234)**	**(4,509)**	**3,110**	**2,413**
8. Tax expense / (credit)	(61)	(399)	1,120	1,993
9. Net profit / (loss) for the period from continuing operations (7-8)	**(173)**	**(4,110)**	**1,990**	**420**
10. Profit / (loss) before tax from discontinued operations	-	-	-	-
11. Tax expense of discontinued operations	-	-	-	-
12. Net profit / (loss) for the period from discontinued operations (10-11)	-	-	-	-
13. Net profit / (loss) for the period (9+12)	**(173)**	**(4,110)**	**1,990**	**420**
14. Other Comprehensive Income / (loss) (after tax)	(24)	75	(55)	86
15. Total comprehensive income / (loss) for the period (13+14)	**(197)**	**(4,035)**	**1,935**	**506**
16. Paid up equity share capital (Face Value Rupees 10 per Share)	75,496	75,496	75,496	75,496

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(Rupees in lacs)

Particulars	Standalone			
	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Unaudited	Audited	Unaudited	Audited
17. Other equity as per the audited balance sheet				812,657
18. Earnings per equity share for continuing operations (not annualised)				
Basic earnings / (loss) per share - In Rupees	(0.02)	(0.54)	0.26	0.06
Diluted earnings / (loss) per share - In Rupees	(0.02)	(0.54)	0.26	0.06
19. Earnings per equity share for discontinued operations (not annualised)				
Basic earnings / (loss) per share - In Rupees	-	-	-	-
Diluted earnings / (loss) per share - In Rupees	-	-	-	-
20. Earnings per equity share from continuing and discontinued operations (not annualised)				
Basic earnings / (loss) per share - In Rupees	(0.02)	(0.54)	0.26	0.06
Diluted earnings / (loss) per share - In Rupees	(0.02)	(0.54)	0.26	0.06
21. Earnings before depreciation and amortisation expense, finance costs, exceptional items and tax expense (EBITDA) (refer note 3)	5,831	2,394	4,289	21,990

Notes to the results

1. The above-unaudited Standalone Financial Results of Fortis Healthcare Limited ("the Company") for the quarter ended June 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 12, 2021 and August 13, 2021 respectively. The unmodified limited review report of the Statutory Auditors is being filed with BSE Limited and National Stock Exchange of India Limited. For more details on standalone results, visit investors section of our website at www.fortishealthcare.com and Financial Results at Corporate Section of www.nseindia.com and www.bseindia.com.

2. Figures for the quarter ended March 31, 2021, included in the Standalone Financial Results, is the balancing figure between audited figure in respect of the full financial year and the unaudited published year to date figures up to December 31, 2020 being the end of the third quarter of the financial year.

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

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

(Rupees in lacs)

Particulars	**Quarter ended**			**Year ended**
	June 30, 2021	**March 31, 2021**	**June 30, 2020**	**March 31, 2021**
	Unaudited	**Audited**	**Unaudited**	**Audited**
a) Impairment of investment and allowance for doubtful loan given to Subsidiary Companies	-	(694)	-	(694)
b) Concession received due to COVID-19 (refer note 13)	-	-	5,072	6,340
Net exceptional gain/ (loss)	**-**	**(694)**	**5,072**	**5,646**

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

The Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Third Party. The matter is pending adjudication before District Court, Delhi. The Third Party had approached Delhi High Court for seeking certain interim reliefs against the Company under the provisions of The Arbitration and Conciliation Act, 1996. This Third party had also filed a claim for damages and injunctive reliefs against the Company before International Chamber of Commerce (ICC). The Company has invited the attention of ICC to the aforesaid pending litigations before various Courts and non-maintainability of claim raised by said Third party. Proceedings before Delhi High Court have been withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC has also been withdrawn by Third Party on February 23, 2020 and the same has been closed by ICC on February 28, 2020. The Company has filed an application for perjury against the Third Party and other entities which is pending before the Delhi High Court.

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

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

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

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

6. The Board of Directors, after seeking inputs from reputed investment bankers, had approved an equity infusion of Rupees 400,000 lacs at a price of Rupees 170 per equity share into the Company by Northern TK Venture Pte Ltd Singapore (NTK) ("Acquirer"), a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue"), subject to approval of the shareholders and other regulatory approvals which constituted 31.1% share capital of the Company. The shareholders of the

Company approved the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. The Acquirer had received the approval from Competition Commission of India (CCI) on October 30, 2018 and the preferential allotment was made on November 13, 2018. Pursuant to the consummation of the same, Northern TK Venture Pte Ltd, had appointed 2/3 of the directors on the Board of Directors of the Company, thereby acquiring control over the Company. Consequently, the Company has become a subsidiary of Northern TK Venture Pte Ltd. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Ltd is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare Limited to Malaysian IHH Healthcare Berhad be maintained, the Mandatory Open offer was kept in abeyance and continues to be in abeyance as on date, and remains subject to further orders by the Hon'ble Court. The Company had accordingly filed an application seeking for modification of the said order.

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

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

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

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

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

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

A. Background

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

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

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

(ii) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties were identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities up to March 31, 2018. Therefore, the possibility could not have been ruled out that there may have been additional related parties whose relationship may not have been disclosed and, hence, not known to the Management. While such references could not be fully analyzed during the initial investigation, the nature of these references raised certain concerns.

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

B. Additional procedures/enquiries by the reconstituted Board

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

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

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

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

(i) Fortis Hospitals Limited (FHsL), a wholly owned subsidiary of the Company, had placed secured Short-Term Investments in the nature of Inter Corporate Deposits (ICDs) with three companies ('borrowers') aggregating to Rupees 49,414 lacs on July 1, 2017 for a term of 90 days. Further, FHsL received intimation that the borrowers became a part of the erstwhile Promoter Group with effect from December 15, 2017. These borrowers continued to be related parties until February 16, 2018. subsequent to which the shareholding of the erstwhile Promoter Group in the Company was reduced to 0.77%. In terms of agreements dated September 30, 2017, FHsL assigned the outstanding ICDs to a third party. Such assignment was subsequently terminated on January 5, 2018. On February 28, 2018, these ICDs were secured by way of a duly registered charge on the present and future assets of the Borrowers. ICDs aggregating to Rupees 44,503 lacs including interest accrued thereon of Rupees 4,260 lacs calculated up to March 31, 2018 remained outstanding. In view of the uncertainty in realisability of the security and/or collection of the amounts, the outstanding amount was fully provided during the year ended March 31, 2018.

The Investigation Report indicated that the placement of the ICDs, including the method of such placement, their subsequent assignment and the cancellation of such assignment were done without following the normal treasury operations and treasury mandate; and without specific authorization by the Board of FHsL. (Also refer note 8 on SEBI Order).

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

(ii) The Company had paid security deposits and advances aggregating to Rupees 2,173 lacs in the financial year 2013-14 to a private company ("Lessor") towards lease of office space. Due to delays in obtaining occupancy certificate (OC), the lease agreement / MOUs were either terminated by the Company or expired during the financial year 2017-18. The amounts outstanding from the Lessor as on March 31, 2018 aggregated to Rupees 2,173 lacs. Additionally, expenditure aggregating to Rupees 2,570 lacs was incurred towards capital work-in-progress on the premises proposed to be take on lease from the Lessor, which is also being claimed from the Lessor pursuant to the aforesaid termination. The Company has issued legal notice demanding the outstanding. Lessor responded to the notice of the Company for amicable resolution, which has not yet yielded any results. Further, Company has filed claim before Interim Resolution Professional (IRP) appointed by NCLT in a matter filed by one of creditors of Lessor. IRP is currently adjudicating the claims of various creditors of the Lessor including that of the Company.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Company had recorded provisions aggregating to Rupees 4,743 lacs in the Standalone Financial Results for the year ended March 31, 2018

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

(iii) FHsL, a wholly owned subsidiary of the Company, had advanced moneys to an entity towards acquisition of property in Mumbai in financial year 2013-14 which did not materialize. Of the total advance of Rupees 10,000 lacs, balance of Rupees 2,375 lacs was outstanding to be received back. Post-dated cheques received from the entity were dishonoured, and FHsL initiated legal proceedings in this regard. FHsL had accrued for the interest amounting to Rupees 174 lacs up to March 31, 2018 on the advance for the purpose of including the same in the legal claim on the entity. However, in line with applicable accounting norms, interest thereon for the period subsequent to March 31, 2018 was not accrued considering the uncertainties around ultimate realization of the amounts.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Group had recorded provisions aggregating to Rupees 2,549 lacs towards the amounts due, including interest, in the year ended March 31, 2018

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

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

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

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

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

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

(vi) Remuneration to ex-chairman

The Company having considered all necessary facts and taking into account external legal advice, had on June 27, 2018 decided to treat as *non-est* the Letter of Appointment dated September 27, 2016, as amended, ("LoA") issued to the erstwhile Executive Chairman of the Company in relation to his role as 'Lead: Strategic Initiatives' in the Strategy Function. Since the LoA was treated as non-est, the Company received legal advice from its counsels that the amount paid under the aforesaid LoA (amounting to Rupees 1,768 lacs) appears to be an arrangement designed to circumvent the managerial remuneration limits under Section 197 of the Companies Act, 2013 read with relevant Central Government approvals and thus was wrongfully paid. Thus, as per the legal advice, the payments made to him under this LoA for the role of 'Lead: Strategic Initiatives' ought to be considered and characterized as payments which are in the nature of managerial remuneration, as regulated and governed in section 197 of the Companies Act, 2013. An amount of Rupees 234 lacs that was reimbursed in relation to expenses incurred was in excess of the amounts approved by the Central Government under Section 197 of the Companies Act, 2013.Accordingly, the Company sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him over and above the managerial remuneration limit, as specified under the Companies Act, 2013 read with the relevant government approvals in this regard. The erstwhile Executive Chairman sent a notice to the Company claiming Rupees 4,610 lacs as allegedly due to him under the employment agreement. The Company replied to the same through its legal counsel denying any liability and stated that the demand was not payable being illegal. Subsequently, Company filed a complaint against the erstwhile Executive Chairman before EOW. The Company has received back vehicles which were being used by him. However, IT assets and excess amounts paid are yet to be received.

In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for remuneration & other reimbursements), aggregating to Rupees 2,002 lacs was recognized as recoverable in the Standalone Financial Results of the Company for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts, a provision of Rupees 2,002 lacs was made in the Standalone Financial Results for the year ended March 31, 2018. The Company has filed a complaint against the erstwhile Executive Chairman before EOW on account of both of the above payments and EOW is investigating the matter.

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

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

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

Fortis Healthcare Limited

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

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

(viii) The Company through its overseas subsidiaries [i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited] made investments in Global Dynamic Opportunity Fund, an overseas fund. It was observed in the earlier investigation that there were significant fluctuations in the NAV of the investments during a short span of time. Further, in the internal correspondence within the Company, investments in the overseas funds have been referred to as related party transactions. During year ended March 31, 2018, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10%.

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

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

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

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

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

8. Matters in relation to Regulatory Authorities:

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

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

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

Company and FHsL had filed necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile-promoters and various other entities to the Company and FHsL. SEBI vide its letter dated June 14, 2019 has stated that provisions of Section 28A of SEBI Act, 1992 cannot be invoked at this stage hence, Company and FHsL may take necessary steps to comply with SEBI's direction. Accordingly, FHsL has filed a civil suit for recovery of Rupees 52,019 lacs before Hon'ble Delhi High Court against the parties, named in the orders passed by SEBI.

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

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

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

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

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

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

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

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

The Company is fully co-operating with the regulators in relation to the ongoing investigations to enable them to make their determination on these matters.

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

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

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

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

10. The Company is primarily engaged in the business of healthcare services which is the only reportable business segment as per Ind AS 108-'Operating Segments'.

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

12. During the current quarter, the operational performance of the Company further improved as compared to previous quarter. As at June 30, 2021, the Company has funds available of Rupees 66 lacs and unutilized borrowing facilities sanctioned by banks amounting to Rupees 9,935 lacs. Further, in respect of the cash put option issued to minority shareholder of subsidiary, in accordance with the amendment agreement to the shareholders' agreement entered between the parties which also incorporated the new proposed exit rights, the minority shareholders of subsidiary have agreed not to exercise the cash put option for a further period of 36 months from a relevant date (February 5 2021) as defined in the amendment agreement in lieu of the new proposed exit rights. The Company's current liabilities are higher than its current assets by Rupees 17,714 lacs. Further, the Company also has sufficient unencumbered assets that can be utilized for any additional funding requirements n future. Additionally, as explained in note 6, the ongoing litigation at the Hon'ble Supreme Court has delayed the ability of the Group to carry out planned restructuring activities, which could further strengthen the financial position of the Company.

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

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

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

As a part of its strategy to counter the impact of COVID-19 pandemic, with cost saving measures the Company got approval from its shareholders to seek waiver of fixed service fee payable to its certain subsidiaries under the Hospital & Medical Service Agreements (HMSA) entered with the said subsidiaries for at least two quarters (April-June 2020 and July-Sep 2020) assuming that the hospital operations, occupancy and footfall will return to normalcy by October 2020.However, if the business did not recover to normal levels by October 2020, then the waiver period could be extended until business became normal with the consent of both the Company and its subsidiaries. Accordingly

50% waiver of fixed service fee for the third quarter (Oct-Dec 2020) was approved by the subsidiaries keeping in view the continued exceptional and unforeseen circumstances. In line with guidance on accounting for such concessions that are a direct consequence of the COVID-19 pandemic, the Company has recognised an exceptional gain of Rupees 6,340 lacs for the year ended March 31, 2021.

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

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

Date: August 13, 2021

Place: Gurugram

For and on behalf of the Board of Directors

Ashutosh

Dr. Ashutosh Raghuvanshi
Managing Director & CEO
DIN: 02775637

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

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Fortis Healthcare Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its associates and joint ventures for the quarter ended 30 June 2021 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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

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

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

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

   Parent:
   - (i) Fortis Healthcare Limited

   Subsidiaries:
   - (i) Escorts Heart Institute and Research Centre Limited ("EHIRCL")
   - (ii) Fortis Hospitals Limited
   - (iii) Fortis Asia Healthcare Pte Limited
   - (iv) Fortis Healthcare International Limited
   - (v) Fortis Global Healthcare (Mauritius) Limited
   - (vi) Fortis Malar Hospitals Limited

(vii) Malar Stars Medicare Limited
(viii) Fortis HealthStaff Limited
(ix) Fortis Cancer Care Limited
(x) Fortis La Femme Limited
(xi) Fortis Health Management (East) Limited
(xii) Hiranandani Healthcare Private Limited
(xiii) SRL Limited
(xiv) SRL Diagnostics Private Limited
(xv) SRL Reach Limited
(xvi) SRL Diagnostics FZ-LLC
(xvii) Fortis Healthcare International Pte Limited (FHIPL)
(xviii) Birdie and Birdie Realtors Private Limited
(xix) Stellant Capital Advisory Services Private Limited
(xx) RHT Health Trust Manager Pte Limited
(xxi) Fortis Emergency Services Limited
(xxii) Fortis Hospotel Limited
(xxiii) Escort Heart and Super Speciality Hospital Limited
(xxiv) International Hospital Limited
(xxv) Hospitalia Eastern Private Limited
(xxvi) Fortis Health Management Limited
(xxvii) Medical Management Company Limited
(xxviii) Mena Healthcare Investment Company Limited
(xxix) DDRC SRL Diagnostics Private Limited (With effect from 5 April 2021)

Joint ventures:

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

Associates:

(i) Sunrise Medicare Private Limited
(ii) Lanka Hospitals Corporate Plc
(iii) THR Infrastructure Pte Ltd
(iv) RHT Health Trust

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

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

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

   ii. Note 12 of the Statement relating to the order dated 15 November 2019 of the Hon'ble Supreme Court, where it is stated that the Hon'ble Supreme Court has issued suo- moto contempt notice to, among others, the Company and directed its Registry to register a fresh contempt petition in regard to alleged violation of its order dated 14 December 2018. In this respect, the Hon'ble Supreme Court has sought an enquiry, into (i) whether the subscription by Northern TK Venture Pte Ltd., Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia, to the shares of the Company was undertaken after the status quo order was issued by the Hon'ble Court on December 14, 2018 and accordingly, if such subscription was in violation of this status quo order; and (ii) the consummation of the acquisition of healthcare assets from RHT Health Trust by the Company. As also explained in the said note, the management believes that it has a strong case on merits and as per the current position of the case, the liability, if any, arising out of this contingency cannot be determined at this stage. Accordingly, at present, no adjustment is required in the Statement.

iii. As explained in Note 11 of the Statement, a Civil Suit claiming Rs. 25,344 lacs was filed by a third party against various entities including the Company and certain entities within the Group relating to "Fortis, SRL and La-Femme" brands. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. Further, as mentioned in Note 12 of the Statement, the tenure of brand license agreement entered by the Company has expired and the Company has filed an application before the Hon'ble Supreme Court of India seeking permission for change of company name, brand and logo. The matter is currently sub-judice.

iv. Note 8(a) and 8(c) of the Statement, relating to the outcome of civil suit with regard to termination of certain land leases allotted by Delhi Development Authority (DDA) and the matter related to non-compliance with the order of the Hon'ble High Court of Delhi in relation to provision of free treatment/ beds to poor by EHIRCL.

Based on the advice given by external legal counsel, no provision /adjustment has been considered necessary by the management with respect to the above matters in the Statement, considering the uncertainty relating to the outcome of these matters.

v. Note 9 of the Statement, which describes in detail the matter relating to the termination of hospital lease agreement by Navi Mumbai Municipal Corporation vide order dated 18 January 2017 of Hiranandani Healthcare Private Limited ("HHPL"), one of the subsidiaries in the Group. HHPL has filed a Writ Petition before the Hon'ble Supreme Court of India challenging the Termination Order, which is pending hearing and disposal. Based on the opinion obtained from the legal counsel, the management is confident that HHPL will be able to successfully defend the termination order. However, due to uncertainties involved, the ultimate outcome will be ascertained on disposal of the said petition.

vi. Note 15 in the Statement, which describes the economic and social consequences the Group is facing as a result of COVID-19 which is impacting supply chains / demand / personnel available for work and/ or being able to access of offices/ hospitals.

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

8. We did not review the interim financial information of one subsidiary included in the Statement, whose interim financial information (before intercompany elimination and consolidation adjustments), reflect total revenues of Rs. 354.71 lacs, total net loss after tax of Rs. 110.26 lacs and total comprehensive loss of Rs. 110.26 lacs, for the quarter ended 30 June 2021, as considered in the consolidated unaudited financial results. This interim financial information has been reviewed by other auditors whose report have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

This subsidiary is located outside India whose financial information has been prepared in accordance with accounting policies generally accepted in its country and which has been reviewed by other auditors under generally accepted review standards applicable in its country. The Company's management has converted the interim financial information of such subsidiary located outside India from accounting policies generally accepted in its country to accounting policies generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our conclusion is so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and reviewed by us.

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

9. The Statement includes the interim financial information of fourteen subsidiaries which have not been reviewed, whose interim financial information (before intercompany elimination and consolidation adjustments) reflects total revenue of Rs. 54.81 lacs, total net loss after tax of Rs. 1,771.66 lacs and total comprehensive loss of Rs. 3,952.54 lacs for the quarter ended 30 June 2021, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 790.81 lacs and total comprehensive income of Rs. 790.81 lacs for the quarter ended 30 June 2021, as considered in the consolidated unaudited financial results, in respect of four associates and three joint ventures, based on their interim financial information which have not been reviewed. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

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

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

Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAADJ3858

Place: Gurugram
Date: 13 August 2021

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(Rupees in lacs)

Particulars	Consolidated			
	Quarter ended			Year Ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Unaudited	Audited	Unaudited	Audited
1. Revenue from operations	141,031	125,244	60,595	403,012
2. Other income	784	634	445	4,656
3. Total income (1+2)	**141,815**	**125,878**	**61,040**	**407,668**
4. Expenses				
(a) Purchases of medical consumable and drugs	39,699	29,148	15,578	97,448
(b) Changes in inventories of medical consumable and drugs	(4,739)	480	(790)	142
(c) Employee benefits expense	24,830	21,956	20,622	84,901
(d) Finance costs	3,843	4,062	4,108	16,588
(e) Professional charges to doctors	24,481	24,028	16,334	80,897
(f) Depreciation and amortisation expense	7,291	7,151	7,165	29,060
(g) Other expenses	29,235	29,904	19,180	99,180
Total expenses	**124,640**	**116,729**	**82,197**	**408,216**
5. Net profit / (loss) from continuing operations before share in profit / (loss) of associates and joint ventures, exceptional items and tax (3-4)	**17,175**	**9,149**	**(21,157)**	**(548)**
6. Add:Share in profit of associate companies and joint ventures	850	1,873	286	4,756
7. Net profit / (loss) before exceptional items and tax (5+6)	**18,025**	**11,022**	**(20,871)**	**4,208**
8. Exceptional gain (refer note 5)	30,614	15	45	121
9. Profit / (loss) before tax from continuing operations (7+8)	**48,639**	**11,037**	**(20,826)**	**4,329**
10. Tax expense / (credit)	5,578	4,801	(2,038)	9,946
11. Net profit / (loss) for the period from continuing operations (9-10)	**43,061**	**6,236**	**(18,788)**	**(5,617)**
12. Profit / (loss) before tax from discontinued operations	-	-	-	-
13. Tax expense of discontinued operations	-	-	-	-
14. Net profit / (loss) for the period from discontinued operations (12-13)	-	-	-	-
15. Net profit / (loss) for the period (11+14)	**43,061**	**6,236**	**(18,788)**	**(5,617)**
16. Profit / (loss) from continuing operations attributable to:				
Owners of the Company	26,355	4,317	(17,892)	(10,976)
Non-Controlling Interest	16,706	1,919	(896)	5,359
17. Profit / (loss) from discontinuing operations attributable to:				
Owners of the Company	-	-	-	-
Non-Controlling Interest	-	-	-	-

Fortis Healthcare Ltd. *

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(Rupees in lacs)

Particulars	Consolidated			
	Quarter ended			Year Ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Unaudited	Audited	Unaudited	Audited
18. Other Comprehensive Income/ (loss) (including OCI relating to associates and joint venture) (after tax)	(107)	(848)	375	1,034
19. Other comprehensive Income/(Loss) attributable to:				
Owners of the Company	(96)	(863)	414	1,002
Non Controlling interest	(11)	15	(39)	32
20. Total comprehensive Income/(Loss) (15+18)	**42,954**	**5,388**	**(18,413)**	**(4,583)**
21. Total comprehensive Income/(Loss) attributable to:				
Owners of the Company	26,259	3,454	(17,478)	(9,974)
Non-Controlling interest	16,695	1,934	(935)	5,391
22. Paid-up equity share capital (Face Value Rupees 10 per Share)	75,496	75,496	75,496	75,496
23. Other equity as per the audited balance sheet				536,485
24. Earnings per equity share for continuing operations (not annualised)				
Basic earnings per share - In Rupees	3.49	0.57	(2.37)	(1.45)
Diluted earnings per share - In Rupees	3.49	0.57	(2.37)	(1.45)
25. Earnings per equity share for discontinued operations (not annualised)				
Basic earnings per share - In Rupees	-	-	-	-
Diluted earnings per share - In Rupees	-	-	-	-
26. Earnings per equity share from continuing and discontinued operations				
Basic earnings per share - In Rupees	3.49	0.57	(2.37)	(1.45)
Diluted earnings per share - In Rupees	3.49	0.57	(2.37)	(1.45)
27. Earnings before depreciation and amortization expense, finance costs, exceptional items, tax expenses and share in profit /(loss) of associate companies and joint ventures (EBITDA) (Refer note 4)	28,309	20,362	(9,884)	45,100

Fortis Healthcare Ltd.

FORTIS HEALTHCARE LIMITED
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Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

Notes to the results

1. The above unaudited Consolidated Financial Results of Fortis Healthcare Limited ("the Company") and its subsidiaries (Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures for the quarter ended June 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 12, 2021 and August 13, 2021. The unmodified review report of the Statutory Auditors is being filed with BSE Limited and National Stock Exchange of India Limited. For more details on consolidated results, visit investors section of our website at www.fortishealthcare.com and Financial Results at Corporate Section of www.nseindia.com and www.bseindia.com.

2. Figures for the quarter ended March 31, 2021, included in the Consolidated Financial Results, is the balancing figure between audited figure in respect of the full financial year and the unaudited published year to date figures up to December 31, 2020 being the end of the third quarter of the financial year.

3. **Segment Reporting**

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

(Rupees in lacs)

S.No	Particulars	Quarter ended			Year Ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		Unaudited	Audited	Unaudited	Audited
1	**Segment value of sales and services (revenue)**				
	- Healthcare	100,630	98,211	48,839	312,368
	-Diagnostics	44,142	30,572	14,035	103,463
	Gross value of sales and services	144,772	128,783	62,874	415,831
	Less : inter segment sales and services	(3,741)	(3,539)	(2,279)	(12,819)
	Revenue from operations	**141,031**	**125,244**	**60,595**	**403,012**
2	**Segment results**				
	- Healthcare	8,912	7,765	(14,568)	(865)
	-Diagnostics	11,322	4,812	(2,926)	12,250
	Total segment profit / (loss) before interest and tax	20,234	12,577	(17,494)	11,385
	(i) Finance cost	(3,843)	(4,062)	(4,108)	(16,588)
	(ii) Exceptional items and unallocable expenditure (net of unallocable income)	31,398	649	490	4,776
	(iii) Share of profit / (loss) of associates and joint ventures (net)	850	1,873	286	4,756
	Profit / (loss) before tax	**48,639**	**11,037**	**(20,826)**	**4,329**
3	**Segment assets**				
	- Healthcare	876,782	871,304	871,973	871,304
	-Diagnostics	180,646	110,455	112,345	110,455

Fortis Healthcare Ltd

FORTIS HEALTHCARE LIMITED
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Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(Rupees in lacs)

S.No	Particulars	Quarter ended			Year Ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		Unaudited	Audited	Unaudited	Audited
	-Unallocable assets	128,919	147,679	153,107	147,679
	Total assets	1,186,347	1,129,438	1,137,425	1,129,438
	Less : inter segment assets	(3,640)	(13,970)	(16,142)	(13,970)
	Total segment assets	**1,182,707**	**1,115,468**	**1,121,283**	**1,115,468**
4	**Segment liabilities**				
	- Healthcare	262,929	273,473	227,948	273,473
	-Diagnostics	35,364	27,367	26,031	27,367
	-Unallocable liabilities	173,282	156,817	181,247	156,817
	Total liabilities	471,575	457,657	435,226	457,657
	Less : inter segment liabilities	(3,640)	(13,970)	(16,142)	(13,970)
	Total segment liabilities	**467,935**	**443,687**	**419,084**	**443,687**

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

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

(Rupees in lacs)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Unaudited	Audited	Unaudited	Audited
Concession received due to Covid-19	-	15	45	121
Gain on remeasurement of previously held equity interest (refer note 16)	30,614	-	-	-
Net exceptional gain	**30,614**	**15**	**45**	**121**

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

A. Background

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

Fortis Healthcare Ltd.

acquisition of Fortis Healthstaff Limited ("Fortis Healthstaff") from an erstwhile promoter group company, and subsequent repayment of loan by said subsidiary to the erstwhile promoter group company. The investigation report was submitted to the re-constituted Board in June 2018.

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

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

(ii) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties were identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities up to March 31, 2018. Therefore, the possibility could not have been ruled out that there may have been additional related parties whose relationship may not have been disclosed and, hence, not known to the Management. While such references could not be fully analyzed during the initial investigation, the nature of these references raised certain concerns.

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

B. Additional procedures/enquiries by the reconstituted Board

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

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

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

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

(I) Fortis Hospitals Limited (FHsL), a wholly owned subsidiary of the Company, had placed secured Short-Term Investments in the nature of Inter Corporate Deposits (ICDs) with three companies ('borrowers') aggregating to Rupees 49,414 lacs on July 1, 2017 for a term of 90 days. Further, FHsL received intimation that the borrowers became a part of the erstwhile Promoter Group with effect from December 15, 2017. These borrowers continued to be related parties until February 16, 2018. subsequent to which the shareholding of the erstwhile Promoter Group in the Company was reduced to 0.77%. In terms of agreements dated September 30, 2017, FHsL assigned the outstanding ICDs to a third party. Such assignment was subsequently terminated on January 5, 2018. On February 28, 2018, these ICDs were secured by way of a duly registered charge on the present and future assets of the Borrowers. ICDs aggregating to Rupees 44,503 lacs including interest accrued thereon of Rupees 4,260 lacs calculated up to March 31, 2018 remained outstanding. In view of the uncertainty in realisability of the security and/or collection of the amounts, the outstanding amount was fully provided during the year ended March 31, 2018.

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

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

(ii) The Company and its subsidiary SRL Limited ('SRL') had paid security deposits and advances aggregating to Rupees 2,676 lacs in the financial year 2013-14 and 2017-18 respectively, to a private company ("Lessor") towards lease of office space. Due to delays in obtaining occupancy certificate (OC), the lease agreement/MOUs were either terminated by the Company or expired during the financial year 2017-18. SRL Limited attempted to encash the cheques issued by the Lessor for refund of the advance paid but the same were returned unpaid. Additionally, expenditure aggregating to Rupees 2,843 lacs was incurred towards capital work-in-progress on the premises proposed to be taken on lease from the Lessor, which is also being claimed from the Lessor pursuant to the aforesaid termination. The Company has issued legal notice demanding the outstanding. The subsidiary, SRL Limited, has filed criminal complaint in Mumbai against the private company under Section 138 of the Negotiable Instruments Act wherein its Directors and authorized representatives were directed to appear before District Court. The Hon'ble District Court has directed the Directors of Lessor to deposit 20% of the cheque amount. SRL has also initiated arbitration proceeding against the Lessor for recovery of Rupees 460 lacs paid towards Security Deposit and Rupees 304 lacs incurred pertaining to the office space. Vide order dated February 20, 2019 Hon'ble Delhi High Court appointed an arbitrator before whom SRL has filed its claim. Further, Company and SRL have filed their respective claims before Interim Resolution Professional (IRP) appointed by NCLT in a matter filed by one of creditors of Lessor. IRP is currently adjudicating the claims of various creditors of the Lessor including that of the Company and SRL Limited.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Group had recorded provisions aggregating to Rupees 5,333 lacs in the Consolidated Financial Results for the year ended March 31, 2018 and a further provision of Rupees 186 lacs was made in respect of expenditure accrued during the quarter ended June 30, 2018.

Fortis Healthcare Ltd.

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

(iii) FHsL, a wholly owned subsidiary of the Company, had advanced moneys to an entity towards acquisition of property in Mumbai in financial year 2013-14 which did not materialize. Of the total advance of Rupees 10,000 lacs, balance of Rupees 2,375 lacs was outstanding to be received back. Post-dated cheques received from the entity were dishonoured, and FHsL initiated legal proceedings in this regard. FHsL had accrued for the interest amounting to Rupees 174 lacs up to March 31, 2018 on the advance for the purpose of including the same in the legal claim on the entity. However, in line with applicable accounting norms, interest thereon for the period subsequent to March 31, 2018 was not accrued considering the uncertainties around ultimate realization of the amounts.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Group had recorded provisions aggregating to Rupees 2,549 lacs towards the amounts due, including interest, in the year ended March 31, 2018

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

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

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

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

(v) During the year ended March 31, 2018, the Company through its subsidiary (i.e. Fortis Hospitals Limited ("FHsL")), purchased further 51% equity interest in Fortis Emergency Services Limited (FESL) at an aggregate consideration of Rupees 0.255 lacs from erstwhile promoter group company. Subsequently, FHsL advanced a loan to FESL, which was used to repay the outstanding unsecured loan amount of Rupees 215 lacs to an erstwhile promoter group company. Certain documents suggest that the loan repayment by FESL and some other payments to the erstwhile promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs /vendor advance to FHsL / Company. Further, FESL was not in a position to repay loan to the erstwhile promoter group company. FHsL also could not directly takeover the loan, as FHsL (holding 49%) could not have taken over the burden of the entire debt

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of FESL. Therefore, this transaction was in a way to help the erstwhile promoter group company(51% shareholders) to avoid making payment for its share, and place FHsL in a situation where it would find it hard to recover from its own now wholly owned subsidiary Further, the said loan advanced by FHsL to FESL was impaired in the books of account of FHsL due to anticipated chances of non-recovery.

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

(vi) Remuneration to ex-chairman

The Company having considered all necessary facts and taking into account external legal advice, had on June 27, 2018 decided to treat as *non-est* the Letter of Appointment dated September 27, 2016, as amended, ("LoA") issued to the erstwhile Executive Chairman of the Company in relation to his role as 'Lead: Strategic Initiatives' in the Strategy Function. Since the LoA was treated as non-est, the Company received legal advice from its counsels that the amount paid under the aforesaid LoA (amounting to Rupees 1,768 lacs) appears to be an arrangement designed to circumvent the managerial remuneration limits under Section 197 of the Companies Act, 2013 read with relevant Central Government approvals and thus was wrongfully paid. Thus, as per the legal advice , the payments made to him under this LoA for the role of 'Lead: Strategic Initiatives' ought to be considered and characterized as payments which are in the nature of managerial remuneration, as regulated and governed in section 197 of the Companies Act, 2013. An amount of Rupees 234 lacs that was reimbursed in relation to expenses incurred was in excess of the amounts approved by the Central Government under Section 197 of the Companies Act, 2013. Accordingly, the Company sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him over and above the managerial remuneration limit, as specified under the Companies Act, 2013 read with the relevant government approvals in this regard. The erstwhile Executive Chairman sent a notice to the Company claiming Rupees 4,610 lacs as allegedly due to him under the employment agreement. The Company replied to the same through its legal counsel denying any liability and stated that the demand was not payable being illegal. Subsequently, Company filed a complaint against the erstwhile Executive Chairman before EOW. The Company has received back vehicles which were being used by him. However, IT assets and excess amounts paid are yet to be received.

In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for remuneration & other reimbursements), aggregating to Rupees 2,002 lacs was recognised as recoverable in the Consolidated Financial Results of the Company for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts, a provision of Rupees 2,002 lacs was made in the Consolidated Financial Results for the year ended March 31, 2018. The Company has filed a complaint against the erstwhile Executive Chairman before EOW on account of both of the above payments and EOW is investigating the matter.

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

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

(b) Payments were made to an ex-promoter entity from another foreign wholly owned subsidiary of the Company under an investment advisory agreement amounting to equivalent ~ Rupees 344 lacs for the

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period June 2016 to September 2016. However, there was nothing on record to suggest that any services were rendered by the ex- promoter entity under this agreement.

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

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

(viii) The Company through its overseas subsidiaries [i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited] made investments in Global Dynamic Opportunity Fund, an overseas fund. It was observed in the earlier investigation that there were significant fluctuations in the NAV of the investments during a short span of time. Further, in the internal correspondence within the Company, investments in the overseas funds have been referred to as related party transactions. During year ended March 31, 2018, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10%. As at March 31, 2018, the carrying value of the investments in the overseas fund were recorded at the net recoverable values based on subsequent realisation. The consequential foreseeable loss of Rupees 5,510 lacs (between the previously recorded carrying value of the investment and the amount subsequently realised) was considered in the Consolidated Financial Results for the year ended March 31, 2018.

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

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

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

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

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

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

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

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

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

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Company and FHsL had filed necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile-promoters and varisous other entities to the Company and FHsL. SEBI vide its letter dated June 14, 2019 has stated that provisions of Section 28A of SEBI Act, 1992 cannot be invoked at this stage hence, Company and FHsL may take necessary steps to comply with SEBI's direction. Accordingly, FHsL has filed a civil suit for recovery of Rupees 52,019 lacs before Hon'ble Delhi High Court against the parties, named in the orders passed by SEBI.
The Investigation Report of the external legal firm was submitted by the Company to the SEBI and SFIO on June 12, 2018. Further, the Company has submitted a copy of the complaint filed with the EOW and a copy of the report of the additional procedures/ enquiries done by the independent expert to SEBI and SFIO on November 10, 2020.

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

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

In the Show cause Notice dated April 9, 2021 EHIRCL has been clubbed along with the other noticees, and has been painted with the same brush as the other noticees in alleging that certain noticees, including

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EHIRCL, were part of a fraudulent and deceptive device wherein they acted in fraudulent manner which led to the misuse and/or diversion of funds from a listed company i.e. FHL, amounting to approximately Rupees 397.12 crore for the ultimate benefit of RHC Holdings and the erstwhile promoters. Thereby, it is alleged, that EHIRCL has aided and abetted the routing of funds from the Company, ultimately to RHC Holdings, for the benefit of the promoter entities.

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

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

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

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

The Company is fully co-operating with the regulators in relation to the ongoing investigations to enable them to make their determination on these matters.

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

8. In case of one of the subsidiaries ("Escorts Heart Institute and Research Centre Limited") ('EHIRCL'), that was formed after amalgamation of Escorts Heart Institute and Research Centre ('EHIRC'), Delhi Society with EHIRC, Chandigarh Society and thereafter registration of EHIRC, Chandigarh Society as a company:

a) Delhi Development Authority ('DDA') had terminated the lease deeds and allotment letters relating to land parcels on which a hospital of EHIRCL exists. The matter is currently pending before the Hon'ble High Court of Delhi. Consequent to termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. The eviction proceedings initiated before the Estate Officer were challenged before the Hon'ble

Supreme Court. Supreme Court vide its order dated November 14, 2019 has quashed the Show Cause Notice for eviction proceedings. Based on the external legal counsel advice, the Company believes that EHIRCL will be able to suitably defend the termination of lease deeds and allotment letters and accordingly considers that no adjustments are required to the unaudited Consolidated Financial Results.

b) Further, there was tax demand against EHIRCL of Rupees 6,930 lacs [(after adjusting Rupees 16,039 lacs as at June 30, 2021) {As at March 31, 2021 Rupees 7,064 lacs (after adjustment Rupees 15,905 lacs as at March 31, 2021)} of an escrow account which was maintained out of sale consideration payable by the Company to the erstwhile promoters of EHIRCL] for various assessment years. Further, as per the Share Purchase Agreement, one third of any excess of the net demand, amounting to Rupees 2,310 lacs after adjusting the recovery from escrow account, would be borne by the said erstwhile promoters of EHIRCL and the rest by the Company. During the year ended March 31, 2015, the Commissioner of Income Tax (Appeals) decided the case in favour of EHIRCL. Income Tax Department had filed an appeal before Income Tax Appellate Tribunal (ITAT) and during the year ended March 31, 2020, ITAT decided the case in favour of EHIRCL.

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

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

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

Navi Mumbai Municipal Corporation ('NMMC') terminated the Hospital lease agreement with HHPL vide order dated January 18, 2017 (Termination Order') for certain alleged contravention of the Hospital Lease agreement. HHPL has filed a Writ Petition before the Hon'ble Supreme Court of India challenging the Termination Order. The Writ Petition has been tagged with Special Leave Petition which has also been filed by HHPL for *inter alia* challenging the actions of State Government, City Industrial Development Corporation and NMMC which led to the passing of the said Termination Order. The Hon'ble Supreme Court of India in the hearing held on January 30, 2017 ordered "Status Quo'. SLP has been admitted on January 22, 2018 and "Status Quo" has been continuing. Based on external legal counsel opinion, management is confident that HHPL is in compliance of conditions of Hospital Lease Agreement and accordingly considers that no adjustment is required to the unaudited Consolidated Financial Results.

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

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

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

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

The Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Third Party. The matter is pending adjudication before District Court, Delhi. The Third Party has approached Delhi High Court for seeking certain interim reliefs against the Company under the provisions of The Arbitration and Conciliation Act, 1996. This Third party had also filed a claim for damages and injunctive reliefs against the Company before International Chamber of Commerce (ICC). The Company has invited the attention of ICC to the aforesaid pending litigations before various Courts and non-maintainability of claim raised by said Third party. Proceedings before Delhi High Court have been withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC has also been withdrawn by Third Party on February 23, 2020 and the same has been closed by ICC on February 28, 2020. The Company has filed an application for perjury against the Third Party and other entities which is pending before the Delhi High Court.

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

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

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

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

12. The Board of Directors, after seeking inputs from reputed investment bankers, had approved an equity infusion of Rupees 400,000 lacs at a price of Rupees 170 per equity share into the Company by Northern TK Venture Pte Ltd Singapore (NTK) ("Acquirer"), a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue"), subject to approval of the shareholders and other regulatory approvals which constituted 31.1% share capital of the Company. The shareholders of the Company approved

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the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. The Acquirer had received the approval from Competition Commission of India (CCI) on October 30, 2018 and the preferential allotment was made on November 13, 2018. Pursuant to the consummation of the same, Northern TK Venture Pte Ltd, had appointed 2/3 of the directors on the Board of Directors of the Company, thereby acquiring control over the Company. Consequently, the Company has become a subsidiary of Northern TK Venture Pte Ltd. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Ltd is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained, the Mandatory Open offer was kept in abeyance and continues to be in abeyance as on date, and remains subject to further orders by the Hon'ble Court. The Company had accordingly filed an application seeking for modification of the said order.

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

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

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

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

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

13. The main object of the Company is to carry on the business of healthcare and other related activities either directly or through its subsidiaries. During the year ended March 31, 2020, due to significant amount of dividend

Fortis Healthcare Ltd.

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

14. During the current quarter the operational performance of the group further improved as compared to previous quarter. As at June 30, 2021, the Group has funds available of Rupees 30,238 lacs and unutilized borrowing facilities sanctioned by banks amounting to Rupees 56,860 lacs. Further, in respect of the cash put option issued to minority shareholder of subsidiary, in accordance with the amendment agreement to the shareholders' agreement entered between the parties which also incorporated the new proposed exit rights the minority shareholders of subsidiary have agreed not to exercise the cash put option for a further period of 36 months from a relevant date (February 5, 2021) as defined in the amendment agreement in lieu of the new proposed exit rights. Accordingly, the financial liability for cash put option was classified as non-current liability as at March 31 2021 and as at June 30, 2021 the Group's current liabilities are higher than its current assets by Rupees 45,694 lacs. Further, the Group also has sufficient unencumbered assets that can be utilized for any additional funding requirements in future. Additionally, as explained in note 12, the ongoing litigation at the Hon'ble Supreme Court has delayed the ability of the Group to carry out planned restructuring activities which could further strengthen the financial position of the Group.

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

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

Fortis Healthcare Ltd.

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

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

16. During the previous quarter, the Shareholders' of the Company approved the postal ballot resolution on March 14, 2021 to acquire additional 50% stake equivalent to 2,50,000 equity shares in 'DDRC SRL Diagnostics Private Limited' (DDRC SRL) by SRL Limited, a material subsidiary, for a cash consideration of Rs. 350 crores. During the current quarter the said transaction was consummated on April 5, 2021. The acquisition has been made by SRL Limited which is in the same line of business as that of entity being acquired. Post this acquisition DDRC SRL has become 100% subsidiary of SRL Group. Accordingly post consummation of the transaction the income and expenses of DDRC SRL forms part of the unaudited consolidated results for the quarter ended June 30, 2021, hence the figures are not strictly comparable with previous quarters.

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

Date: August 13, 2021

Place: Gurugram

For and on behalf of the Board of Directors

Ashutosh

Dr. Ashutosh Raghuvanshi
Managing Director & CEO
DIN: 02775637

Fortis Healthcare Ltd.

Press Release

August 13, 2021

Fortis Healthcare reports Q1 FY 22 Financial Results

Strong rebound in Hospitals and Diagnostics as impact of Covid abates

SRL completes acquisition of balance 50% stake in DDRC JV, making it a 100% subsidiary

Acquisition enables SRL to consolidate its position as the 2nd largest diagnostics chain pan – India

- **Revenues for Q1FY22 at INR 1,410 Crs vs INR 606 Crs in Q1FY21**
- **EBITDA at INR 283 Crs versus a loss of INR 99 Crs in Q1FY21**
- **PAT at INR 431 Crs versus a loss of INR 188 Crs in Q1FY21**

Consolidated Financial Snapshot

Particulars (INR Crs)	**Q1FY22**	**Q1FY21**	**% Change YoY**	**Q4FY21**	**% Change QotQ**
Revenue	1,410.3	605.9	132.7%	1,252.4	12.6%
EBITDA	283.1	(98.8)	-	203.6	39.0%
EBITDA margin	**20.1%**	**-**	**-**	**16.3%**	**-**
Profit Before Tax *(Before exceptional item*)*	**180.2**	**(208.7)**	**-**	**110.2**	**63.5%**
Profit After Tax*	430.6	(187.9)	-	62.4	-
Profit After Tax after Minority Interest *	263.5	(178.9)	-	43.2	-

** Includes an exceptional gain of INR 306 Crs on remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.*

- *Q1FY22 hospital business revenues were at INR 1,006.5 Crs versus INR 488.4 Crs in Q1FY21 and INR 982.2 Crs in Q4FY21.*

- *The hospital business EBITDA was at INR 149.6 Crs versus a loss of INR 85 Crs in Q1FY21. EBITDA in Q4 FY21 stood at 139.4 Crs. (14.9% margin in Q1 FY22 versus 14.2% in Q4 FY21)*

- *SRL registered the highest growth in revenues in the diagnostics space. Q1 FY22 diagnostics business gross revenues grew 214% YoY to INR 441.4 Crs versus INR 140.4 Crs in Q1FY21. Revenues were up 44% versus Q4FY21.*

- *The diagnostics business EBITDA was at INR 134.9 Crs versus a loss of INR 10.6 Crs in Q1 FY21. EBITDA in Q4 FY21 stood at INR 67.2 Crs. (30.6% margin in Q1 FY22 versus 22.0% margin in Q4 FY21)*

- *Net debt to EBITDA was at 0.90x versus 1.04x in Q4 FY21. Net debt was at INR 1,014 Crs versus INR 849 Crs in Q4 FY21.*

Gurugram, August 13, 2021: Fortis Healthcare Ltd. ("Fortis" or the "Company"), India's leading healthcare delivery company, today announced its unaudited consolidated financial results for the quarter ended June 30, 2021.

The Covid- 19 pandemic and impact on business

Q1FY22 witnessed the second wave of the covid pandemic which began in mid-March and accelerated rapidly across the country. Various state governments announced lockdowns and travel restrictions impacting elective surgeries and patient flow, both domestic and international. From mid-May the pandemic showed initial signs of abating and progressively declined in a perceptible manner by the end of the quarter. The vaccination program which was initiated in January this year gathered further momentum with Government support, widespread awareness campaigns and active private healthcare participation.

In light of the second wave, the Company ensured that beds and related infrastructure for covid patients was immediately expanded across its network. It earmarked approx. 50% of its operational bed capacity for covid patients and made sure that all medical protocols and guidelines were adhered to for patient treatment and workforce safety. Despite resource constraints, the Company's clinicians and medical staff made all efforts to provide the best possible care for its patients. The Company actively collaborated with the Government to ensure the timely availability of critical medical resources such as oxygen and medicines for covid patients across its various facilities.

Presently, while the second wave has declined substantially, globally, some nations have begun to see an increase in infection rates, giving rise to the possibility of a third wave which could impact India as well. The Company in anticipation has augmented its medical resources and clinical protocols making it relatively better placed than before for such an eventuality.

For the quarter, the hospital business witnessed a significant rise in covid occupancy between the period April to mid- May with a decline in the non-covid occupancy. However, unlike the first wave of the pandemic last year where non covid occupancy recovery was slow, mid – May onward non covid occupancy witnessed a relatively faster rebound allowing the business to show a steady performance in the quarter. Non-covid occupancy improved from 30% in May to 47% in June 2021. The higher occupancy trend is expected to continue in subsequent quarters. Overall occupancy for the quarter stood at 65% as compared to 37% in Q1 FY 21 and 64% in Q4FY21. Covid contribution to overall hospital revenues stood at 27% in the quarter.

The diagnostics business was also impacted in terms of the non-covid revenues which were partially offset by a sizeable contribution from covid revenues comprising covid and covid allied tests. Covid revenue contribution to overall diagnostics revenues stood at 26% in the quarter. On a like to like basis, SRL undertook 1.24 Mn covid tests in Q1 FY22 as compared to 0.65 Mn in Q4 FY21.

HOSPITAL BUSINESS HIGHLIGHTS

- ARPOB for the quarter stood at INR 1.62 Crs versus INR 1.51 Crs in the corresponding previous quarter and INR 1.70 Crs in Q4 FY 21. Non-covid ARPOB was at INR 1.97 Crs and grew 8.5% versus Q4 FY21.

- The Company initiated investments in select facilities for advanced medical equipment and infrastructure such as Cath labs in Noida and FMRI, high end neuro-sciences equipment in Jaipur, a bone marrow transplant unit in Noida and pressure swing adsorption oxygen generating plants across 8 facilities.

- During the quarter the Company onboarded eminent clinicians in the specialties of cardiology, pulmonology, oncology and orthopedics to further strengthen its clinical talent base.

- Digital initiatives have enabled the Company to further increase its patient footfalls. Tele/ video consultations increased 3x in Q1 FY22 over Q4 FY21 with Fortis facilities conducting over 50,000 tele/ video consults in the quarter. Revenues from digital channels such as websites, My Fortis app and online campaigns increased 2.5x over the corresponding previous quarter.

DIAGNOSTICS BUSINESS HIGHLIGHTS

- SRL completed its acquisition of the 50% stake in the DDRC SRL JV consolidating its leadership position in the Kerala market. DDRC recorded revenues of INR 69 Crs for the quarter.

- With the above acquisition, SRL's B2C: B2B revenue mix has significantly strengthened to 54 : 46 in the quarter *(Q4 FY 21 at 45 : 55)*

- SRL added 3 new labs and 108 new collection centers taking the total number of customer touch points to 2,354 as on 30 June 2021. It conducted a total of ~10.6 million tests (covid and non-covid) in Q1 FY22 versus 7.6 Mn tests in Q4 FY21 and 3.3 Mn tests in Q1 FY21.

- In order to optimally utilize its collection center (CC) and lab infrastructure, SRL has significantly improved its CC to lab ratio which now stands at 10.8 CC's per lab versus 8.6 over a year ago.

Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, "The second wave of the pandemic in Q1 FY22 witnessed the Company reserving approx.50% of its operational bed capacity and making all efforts to provide the best possible care for its patients. We continue to actively support the government in its vaccination program with 24 Fortis facilities currently providing vaccinations. The recovery in business in the latter half of Q1 enabled us to maintain traction in our investment plans in the hospital business. Aiding our recognition globally, our flagship facility in Gurugram; Fortis Memorial Research Institute (FMRI), was ranked No 23 and the only Indian hospital to be listed in Newsweek's top 25 'World's Best Smart Hospitals 2021'. Our diagnostics business has done well and the completion of the DDRC acquisition has helped SRL fortify its presence in the state of Kerala. The Company today is well placed to capitalise on the opportunities for growth and consolidation given its expanse, infrastructure and capabilities in clinical excellence and patient care."

Commenting on the results for the quarter, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, "Our efforts and the resilience of our workforce has enabled us to respond to the second wave as effectively as possible and simultaneously ensure that our core business remains on track. Month on month non covid occupancy improved from 30% in May to approx. 47% in June. We expect the momentum to continue allowing the business to return to near normal in the short term. We are also progressing well on our strategic initiatives and have also initiated investments for advanced medical equipment such as Cath Labs, neuro microscopes, bone marrow transplant units and the likes in select facilities. The diagnostics business I believe is now well positioned for accelerating its growth and profitability. At the same time, we cannot discount the possibility of a third wave which could impact operations in future. However, having augmented our resources both on the clinical and non-clinical fronts, we are relatively better prepared for such eventualities. FY22 has seen a challenging start but business has recovered well and I expect to see progressively better quarters going forward."

About Fortis Healthcare Limited

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates 27 healthcare facilities (including JVs and O&M facilities). The Company's network comprises approximately 4,100 operational beds and over 420 diagnostics centres.

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Fortis Healthcare Limited	Fortis Healthcare Limited




Fortis Healthcare Limited

Earnings Presentation – Q1FY22

August 13, 2021

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Agenda

1. COVID - 19 - Update
2. Performance Highlights
   - Earnings and Financial Summary – Q1 FY22
3. Performance Review - Hospitals Business
4. Performance Review - Diagnostics Business
5. Appendix

1. COVID-19 - Update

Covid-19 update

- April and May'21 witnessed an intense second wave in the country with the highest ever number of daily cases averaging approx. 4.14 lakh at the peak.
- Various state governments announced lockdowns and travel restrictions impacting elective surgeries and patient flow, both domestic and international.
- From mid May, the pandemic showed signs of abating and the country witnessed a progressive decline in covid cases. Districts reporting high cases (>100 daily cases) fell from 379 districts during week the ending May 25th to 62 districts during the week ending July 25th 2021.
- The Government's vaccination drive which started in January 2021 witnessed significant acceleration. As of 6th August 2021, India witnessed 49.5 Cr doses being administered with ~11 Cr people being fully vaccinated. The current daily vaccination rate is ~54L doses.

Covid-19 update – Impact on Fortis in the quarter

- During the second wave, Fortis witnessed a significant rise in covid occupancy (from 7% in Q4FYY21 to 27% in Q1 FY22) with a substantial decline in the non-covid occupancy (from 57% in Q4FY21 to 39% in Q1 FY21).
- Unlike the first wave where non covid occupancy recovery was slow, mid – May onward non covid occupancy witnessed a relatively faster recovery allowing the business to show a steady operating performance in the quarter.
- Non-covid occupancy improved from 30% in May 2021 to 47% in June 2021. Covid revenue contribution to overall hospital revenues stood at 27% for the quarter.
- The diagnostics business was also impacted in terms of the non-covid revenues which were partially offset by the contribution from covid revenues comprising covid and covid allied tests.
- Covid revenue contribution to overall diagnostics revenues stood at 26% in Q1FY22 vs 17% in Q4FY21. On a like to like basis, SRL undertook 1.24 Mn covid tests in the quarter as compared to 0.65 mn in Q4FY21.

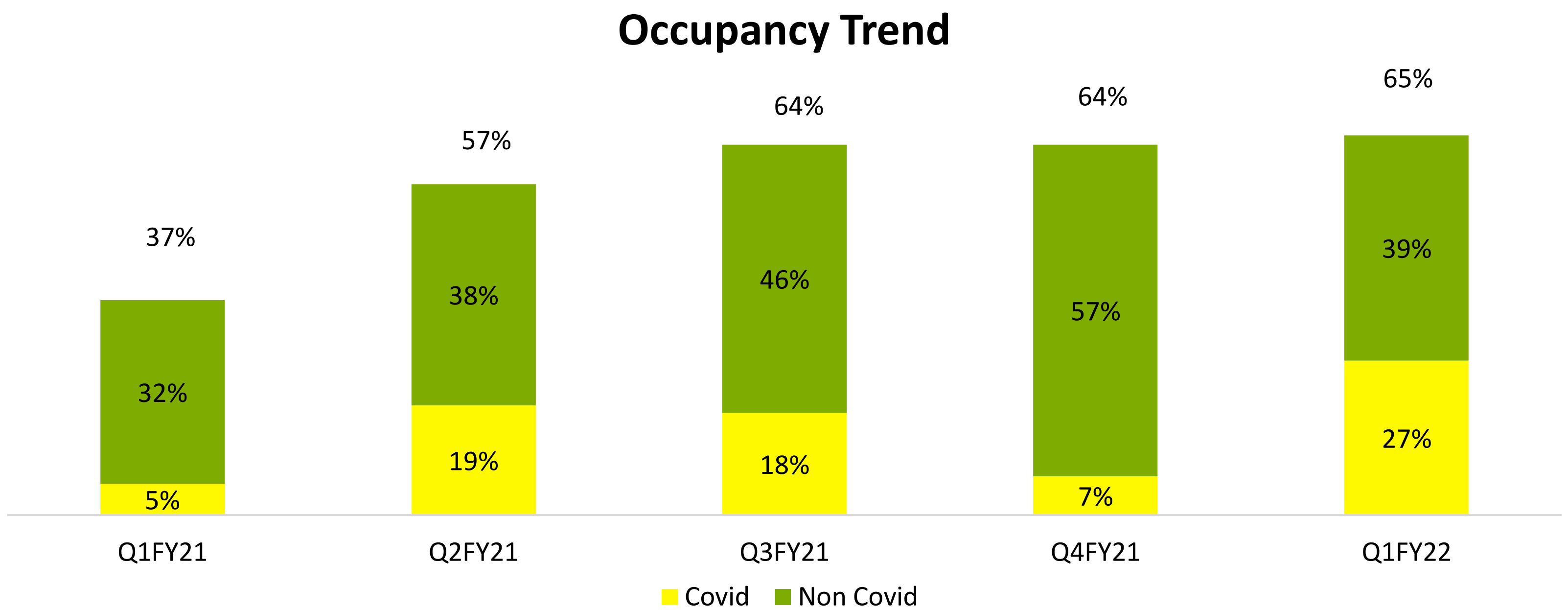
Covid -19 update - Present status and Fortis preparedness

- Since many nations have begun to witness a third wave, there could be a possibility of a third wave in India as well.
- While Fortis is relatively better prepared to face this eventuality, the impact on business will depend on the severity and speed of transmission.

- Currently 10 states with 46 districts have positivity rate >10%
- Government focusing on strengthening health infrastructure to ensure provisioning of sufficient hospital beds, drugs, medical oxygen and other consumables
- Liquid medical oxygen (LMO) production increased from ~5,700 MTs per day in Aug'20 to 9,690 MTs per day in May'21

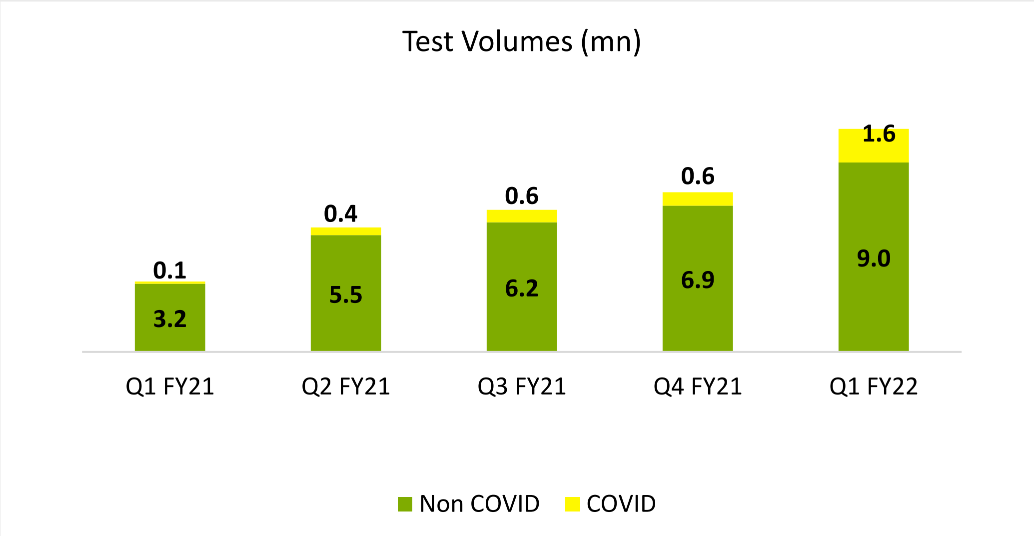
- Oxygen generating plants being installed at select **Fortis** facilities.
- Revised **Fortis** Clinical Protocols and Guidelines for management of COVID patients and for Paediatric COVID management in place
- **Fortis** medical staff and nurses being trained on NALS/PALS (Neonatal/Paediatric Advanced Life Support) and Paediatric Critical Care.

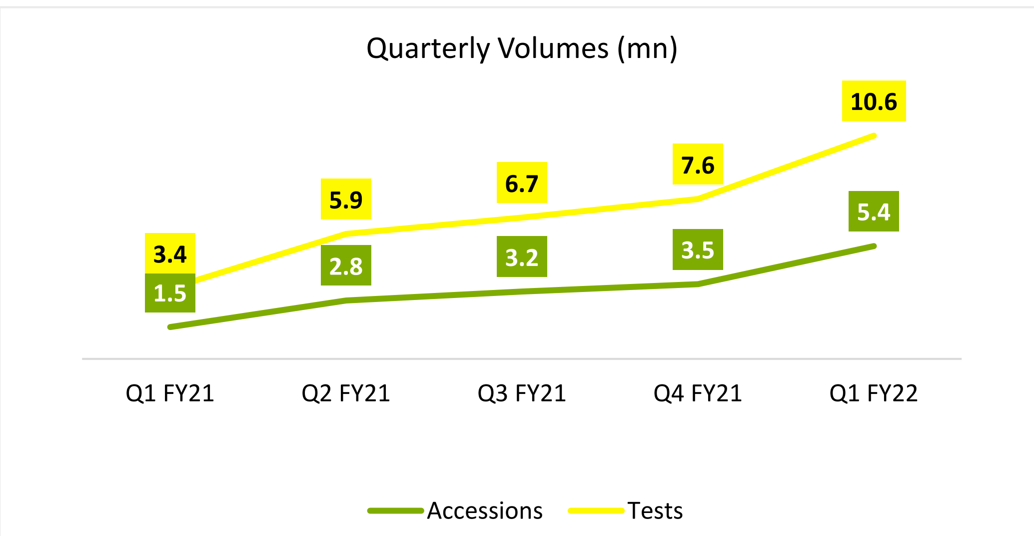
Covid-19 – Hospital Business



- Overall occupancy in Q1FY22 stood at 65% versus 37% in Q1 FY21.
- Non-covid business recovery has been faster relative to the first wave witnessed in Q1 FY21.

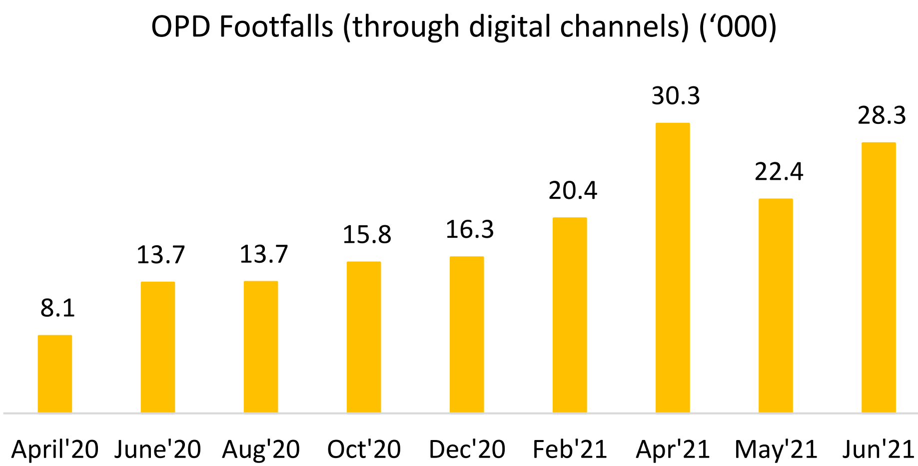
Covid-19 – Diagnostics Business

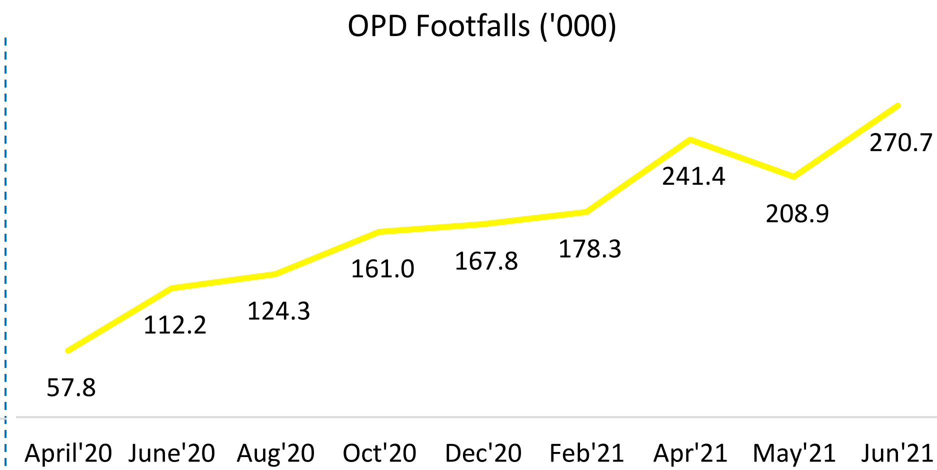


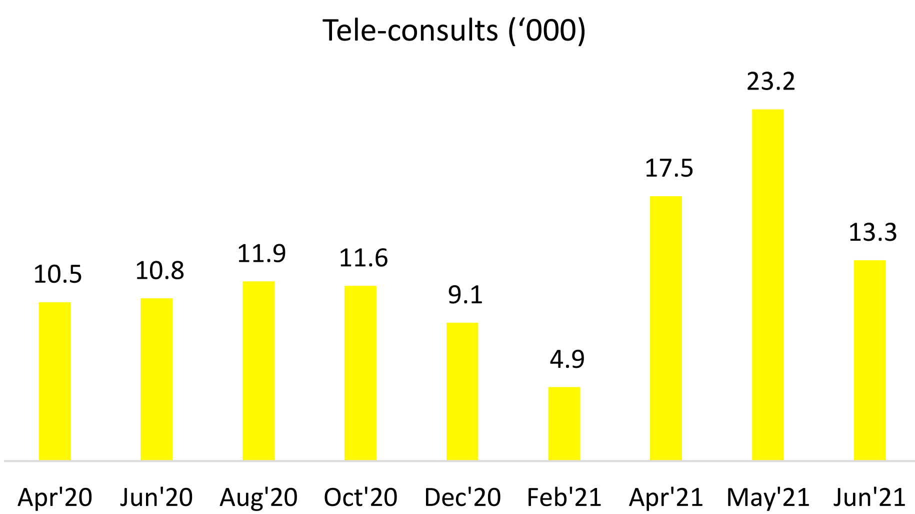


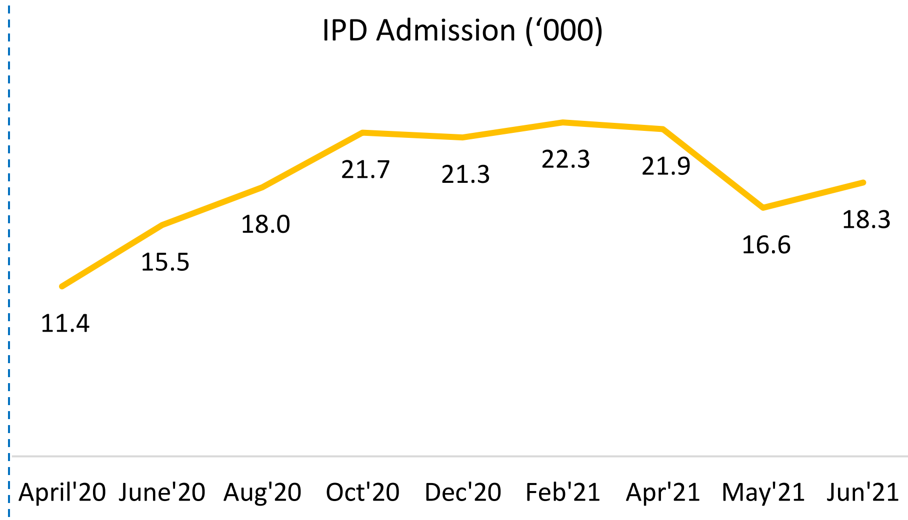
- Covid test volumes grew 148% in Q1 FY22 versus the trailing quarter. SRL conducted 1.60 mn test in Q1 FY22 vs 0.65 mn tests in Q4 FY22.
- SRL conducted the highest number of COVID-19 RT-PCR tests amongst all private players in Q1 FY22.
- Non-Covid revenue contribution increased to 74% in Q1 FY22 vs 73% in Q1FY21. Revenues increased 3x versus Q1 FY21 and grew 29.2% over Q4 FY21.

Business Recovery – Q1FY22









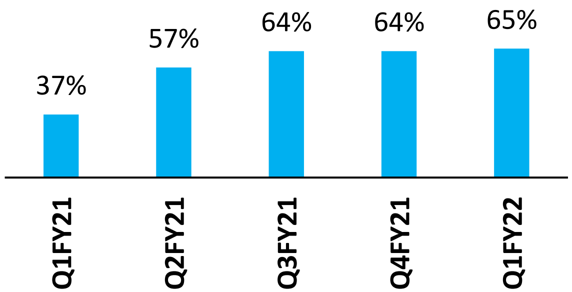
2. Q1FY22 - Performance Highlights

Q1FY22 – Hospital Business Highlights

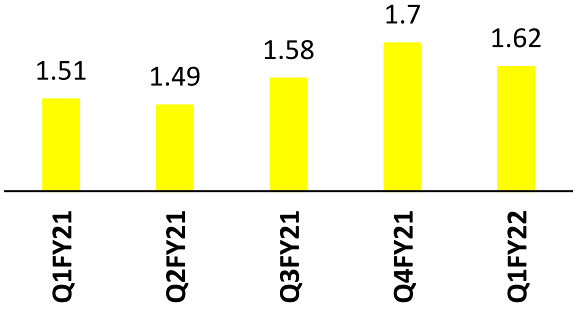
- The significant increase in contribution from Covid Business partially offset the decline in Non Covid business in Q1FY22. The hospital business reported revenues of INR 1,006.5 Cr versus INR 982.2 Cr in Q4FY21.
- EBITDA of the hospital business stood at INR 149.6 Cr versus an EBITDA loss of INR 85 Cr in Q1FY21 and INR 139.4 Cr in Q4FY21. (14.9% margin in Q1 FY22 versus 14.2% in Q4 FY21)
- Higher contribution from low ARPOB Covid business impacted the overall ARPOB of Q1 which stood at INR 1.62 Cr. Non Covid ARPOB was at INR 1.97 Cr, up 8.5% versus Q4 FY21.

Key Performance Indicators

Overall Occupancy (%)



ARPOB (INR Cr per annum)



Q1FY22 – Hospital Business Highlights (Cont.)

- While occupancy remained similar in Q1FY22 vs Q4FY21, select hospitals such as Shalimar Bagh, Jaipur, Anandpur, Road, FMRI and Vashi witnessed an increase in occupancy versus Q4FY21.
- After picking momentum in Q4FY21, medical tourism witnessed a decline in Q1FY22 due to travel restrictions. The revenue contribution from medical tourism business declined to 3.9% versus 5.9% in Q4FY21.
- The company strengthened its Clinical talent base with the on-boarding of eminent clinicians in the areas of Orthopedics, Oncology, Pulmonology, Anesthesia and Non-Invasive cardiology.
- The company is in the process of augmenting its medical infrastructure across select facilities viz. Pressure Swing Adsorption (PSA) oxygen generating plants at 8 units, new Cath labs at Noida and FMRI, a bone marrow transplant unit at Noida and a High-End Neuro-microscope at Jaipur

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Q1FY22 – Diagnostics Business Highlights

- SRL recorded highest ever quarterly revenues of INR 441 Crs with margins at 30.6% versus revenues of INR 140.1 Crs in Q1 FY21 and margins of -7.5% (Q4 Revenues at INR 306 Crs, margins at 22.0%).
- Non-Covid revenue contribution declined to 74% in Q1 FY22 from 83% in Q4 FY21; while Covid test volumes contribution increased to 15% vs 8.5% in Q4 FY21
- The significant increase in revenue and margin is partly attributable to consolidation of the SRL : DDRC JV and the huge demand for covid and covid allied tests as a result of the second wave of the pandemic.

DDRC : SRL JV acquisition

- ➢ SRL completed its acquisition of the balance 50% stake in the DDRC SRL JV in April 2021.
- ➢ The acquisition fortifies SRL's leadership in the Kerala market and consolidates its position as the second largest diagnostics chain in the country (by revenue).
- ➢ With the DDRC acquisition, the B2C : B2B revenue mix improves significantly to 54:46 vs 45:55 in Q4FY21

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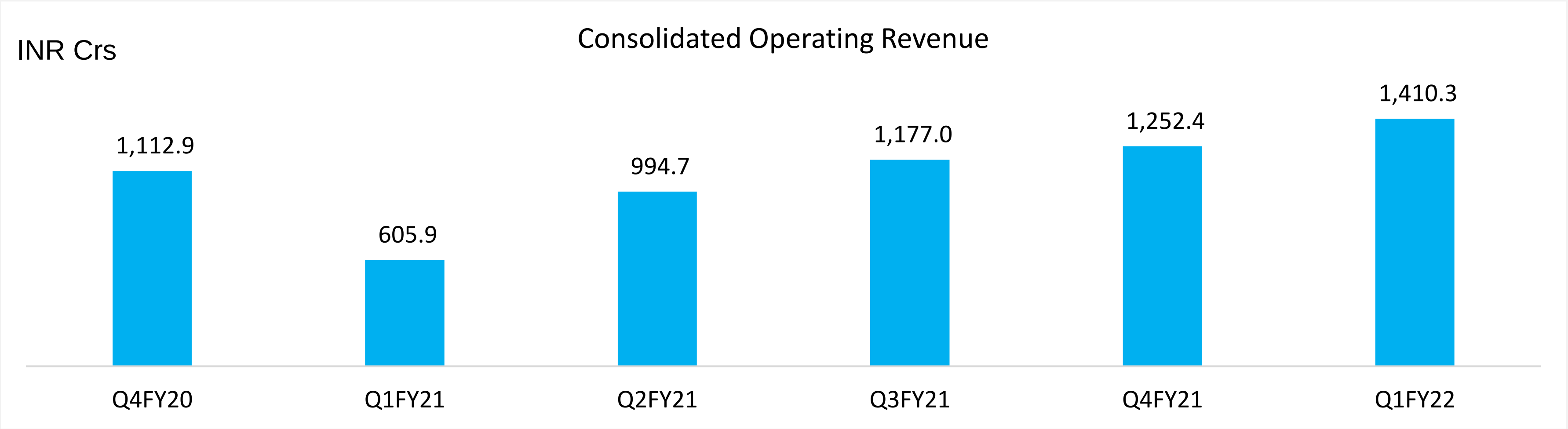
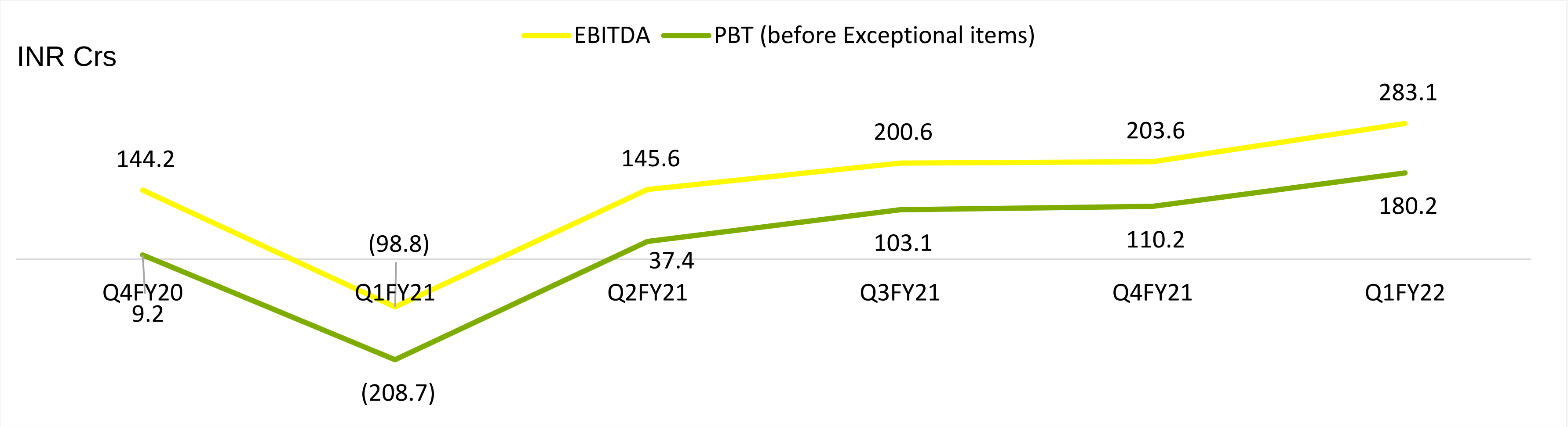
Consolidated Earnings Summary

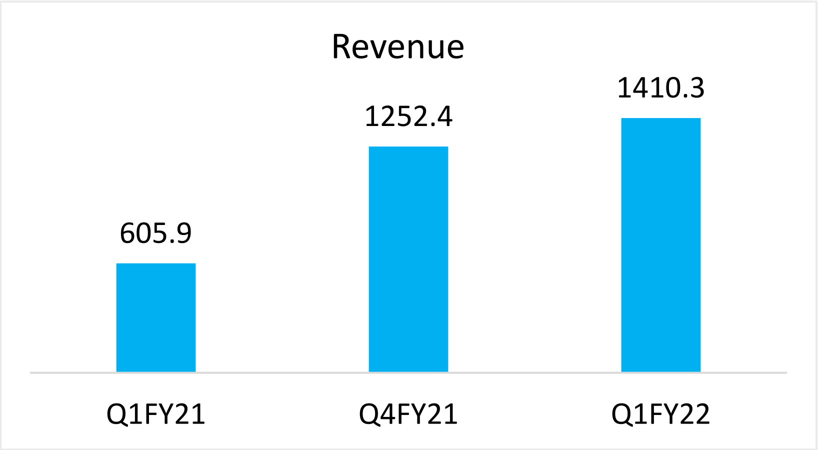


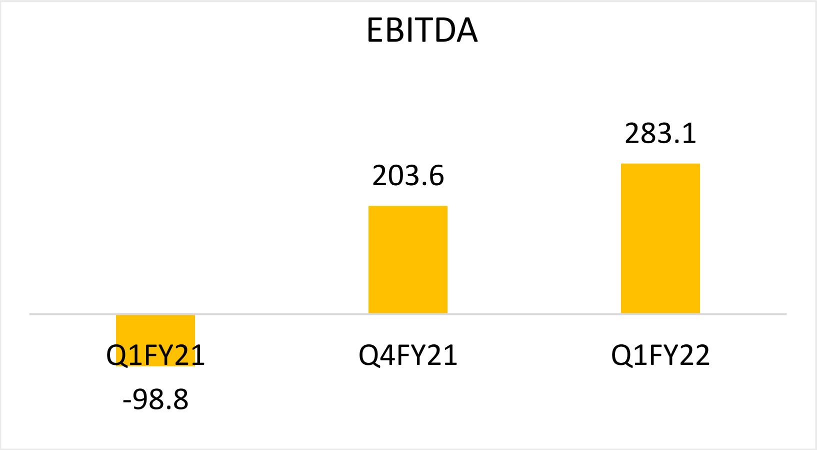


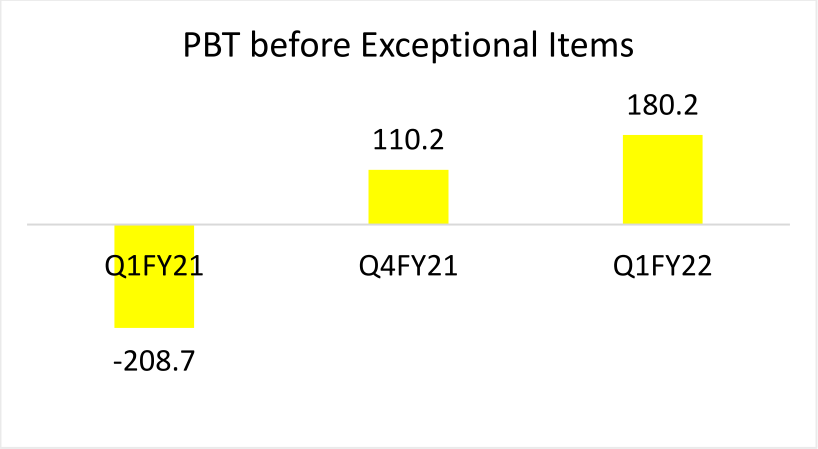
EBITDA includes other income and forex gain / (loss)

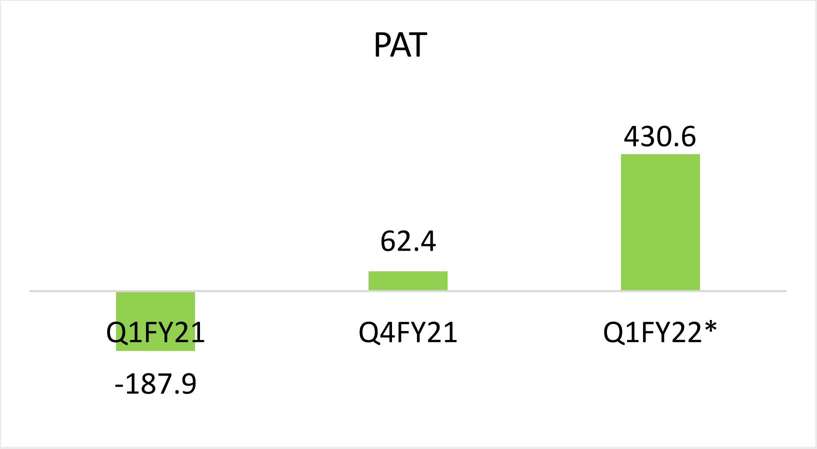
Consolidated Earnings Summary

Healthy improvement in Company's performance versus the corresponding previous and the trailing quarter









All figures in INR Crs

*Q1FY22 PAT includes exceptional gain of INR 306.1 Cr related to remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.

Operating Performance – Hospital Business

Particulars (INR Cr)	Hospital Business		
	Q1FY21	Q4FY21	Q1FY22
Operating Revenue	488.4	982.2	1,006.5
Operating EBITDA (before one off expenses)	**(87.0)**	**162.7**	**143.4**
Margin	**-17.8%**	**16.6%**	**14.2%**
One off Expenses (Net)	-	27.4	-
Operating EBITDA	**(87.0)**	**135.3**	**143.4**
Margin	**-17.8%**	**13.8%**	**14.2%**
Other Income incl FX	1.9	4.1	6.2
Reported EBITDA*	(85.0)	139.4	149.6
Margin*	-17.4%	14.2%	14.9%

- Above financials includes financials of International entities which are part of Fortis group; mainly RHTTM.
- *Adjusted for the newly commissioned hospital in Chennai, margin in Q1FY22 stood at 14.7% vs 14.9% in Q4FY21
- **Q4FY21** reported EBITDA includes one off expense related to potential impact of various legal cases and investigation, Electricity arrears, Penalty, Registration Charges, Property Tax and Unclaimed written back

Operating Performance – Diagnostic Business

Particulars (INR Cr)	Diagnostic Business		
	Q1FY21	Q4FY21	Q1FY22
Operating Revenue*	140.4	305.7	441.4
Revenue Growth vs LY	-	***31.8%***	***214.5%***
Reported EBITDA	(10.6)	67.2	134.9
EBITDA growth vs LY	-	***99.6%***	-
Margin	**-7.5%**	**22.0%**	**30.6%**
Adj: Other Income incl FX	6.6	5.4	3.0
Operating EBITDA	(17.2)	61.8	131.9
Margin	**-12.2%**	**20.2%**	**29.9%**

- *Diagnostics business revenue is on Gross Basis; Diagnostic business Q1FY22 net revenue (net of inter company elimination) stood at INR 403.8 Cr versus INR 120.6 Cr in Q1FY21 and INR 270.2 Crs in Q4FY21.*
- *Q1FY22 financials include DDRC. DDRC reported Q1FY22 revenues of INR 69 Cr.*

Balance Sheet – June 30, 2021

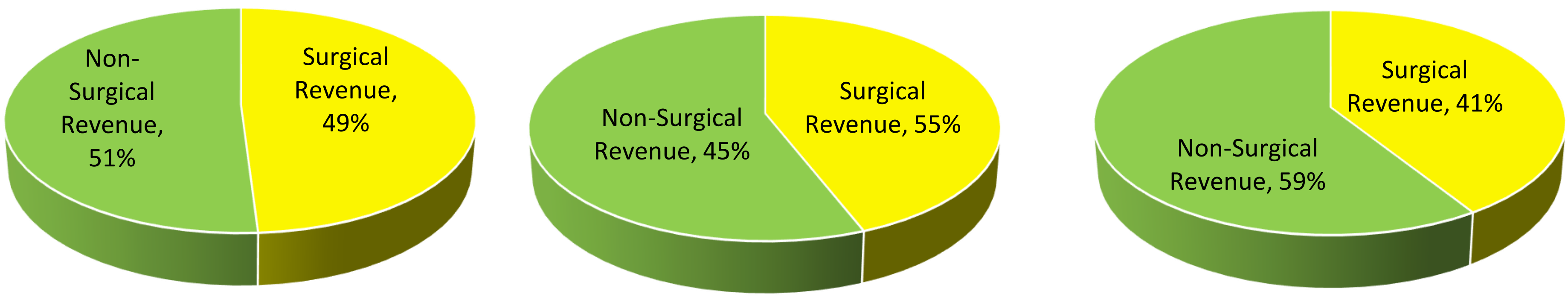
Balance Sheet (INR Cr)	Mar 31, 2020	Mar 31, 2021	June 30, 2021
Shareholder’s Equity	7,206	6,718	7,148
Debt	1,354	1,271	1,329
Lease Liabilities (Ind AS 116)*	240	260	266
Total Capital Employed	**8,800**	**8,249**	**8,743**
Net Fixed Assets (including intangibles & CWIP)	5,285	5,242	5,549
Goodwill	3,721	3,722	4,136
Investments	175	186	140
Cash and Cash Equivalents	350	422	315
Net Other Assets	(732)	(1,323)	(1,397)
Total Assets	**8,800**	**8,249**	**8,743**
Net Debt / (cash)	**1,004**	**849**	**1,014**
Net Debt to Equity	**0.14x**	**0.13x**	**0.14x**

- *Pertains to lease liability on account of adoption of new accounting standard on leases w.e.f. April 1, 2019.
- Net debt excludes lease liabilities.
- Increase in shareholders equity, net Fixed Assets and Goodwill primarily due to DDRC acquisition by SRL during the quarter.
- Net debt to EBITDA was at 0.90x versus 1.04x in Q4 FY21 (on annualized basis)

3. Performance Review – Hospitals Business

Revenue Mix

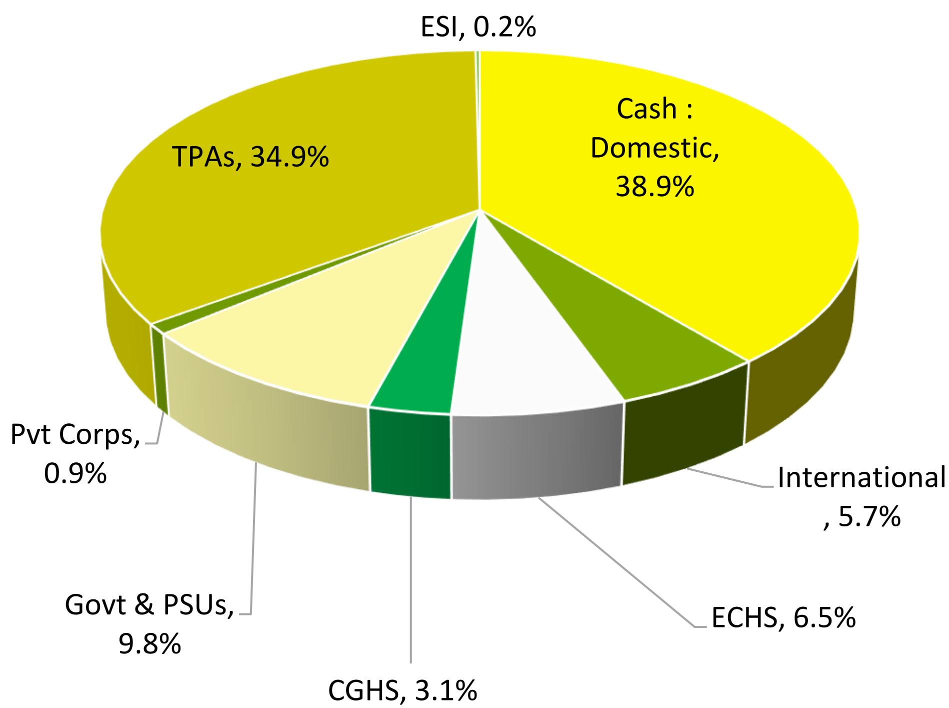
Q1FY21	Q4FY21	Q1FY22
Gross Revenue : INR 488 CR	**Gross Revenue : INR 1,031 CR**	**Gross Revenue : INR 1,064 CR**



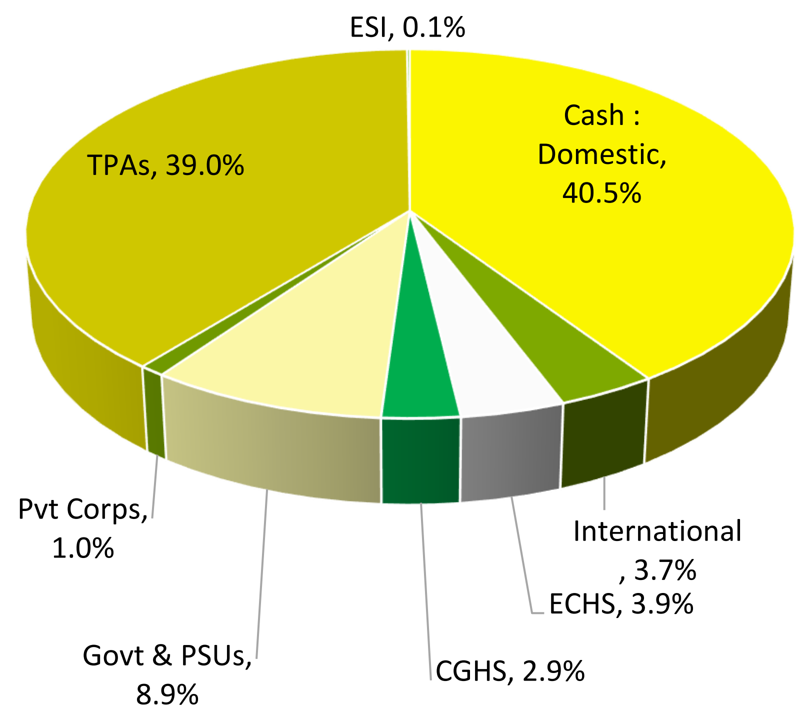
- Decline in surgical revenue contribution in Q1FY22 vs Q4FY21 is primarily due to second wave of Covid -19 pandemic during April and May'2021.
- However, higher revenue in Q1FY22 can be partly attributed to the steady Oncology business along with the higher revenue contribution from Covid and covid vaccinations.

Payor Mix

Q4 FY21



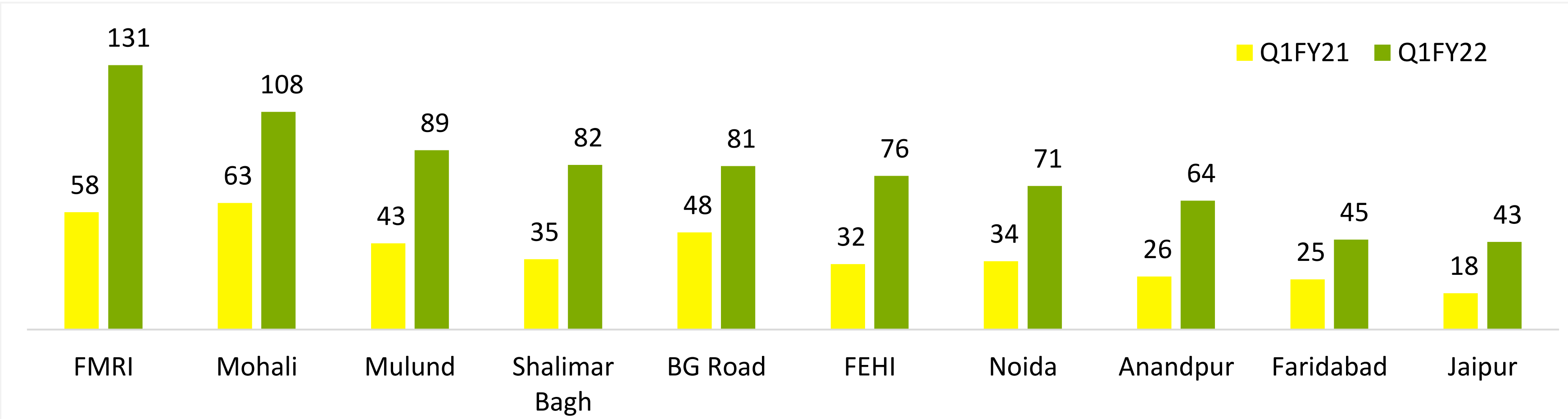
Q1 FY22

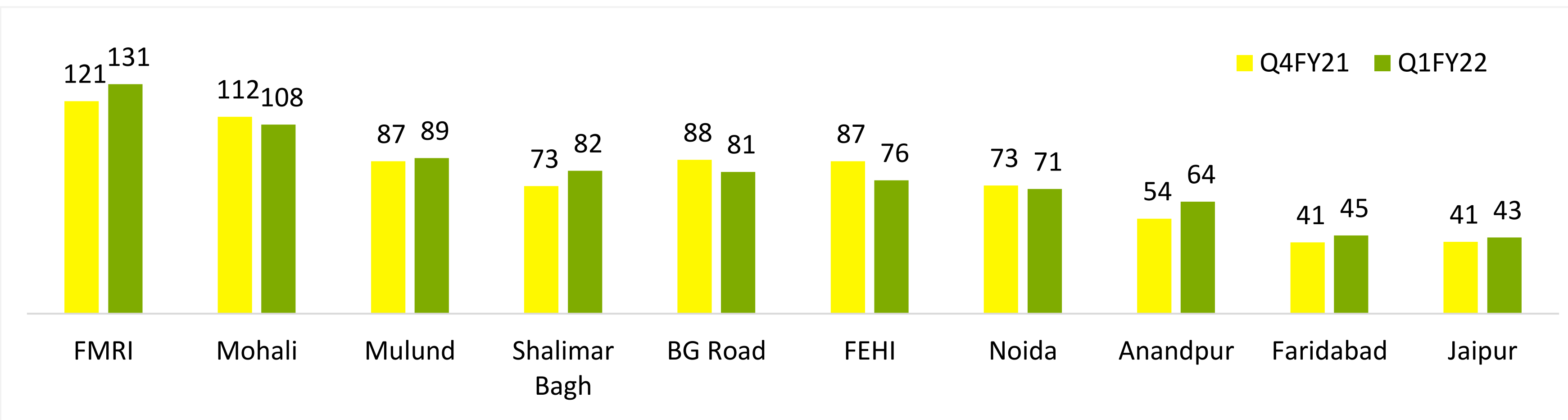


Decline in International and ECHS patients business being primarily compensated by TPAs

Hospitals Business Performance

Most hospitals reached pre-covid level revenues in Q4 FY21 however growth in Q1FY22 over trailing quarter was impacted due to Second wave of Covid-19 in April & May'21





All figures in INR Crs

Clinical Excellence & Awards

Clinical Excellence

- The Orthopaedics Team at **Fortis Memorial Research Institute (FMRI), Gurugram**, implanted India's largest custom-made 3D printed hip prosthesis in a 60-year-old Tanzanian patient. The challenging surgery took around seven hours.
- A team of doctors at **Fortis Hospital, Ludhiana**, performed the endoscopic removal of a rare, giant 17 cm tumour from the food pipe of a 65-year-old female patient. Only 37 such cases have reported worldwide and only one case of endoscopic removal has been previously reported.
- Doctors at **Fortis Escorts Heart Institute (FEHI), Okhla, New Delhi**, successfully conducted a Transcatheter Aortic Valve Replacement (TAVR) on a 92-year-old patient, who is possibly the oldest person to undergo such a procedure in India.

Awards

- **Fortis Memorial Research Institute (FMRI), Gurugram**, was listed at the 23rd position among the 'World's Best Smart Hospitals, 2021,' as per a survey published by Newsweek. Out of 250 participating premier medical institutions, FMRI was the only Indian hospital to feature in the top 25.
- **Fortis La Femme, GK 2, New Delhi**, was recognised by the Federation of Obstetric and Gynaecological Societies of India (FOGSI) as a Manyata-certified hospital. The certification recognises the facility as an institution where mothers and new-borns receive safe, respectful and quality care.
- Dr Rahul Pandit, Director - Critical Care, **Fortis Hospitals, Mumbai** and Member of Maharashtra's COVID-19 Taskforce, was appointed by the Hon'ble Supreme Court as a member of the National COVID-19 Taskforce.

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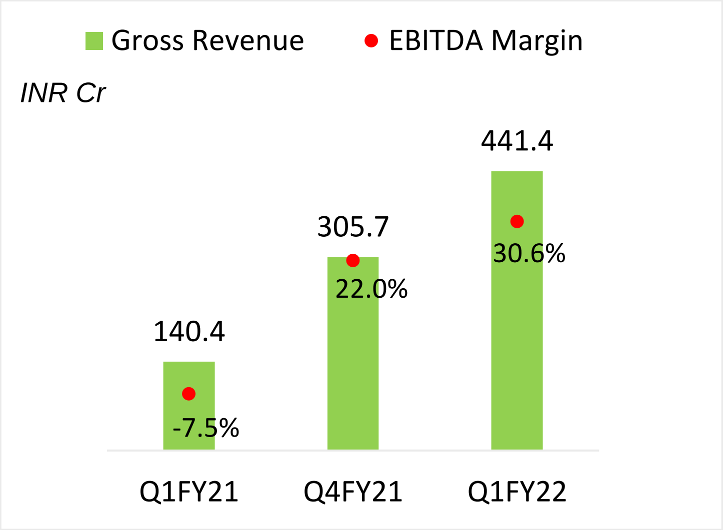
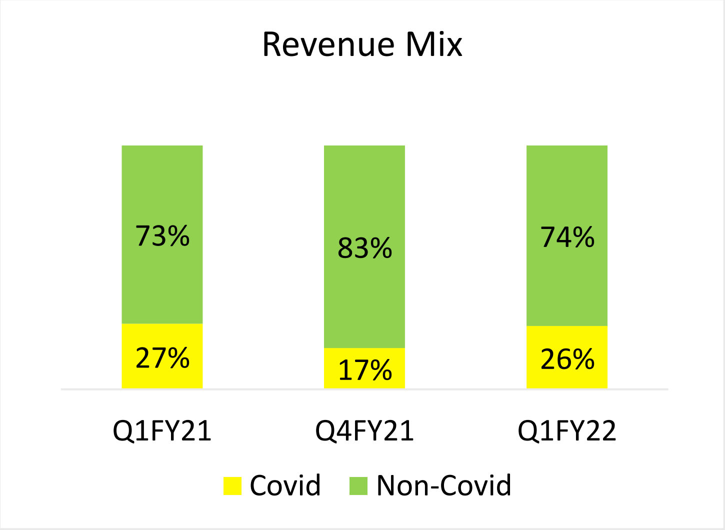
4. Performance Review – Diagnostics Business

Diagnostics Business – Q1 FY22

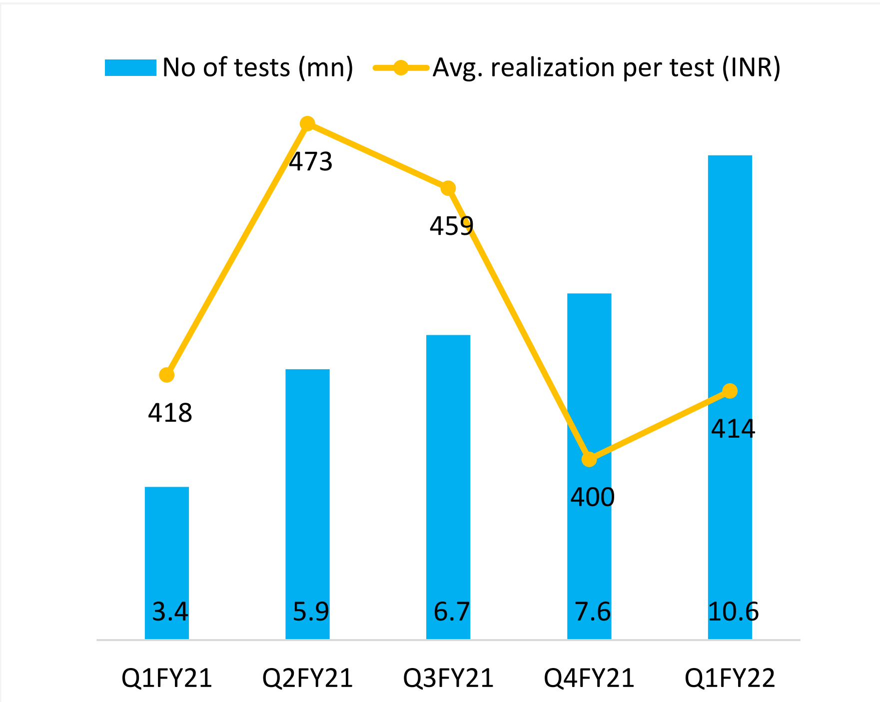
- SRL conducted approx.10.6 Mn tests in Q1 FY22, a growth of 216% versus Q1 FY21. (3.3 Mn tests in Q1 FY21)
- Launched 3 labs and added 108 new collection centers to its network in Q1 FY22.
- SRL has significantly improved its CC to lab ratio which now stands at 10.8 CC's per lab versus 8.6 over a year ago.
- Home collection visits increased by 6.7x versus Q1 FY21, contributing 12% of total B2C revenues in Q1 FY22
- Launched 15 new tests: Covinow, Gastro Panel, Mucoreal, Fungi-real, Clinical Exome analysis & Gene rearrangement..



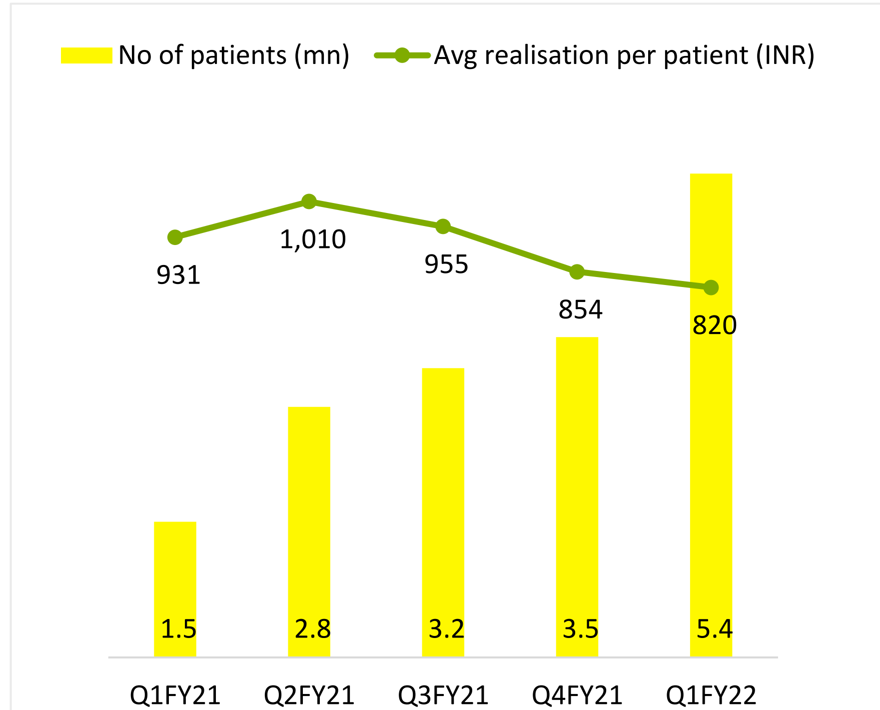


Key Performance Metrics

Number of Tests and Average Realizations



Number of Patients and ARPA

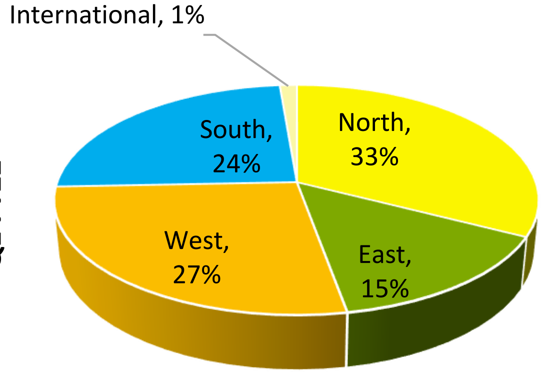


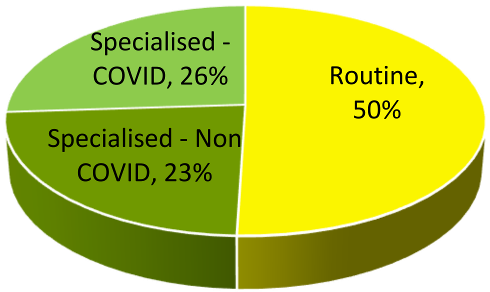
Average realisation per test (ARPT) has increased while average realisation per patient (ARPA) declined due to acquisition of DDRC where test per accession (TPA) is 1.8 as compared to SRL's TPA at 2.0

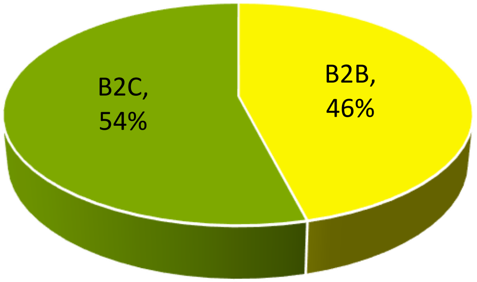
Revenue Mix

Geographic Mix	Product Mix	Segment Mix

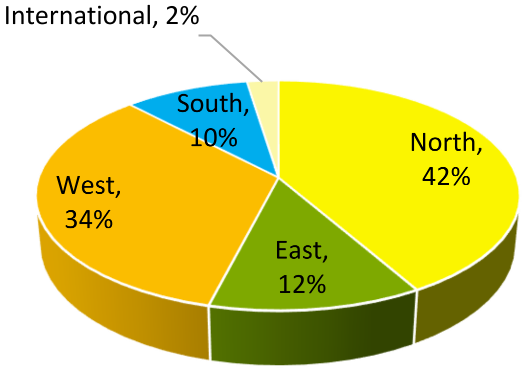
Q1 FY22

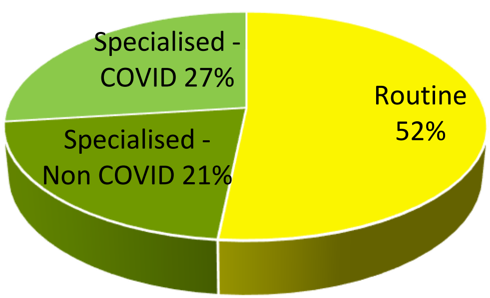


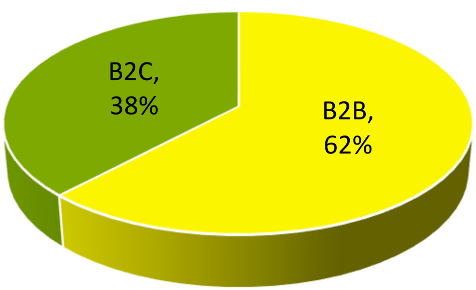




Q1 FY21







5. Appendix

Group Consolidated P&L – Q1FY22

Particulars (INR Cr)	Q1FY21 Unaudited	Q4FY21 Audited	Q1FY22 Unaudited
Revenue from operations	606.0	1,252.4	1,410.3
Other income	4.5	6.3	7.8
Total income	610.4	1,258.8	1,418.2
Expenses	709.2	1,055.1	1,135.1
EBITDA*	**-98.8**	**203.6**	**283.1**
Margin	**-16.3%**	**16.3%**	**20.1%**
Finance costs	41.1	40.6	38.4
Depreciation and amortisation expense	71.7	71.5	72.9
PBT	**-211.6**	**91.5**	**171.7**
Share of profit / (loss) of associates and joint ventures (net)**	2.9	18.7	8.5
Net profit / (loss) before exceptional items and tax	**-208.7**	**110.2**	**180.3**
Exceptional gain	0.5	0.2	306.1
Profit / (loss) before tax from continuing operations	**-208.3**	**110.4**	**486.4**
Tax expense / (credit)	-20.4	48.0	55.8
Net profit / (loss) for the period from continuing operations	**-187.9**	**62.4**	**430.6**
Profit / (loss) from continuing operations attributable to Owners of the company	**-178.9**	**43.2**	**263.5**

- *EBITDA includes other income, forex and exceptional/non-recurring expenses
- **Share of profit of associate in Q4 FY21 due to joint ventures of SRL, primarily DDRC-SRL
- Q4FY21 reported EBITDA includes one off expense related to potential impact of various legal cases and investigation INR 15.8 Cr, Electricity arrear INR 6.5 Cr, Penalty, Registration, Property Tax of INR 4.4 Cr, Other Exp of INR 0.7 Cr; (Net amount of INR 27.4 Cr)
- Exceptional gain of INR 306.1 Crs in Q1FY22 related to remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.

Fortis

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Fortis Healthcare Limited

Thank You