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

FHL/SEC/2021-22 **July 7, 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: Notice of the 25th Annual General Meeting and Annual Report for the Financial Year 2020-21.

Dear Sir,

This is further to our letter no. FHL/SEC/2021-22 dated June 29, 2021 regarding convening of the 25th Annual General Meeting of the Company ("25th AGM") on Friday, July 30, 2021 through Video Conferencing/Other Audio Visual Means (VC/OAVM) Facility.

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed copy of the Notice of the 25th AGM and the Annual Report for the financial year 2020-21, inter-alia, including the Audited Financial Statements for the year ended March 31, 2021 ("Annual Report"), being sent by email to those Members whose email addresses are registered with the Company/Depository Participant(s). The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide MCA Circulars and SEBI Circulars. The Notice of the 25th AGM and the Annual Report are also being uploaded on the website of the Company at www.fortishealthcare.com.

This is for your information and records please.

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

SUMIT GOEL
Digitally signed by SUMIT GOEL
Date: 2021.07.07 16:22:54 +05'30'

Sumit Goel
Company Secretary
M. No. – F6661

FORTIS HEALTHCARE LIMITED

CIN: L85110PB1996PLC045933

Registered Office: Fortis Hospital, Sector 62, Phase – VIII, Mohali, Punjab - 160062

Tel.: +91-172-5096001, **Fax:** +91-172-5096221

Email: secretarial@fortishealthcare.com, **Website:** www.fortishealthcare.com

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting ("AGM") of Fortis Healthcare Limited will be held on **Friday, July 30, 2021 at 14:00 hours (IST)** through Video Conferencing ("VC") / Other AudioVisual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS: -

1. To consider and adopt the Audited Standalone Financial Statements of the Company together with Reports of the Board and Auditors thereon and the Audited Consolidated Financial Statements of the Company including Auditors' Report thereon for the financial year ended on March 31, 2021.
2. To appoint Dr. Kelvin Loh Chi Keon (DIN- 08515101), who retires by rotation and being eligible, offers himself for re-appointment as a Director.
3. To appoint Mr Heng Joo Joe Sim (DIN- 08033111), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

SPECIAL BUSINESS: -

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of Articles of Association of the Company, Mr. Takeshi Saito (DIN: 08823345) be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

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

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and in terms of Articles of Association of the Company, Mr. Joerg Ayrle (DIN: 09128449) be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.

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

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Cost Records and Audit) Rules, 2014, remuneration upto ₹ 3,50,000/- (Rupees Three Lakhs Fifty thousand only) plus out of pocket expenses and taxes, being paid to M/s. Jitender, Navneet & Co., Cost Auditor appointed by the Board of Directors, to conduct the audit of the cost records of the Company, for the Financial Year ended March 31, 2021, be and is hereby ratified and confirmed.

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

7. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force) and Articles of Association of the Company, basis the recommendation of the Nomination and Remuneration Committee and the Board of Directors and all other applicable statutory / regulatory approvals, consents and permissions as may be necessary in this regard and such conditions as may be imposed by any authority while granting such approval(s), consent(s) and permission(s) and as may be agreed to by the Board of Directors of the Company (which term shall be deemed to include any Committee constituted / to be constituted by the Board, or any director / officer authorised by the Board of Directors / Committee for this purpose), consent of the members of the Company be and is hereby accorded for the re-appointment of Dr. Ashutosh Raghuvanshi (DIN:02775637), as Managing Director (designated as 'Managing Director & CEO') of the Company, with effect from March 19, 2022 for a period of three years, not liable to retire by rotation, on the following terms and conditions:

(a) **Salary, Perquisites and Allowances per annum:** Upto ₹ 8,40,00,000 (Rupees Eight Crores Forty Lakhs only) per annum, with authority to vary / alter the remuneration in terms of Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

The aforesaid perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Besides above, Dr. Ashutosh Raghuvanshi shall also be entitled to the following facilities which shall not be included in the computation of ceiling on total remuneration subject to the Company's Policy in this regard from time to time:

(i) Provision of Company maintained Car(s);

(ii) Encashment of Earned Leave at the end of the tenure;

(iii) Entitlement for travel (Class / Mode) shall be as per the Company Policy from time to time, expenses for which will be borne by the Company on actual cost basis.

Further, Dr. Ashutosh Raghuvanshi shall be eligible for such other facilities and benefits etc. as per rules / policy of the Company from time to time.

(b) Further based on his performance ratings for each of the financial year, Dr. Ashutosh Raghuvanshi may be eligible for annual increment up to 6% of Total Cost to Company, which may be given subject to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.

(c) Further based on his performance ratings for each of the financial year, Dr. Ashutosh Raghuvanshi may be eligible to a maximum of 156.25% of target variable pay (based on the highest possible individual rating of 5 and Company's performance rating of 125%).

(d) **Reimbursement of Expenses:** Business related expenses including expenses incurred for travelling, boarding and lodging shall be reimbursed at actuals and shall not considered as perquisites.

(e) **Sitting Fee:** Dr. Ashutosh Raghuvanshi shall not be paid any sitting fee for attending Meetings of the Board and/or any of its Committee(s).

(f) **General:**

(i) Subject to the superintendence, control and direction of the Board, Dr. Ashutosh Raghuvanshi shall be responsible for management of the whole, or substantially the whole of the affairs of the Company and shall perform such other functions as may be delegated to him by the Board from time to time.

(ii) He shall adhere to such other policies, service conditions, rules and regulations of the Company as applicable from time to time

Notwithstanding anything to the contrary contained herein above or in accordance with the terms and conditions of his appointment, Dr. Ashutosh Raghuvanshi will be paid, current remuneration (including fixed salary, variable pay, increments & other allowances thereto and retirement benefits) and as may be further decided by the Board of Directors / Nomination and Remuneration Committee, as minimum remuneration.

RESOLVED FURTHER THAT consent of the members be and is hereby also accorded to ratify additional bonus/ ex-gratia payment of ₹ 10.10 lakh and ₹ 84 lakh which were made to him based on his performance rating for financial year 2019-20 and 2020-21, respectively.

RESOLVED FURTHER THAT consent of the members be and is hereby further accorded to pay a sum upto 156.25% of his target variable pay (based on the highest possible individual rating of 5 and Company's performance rating of 125%) to Dr. Raghuvanshi for financial year 2021-22.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or any Committee thereof, be and is hereby authorised to do all acts, deeds and things and to sign, execute and file and / or modify all such forms, papers and documents as may be considered necessary and take all such steps as may be proper or expedient to give effect to this resolution."

8. To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of the resolution passed by the members in the Annual General Meeting held on August 31, 2020 and pursuant to the provisions of Sections 197, 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and considering the recommendation of the Nomination and Remuneration Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to pay:

a. each Independent Director(s) (present and future) remuneration upto ₹ 70,00,000 (Rupees Seventy Lakhs only) per annum and upto ₹ 90,00,000 (Rupees Ninety Lakhs only) per annum to the Chairman of the Board (in case Chairman is an Independent Director);

or

b. aggregate commission upto 1% of the net profits of the Company plus taxes at applicable rate;

whichever is higher, in such proportions and in such manner as may be decided by the Board of Directors and / or any Committee thereof.

RESOLVED FURTHER THAT in case of losses or inadequacy of profits, such remuneration shall be paid as minimum remuneration.

RESOLVED FURTHER THAT the said remuneration will be paid for a period of three (3) years with effect from April 1, 2021.

RESOLVED FURTHER THAT all Non- Executive Directors shall also be entitled for sitting fees for attending meeting of the Board and Committee thereof, as permissible under Companies Act, 2013.

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

By Order of the Board of Directors
For Fortis Healthcare Limited

Date: May 29, 2021 **Sumit Goel**
Place: Gurugram **Company Secretary**

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), for the matters which are unavoidable, are enclosed herewith and forms part of this Notice.

2. **General instructions for accessing and participating in the 25th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:**

   a. In view of the outbreak of COVID-19 pandemic, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("SEBI Circulars") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 25th AGM of the Company is being conducted through VC / OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 25th AGM shall be the Registered Office of the Company.

   b. In terms of the MCA / SEBI Circulars since the requirement of physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for 25th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in 25th AGM through VC/OAVM Facility and e-Voting during 25th AGM.

   c. In line with the MCA Circulars and SEBI Circulars, the Notice of 25th AGM will be available on the website of the Company at www.fortishealthcare.com, on the website of BSE Limited at www.bseindia.com, on website of National Stock Exchange of India Limited at www.nseindia.com and also on the website of National Securities Depositories Limited ("NSDL") at www.evoting.nsdl.com.

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

   e. NSDL will be providing facility for voting through remote e-Voting, for participation at 25th AGM through VC / OAVM Facility and e-Voting during 25th AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

   f. Members may join 25th AGM through VC / OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 13:30 p.m. IST i.e. 30 minutes before the time scheduled to start the 25th AGM and the Company may close the window for joining the VC / OAVM Facility 30 minutes after the scheduled time to start the 25th AGM.

g. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of upto 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend 25th AGM without any restriction on account of first-come-first-served principle.

h. Attendance of the Members participating in 25th AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at 25th AGM and facility for those Members participating in 25th AGM to cast vote through e-Voting system during 25th AGM.

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

   The remote e-voting period begins on July 27, 2021 at 09:00 A.M. and ends on July 29, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 23, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 23, 2021.

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

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

Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

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

Type of shareholders	Login Method
	name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

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

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

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

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

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

4. Your User ID details are given below :

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

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

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

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

   c) How to retrieve your 'initial password'?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Mr. Ramit Rastogi at rastogiassociates7@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh, Assistant Manager, NSDL at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@fortishealthcare.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@fortishealthcare.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

5. The instructions for members for e-voting on the day of the 25th Annual General Meeting are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

6. Instructions for members for attending the 25th Annual General Meeting through VC/OAVM are as under:

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

a. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting.

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

c. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at 25th AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach Company's email address secretarial@fortishealthcare.com atleast 72 hours in advance before the start of the meeting i.e. by July 27, 2021 by 14:00 hours IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

d. Members, who would like to ask questions during 25th AGM with regard to the financial statements or any other matter to be placed at the 25th AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address secretarial@fortishealthcare.com atleast 72 hours in advance before the start of the 25th AGM i.e. by July 27, 2021 by 14:00 hours IST. Only those Members who have registered themselves as a speaker shall be allowed to ask questions during the 25th AGM, depending upon the availability of time.

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

f. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 25th AGM through VC/OAVM Facility.

7. Other Guidelines for Members:

a. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut- off date of July 23, 2021.

b. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. July 23, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 23, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

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

d. Mr. Ramit Rastogi, Company Secretary in Whole time Practice (C.P. No. 18465), has been appointed as the Scrutinizer to scrutinize remote e-Voting process and casting vote through e-Voting system during the Meeting in a fair and transparent manner.

e. During 25th AGM, the Chairman shall, after response to questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.

f. The Scrutinizer shall after the conclusion of e-Voting at the 25th AGM, first download votes cast at the AGM and thereafter unblock votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of total votes cast in favour or against, invalid votes, if any, and whether resolution(s) has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of 25th AGM, who shall then countersign and declare the result of voting forthwith.

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

8. Pursuant to the MCA Circulars and SEBI Circulars, in view of prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of 25th AGM and the Annual Report for the year 2020-21 including therein the Audited Financial Statements for year 2020-21, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of 25th AGM and Annual Report for the year 2020-21 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

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

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

9. Notice of 25th AGM and Annual Report for the year 2020-21 including therein the Audited Financial Statements for the year, will be available on the website of the Company at www.fortishealthcare.com and the website of Stock Exchanges at BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The Notice of 25th AGM will also be available on the website of NSDL at www.evoting.nsdl.com.

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

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

12. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.

Electronic copy of all documents referred to in the accompanying Notice of 25th AGM and Explanatory Statement shall be available for inspection in the Investor Section of website of Company www.fortishealthcare.com.

13. During 25th AGM, Members may access scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, during the Annual General Meeting at the available link against the EVEN of the Company on NSDL website.

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

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

16. The results on resolutions shall be declared on or before closing business hours i.e. 06:00 p.m. on Sunday, August 1, 2021 at the Corporate office of the Company and the same along with scrutinizer's report shall also be available on the website of the Company and on the website of NSDL and that of BSE & NSE. The resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favor of the resolutions.

EXPLANATORY STATEMENT

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

Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, had appointed Mr. Takeshi Saito (DIN: 08823345) as an Additional Director of the Company with effect from September 1, 2020. Pursuant to Section 161(1) of the Act, Mr. Saito holds office up to the date of this meeting. Mr. Saito is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Details of Mr Saito are provided in the "**Annexure- I**" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India. He shall be paid remuneration by way of fee for attending meeting(s) of the Board or Committees thereof and reimbursement of expenses for participating in the Board and other meetings.

Further, pursuant to provisions of Section 160 of the Act, the Company has received notice in writing from a member proposing the candidature of Mr. Takeshi Saito.

Except Mr. Saito, being the appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way financially or otherwise, concerned or interested, in the said resolution, except to the extent of their shareholding, if any.

The Board of Directors recommends the resolution as set out at Item No. 4 for approval of the members as an ordinary resolution.

Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, had appointed Mr. Joerg Ayrle (DIN: 09128449) as an Additional Director of the Company with effect from March 31, 2021. Pursuant to Section 161(1) of the Act, Mr. Ayrle holds office up to the date of this meeting. Further, Mr. Ayrle is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Details of Mr. Ayrle are provided in the "**Annexure-I**" to the Notice, pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and (ii) Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India. He shall be paid remuneration by way of fee for attending meeting(s) of the Board or Committees thereof and reimbursement of expenses for participating in the Board and other meetings.

Further, pursuant to provisions of Section 160 of the Act, the Company has received notice in writing from a member proposing the candidature of Mr. Ayrle.

Except Mr. Joerg Ayrle, being the appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way financially or otherwise, concerned or interested, in the said resolution, except to the extent of their shareholding, if any.

The Board of Directors recommends the resolution as set out at Item No. 5 for approval of the members as an ordinary resolution.

Item No. 6

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of cost records of the Company, for the Financial Year ended March 31, 2021 as per the following details:

Name of the Cost Audit Firm	Amount (In ₹)
M/s. Jitender, Navneet & Co.	Upto 3,50,000 (plus out of pocket expenses and taxes)

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

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the Financial Year ended March 31, 2021.

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

The Board of Directors recommends the resolution as set out at Item No. 6 for the approval of the Members as an Ordinary Resolution.

Item No. 7

The Board of Directors of your Company on the recommendation of the Nomination and Remuneration Committee ('the Committee'), approved the re-appointment of Dr. Ashutosh Raghuvanshi as Managing Director of the Company (designated as Managing Director and CEO) w.e.f. March 19, 2022 for a period of three years, not liable to retire by rotation, on the remuneration stated in the resolution above, subject to the approval of the Members.

He is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director of the Company. It is hereby confirmed that, as on date, he is not related to any other director of the Company.

The resolution read with explanatory statement may be treated as written memorandum setting out the terms of appointment of Dr. Ashutosh Raghuvanshi under Section 190 of the Companies Act, 2013.

The Board of Directors recommends the resolution as set out at Item No. 7 as a Special Resolution for the approval of the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Dr. Ashutosh Raghuvanshi himself, is/are in any way, concerned or interested, financial or otherwise, in the proposed resolution except to the extent of their respective shareholding in the Company, if any.

A brief profile of Dr. Raghuvanshi alongwith requisite details pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule V of the Companies Act, 2013 and the Secretarial Standard on General Meetings is given below:

I. General Information

(i) **Nature of Industry:** Business of providing healthcare services and running multi-speciality hospitals.

(ii) **Date or expected date of commencement of commercial production:** The Company was incorporated on February 28, 1996.

(iii) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** NOT APPLICABLE

(iv) **Financial performance (on standalone basis) based on given indicators as per Audited Financial Results for the year ended March 31, 2021:**

(Amount in ₹ Lakhs)

Particulars	For the year ended March 31, 2021 (Audited)
Turnover and other income	82,485
Net profit after tax	419

(v) **Foreign investments or collaborations, if any:** As of March 31, 2021, Fortis Healthcare International Limited was a direct foreign subsidiary of the Company, details of investment whereof are provided in Notes to Accounts.

II. Information about the appointee:

(i) **Experience and Background details:**

Dr. Ashutosh Raghuvanshi, aged 58 years is a cardiac surgeon turned management leader. After completing his MBBS and MS in general surgery from Mahatma Gandhi Institute of Medical Sciences, Dr. Ashutosh went on to do MCH in Cardiac surgery from the University of Bombay. Over the last 28 years, he has been associated with the Bombay Hospital, Apollo Hospitals, Vijaya Heart foundation, Manipal Heart Foundation and Narayana Hrudayalaya Limited. He is credited with the establishment of Rabindranath Tagore International Institute of Cardiac Sciences, Kolkata, where he joined as Director in 2000 and is today one of the largest Multispeciality Hospitals in Eastern India.

Before joining Fortis, he was last working with Narayana Health as Vice Chairman, Managing Director & Group CEO and was responsible for the operations of all the group hospitals across India and internationally.

(ii) **Past remuneration drawn:** ₹ 7 Crore per annum (in his capacity as CEO and Managing Director Fortis Healthcare Limited).

(iii) **Recognition and Awards/Achievements:**

He was honoured as the "CEO of the Year" in Health Care Leadership Awards, 2015 organised by Stars Group.

(iv) **Job profile and suitability:**

As the Managing Director of the Company, he is inter-alia responsible for the following activities:

- Providing guidance for creation of the annual operating plan for the organisation;
- Working with the Board to define & execute strategies, to implement and develop the business plan;
- Talent Strategy & Optimisation;
- Promoting an organisation wide culture that reflects organisation values, encourages meritocracy through recognizing performance and rewarding achievement;

- Overseeing the operations of the organisation and ensure compliance with legal and statutory requirements;
- Managing Company wide resources within budget guidelines;
- Proving information to Board so that they are appropriately informed of the Company's financial position;
- Developing and maintaining relations with other relevant commercial or institutional bodies in the medical, pharmaceutical, international development and community health fields;
- Overseeing Company's expansion and growth plans, and evaluate synergies through a detailed due diligence exercise; and
- Ensuring representation at several industry forums and promote organisational brand building among various stakeholder groups.

Dr. Ashutosh will be responsible for the day-to-day management decisions of Fortis Healthcare Limited, and for implementing the Company's long and short term plans. He is expected to provide the necessary leadership and strategic direction to the management team in achieving the Company's short-term profitability and long-term growth objectives, aligned to the vision, mission and core values of the Fortis Group. His qualifications and experience makes him a suitable person for the said position. Dr. Ashutosh Raghuvanshi shall be responsible for management of the whole, or substantially the whole of the affairs of the Company and shall perform such other functions as may be delegated to him by the Board from time to time.

(v) Remuneration proposed:

As provided in the resolution.

Further, during the financial year 2019-20 and 2020-21, based on his performance rating Dr. Raghuvanshi was paid bonus/ex-gratia amount of ₹ 10.10 lakh and ₹ 84 lakh respectively, which is held in trust by Dr. Raghuvanshi. The same is proposed to be ratified by the members in this general meeting.

Further, it is also proposed to pay a sum upto 156.25% of his target variable pay (based on the highest possible individual rating of 5 and Company's performance rating of 125%) to Dr. Raghuvanshi for financial year 2021-22.

(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Though direct comparable data could not be obtained, however, as a normal industry trend, the proposed remuneration of Dr. Ashutosh Raghuvanshi, who is a professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Executive Directors of other Companies and is in parity with the Industry Standards for such a responsible position.

(vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

Except proposed remuneration as stated above, Dr. Raghuvanshi does not have any other pecuniary relationship with the Company and its managerial personnel.

(viii) Companies (other than Fortis Healthcare Limited, Foreign Companies and Section 8 Companies) in which Dr. Raghuvanshi holds Directorships (as on date):

S. No.	Name of the Company
1.	SRL Limited
2.	Fortis Hospotel Limited

(ix) Details of Membership in Committees of other Companies (excluding Private Companies, Foreign Companies and Section 8 Companies):

S. No	Name of Company	Name of Committee	Designation (Chairman / Member)
1	SRL Limited	Share Allotment and Shareholders'/ Investors' Grievance Committee	Chairman

*Includes Audit Committee and Shareholder's/Investor Grievance Committee only

(x) Shareholding in the Company: NIL

(xi) Original date of appointment: March 19, 2019

(xii) During FY 2020-21, Dr. Ashutosh Raghuvanshi has attended 10 Board Meetings of the Company.

III Disclosures- General disclosures are given under Corporate Governance Report forming part of Board Report.

IV Other information:

(i) Reasons for loss or inadequate profits:

During FY 2020-21, the world witnessed one of the worst healthcare crises in over a decade as a result of the spread and impact of the novel coronavirus (COVID-19) pandemic. Almost every country in the world was impacted and India too witnessed this crises. The first wave in India which was visibly evident in Q1 of FY'21 gradually abated to reach near normal pre-COVID levels only by Q4 of FY'21.

As a result of the pandemic, and like other industries including the healthcare industry, your Company's operational performance was impacted severely due to the pandemic in FY 2020-21. As a result of the nationwide lockdown and travel restrictions, a sharp fall in elective surgeries and occupancies was witnessed across the Company's facilities, primarily during Q1 FY'21. Similarly, the diagnostics business of the Company too saw a significant decline in its test volumes impacting performance in Q1 of FY'21.

Simultaneously, while occupancy declined, the Company also incurred incremental and unplanned expenditure due to operating costs related to COVID. These included costs related to infrastructure challenges, isolation areas, separate patient and work-flow areas, additional medical resources, and other necessary measures for the safety of the Company's patients, healthcare workforce and other employees. In addition, regulatory challenges primarily related to COVID aspects also constrained operations.

Early signs of a gradual recovery began in Q2 FY'21 and with progressive quarters witnessing an increasing momentum in recovery; H2 FY'21 saw a healthy improvement in operations in both the hospitals and the diagnostics business versus H1 FY'21. While the hospital business witnessed a gradual return to normalcy only by end of Q4 FY'21, relatively, the diagnostic business of the Company witnessed a robust recovery during the second half due to recovery in non-COVID business and strong demand for COVID and COVID related tests. However, a muted H1 FY'21 resulted in an impact on the overall performance of the Company for the full year.

The key priorities of the Company during these challenging times were a) continuing to build on its fundamental strengths of patient care and clinical excellence, b) Sustainability of operations and c) maintaining balance sheet focus in terms of cash generation and liquidity. Your Company was able to quickly adapt to the challenging environment and successfully ensured continuity of business operations.

From a longer-term perspective, the pandemic has only re-iterated that the Indian healthcare industry has a significant demand supply imbalance in terms of healthcare infrastructure and lack of access to good quality healthcare. With other factors such as increasing healthcare insurance penetration and the rising burden of chronic diseases, these fundamental drivers of the industry provide your Company an attractive opportunity for growth and expansion going forward.

(ii) Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms:

Despite the challenging environment, your company was able to successfully navigate through one of the toughest years it has ever witnessed. Going forward with the business expected to return to normal in the short to medium term, your Company would be focusing on several revenue growth initiatives including building upcountry market, enhancing engagement with key corporate clients, further strengthening its community connect in neighborhood areas, optimally leveraging its digital marketing to expand to a larger market and re-gaining international business with an emphasis on building direct business.

On the Clinical front, your Company plans to further strengthen its focus on key specialties by adding and upgrading technology and on boarding clinicians of repute. Your Company will continue to invest in and build strong talent in high growth specialties such as Oncology, Neurosciences, Gastro Sciences and Renal to improve profitability margins.

To increase its profitability, the Company had initiated certain cost optimization and transformation initiatives during FY 2019-20. These initiatives gained significance during the pandemic. Various organization-wide cost optimization programs were implemented to reduce fixed costs with initiatives comprising voluntary salary reduction by senior management and senior clinicians, headcount rationalization, optimization of outsourcing contracts (medical services and hospital services), reduction in sales and marketing spend, corporate office costs and procurement costs in supply chain and IT. A number of the above cost saving initiatives would continue to be reviewed to ensure further optimization of these costs so as to have an efficient and lean structure across the organization.

On the portfolio strategy, the Company will continue to invest in its high performing facilities and at the same time put all efforts to transform and turn-around a few under-performing ones which the Company believes are high potential facilities. With business expected to return to normal in the short to medium term, the Company would also evaluate the disposal of some of the non-core assets in its portfolio.

The Company plans to add approximately 1,300 beds over the next 4-5 years of which 270 beds will be added in FY 2021-22. The company has planned a significant ramp up in its newly launched Vadapalani facility in Chennai during FY 2021-22. All the other new beds are expected to be added in the Company's facilities in key geographic clusters – NCR, Mumbai and Bengaluru. The bed additions will largely be brownfield expansion in the existing facilities of the Company allowing for faster operationalization of beds and relatively lower start-up costs compared to greenfield beds.

On the Diagnostics business, though the Company has been witnessing an improvement in performance, select strategic actions for increasing volumes and utilization viz-a-viz optimizing the collection center network to boost B2C salience, focusing on product lifestyle tests, preventive care packages, introducing range of new tests and select marketing and digital initiatives will continue to gain momentum.

In addition, the Company's recent acquisition of balance 50% stake in DDRC-SRL JV in Kerala would complement its strategy of further growing the B2C business segment and expanding the product portfolio comprising lifestyle diseases tests, specialized tests and preventive packages.

All these initiatives and efforts are expected to enhance the performance of the company over the previous periods and as they continue to gain momentum, would lead to a progressively improving profitability for the Company.

Item No. 8

The members to be informed that in the Annual General Meeting of the Company held on August 31, 2020, the members of the Company have approved to remunerate Independent Directors (present & future) by way of commission upto 1% of the net profits of the Company plus taxes at applicable rate, with effect from April 1, 2019 for a period of three (3) years, with such commission amount being in addition to the fees for attending the meeting(s) of the Board and the Committee(s) of the Company and its subsidiary (ies). In view of the recent notification from Ministry of Corporate Affairs dated March 18, 2021 modifying certain provisions of Schedule V of the Companies Act, 2013 and providing flexibility to the Companies to remunerate Non-Executive Director(s), it is proposed to pay:

a. each Independent Director(s) (present and future) remuneration upto ₹ 70,00,000 (Rupees Seventy Lakh only) each per annum and upto ₹ 90,00,000 (Rupees Ninety Lakh only) per annum to the Chairman of the Board (in case Chairman is an Independent Director);

   or

b. aggregate commission upto 1% of the net profits of the Company plus taxes at applicable rate;

whichever is higher, in such proportions and in such manner as may be decided by the Board of Directors and / or any Committee thereof. In case of losses or inadequacy of profits, such remuneration shall be paid as minimum remuneration. The said remuneration shall be paid for a period of three years with effect from April 1, 2021.

Further, all non-executive directors (including Independent Directors) of the Company shall also be entitled to Sitting fees for attending meeting(s) of the Board or any Committee thereof.

In terms of the requirements of Section II of Part II of Schedule V to the Act, the information is furnished as under:

Information about the Directors:

S. No.	Particulars	Mr. Ravi Rajagopal, Chairman of the Board.	Mr. Indrajit Banerjee	Ms. Suvalaxmi Chakraborty	Ms. Shailaja Chandra
1	Background and recognition details	Mr. Ravi Rajagopal is a qualified Chartered and Cost Accountant and has attended the Advanced Management Program at Harvard Business School. Mr. Ravi is also involved with various charitable activities. He is a Trustee of the Science Museum Foundation in the UK. He is Chair of an Advisory Board in India responsible for building and operating 4,000 childcare centres across northern India. He is a Trustee of a group of four schools in India that teaches over 1,100 underprivileged children free of cost. Mr. Ravi has lectured on Behavioural Economics at the Said Business School at Oxford University and Imperial College, London.	Mr. Indrajit Banerjee has a B. Com. (Hons) degree from St. Xavier's College, Kolkata and is a qualified Chartered Accountant. Since 2015 he has engaged in certain specific management consultancy services, including business structuring and planning; management of growth situations; management of crisis situations through cash flow monitoring, prioritisation of operational requirements and bank relationship management; financing of working capital and establishment of Risk Management processes in multi-business and multi-regional organisations; business and financial process integration for existing organisations as well as for merging entities.	Ms. Suvalaxmi Chakraborty has a B. Com. (Hons) degree from Calcutta University and in 1999 completed the Financial Investment Technology Program of the Berkeley in Finance at HAAS School of Business at University of California and is also a qualified Chartered Accountant. In 2002 she participated in the Leading Change and Organizational Renewal Program at the Graduate School of Business, Stanford University, California, and she has also participated in the 'Women on Corporate Boards' initiative initiated by FICCI Centre for Corporate Governance.	Ms. Shailaja Chandra has a B.A. (Honours) degree English Literature from Miranda House, University of Delhi and M.Sc. Economics, University of Wales, UK and was also a member of Indian Administrative Services. Ms. Shailaja Chandra was a Secretary in the Ministry of Health & Family Welfare, Government of India and later she was appointed as first women Chief Secretary of Delhi. She is a prolific writer and is regularly invited as a policy analyst by the print and electronic media to comment on matters of Governance, Health, Gender and current developments in Delhi, the capital of India. She has been invited several times to Chair or speak at International conferences organised by OECD as well as by Indian Universities, think tanks and health related forums.
2	Past remuneration	During FY 2020-21, all Independent Director(s) have been paid sitting fees for attending the meetings of the Board and Committee(s) thereof and commission as approved by the shareholders in their meeting held on August 31, 2020. The details of sitting fee and commission as paid to each of the Directors are forming part of the Corporate Governance Report.			
3	Job profile and his suitability	Mr. Ravi Rajagopal is the member/ Chairperson of the following Committees of the Company: a) Audit Committee, member b) Stakeholders Relationship Committee, member c) Corporate Social Responsibility Committee, member	Mr. Indrajit Banerjee is the member/ Chairperson of the following Committees of the Company: a) Nomination and Remuneration Committee, Chairperson b) Audit Committee, member c) Stakeholders Relationship Committee, member d) Corporate Social Responsibility Committee, member	Ms. Suvalaxmi Chakraborty is the member/ Chairperson of the following Committees of the Company: a) Audit Committee Chairperson b) Nomination and Remuneration Committee, member c) Stakeholders Relationship Committee, member d) Corporate Social Responsibility Committee, member	Ms. Shailaja Chandra is the member/ Chairperson of the following Committees of the Company: a) Audit Committee, member b) Risk Management Committee, member c) Stakeholders Relationship Committee, member d) Corporate Social Responsibility Committee, member

S. No.	Particulars	Mr. Ravi Rajagopal, Chairman of the Board.	Mr. Indrajit Banerjee	Ms. Suvalaxmi Chakraborty	Ms. Shailaja Chandra
		Considering the rich experience and expertise brought to the Company by Independent Directors, the financial position of the Company has improved over the course of the past financial year(s) with these Independent Directors making valuable contributions in the recovery of the same. The Independent Directors are additionally members of various Committees of the Company as detailed above. The detailed role and composition of each Committee is forming part of the Corporate Governance Report.			
4	Remuneration proposed	Upto ₹ 90,00,000 per annum plus sitting fee for attending meetings of the Board and Committee(s).	Upto ₹ 70,00,000 each per annum plus sitting fee for attending meetings of the Board and Committee(s).		
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Though direct comparable data could not be obtained, however, as a normal industry trend, the proposed remuneration to all Non-Executive Independent Directors, who are professional, possessing invaluable and rich knowledge, experience and insights complemented with the vast business experience, is comparable with Independent Directors of other Companies and is in parity with the Industry Standards for such a responsible position.			
6	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	Except to the extent of receiving sitting fee(s) and Commission, none of the Directors have had any pecuniary relationship with other Directors or Key Managerial Personnel.			

Further disclosures as required under Schedule V of the Companies Act, 2013 pertaining to general information, Reasons of loss or inadequate profits and Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms are forming part of explanatory statement to item no. 7 of this notice.

Independent Directors, and their relatives, are interested in this resolution insofar as the same relates to their respective commission / remuneration. None of the Non-Executive Director / Executive Director / Key Managerial Personnel of the Company, or their relatives, are interested, financially or otherwise, in this resolution.

The Board of Directors recommends the resolution as set out at Item No. 8 for the approval of the Members as a Special Resolution.

By Order of the Board of Directors
For Fortis Healthcare Limited

Date: May 29, 2021
Place: Gurugram

Sumit Goel
Company Secretary

Annexure- A

S. No.	Particulars	Dr. Chi Keon Kelvin Loh	Mr. Heng Joo Joe Sim	Mr. Takeshi Saito	Mr. Joerg Ayrle	Dr. Ashutosh Raghuvanshi
1.	**Age**	47 years	49 years	49 years	52 years	58 years
2.	**Qualification**	Bachelor of Medicine and Bachelor of Surgery and a Master of Business Administration from the National University of Singapore.	Bachelors of Arts in Electronic and Information Science Tripos, University of Cambridge. Masters in Public Administration, Kennedy School of Government, Harvard University.	Bachelor of Political Science, Keio University, Japan. Master of Business Administration, Kellogg School of Management Northwestern University.	Master of Business Administration major in Finance & Controlling, Marketing, Finance-Mathematics, University of Augsburg, Germany.	MBBS, MS general Surgery from Mahatma Gandhi Institute of Medical Sciences, Sevagram Wardha, Nagpur University. MCh- Cardio Thoracic Surgery from Bombay Hospital Institute of Medical Sciences.
3	**Brief Profile and Nature of Expertise.**	Dr Kelvin Loh took the helm of IHH Healthcare as Chief Executive Officer (Designate) and Executive Director on 1 July 2019 before becoming Managing Director and Chief Executive Officer on 1 January 2020. With a clear focus on trust and transparency, he sets the strategic direction and leadership for IHH's global healthcare services network. An experienced healthcare executive with strong track record of delivery, Dr Loh has extensive experience in leading large healthcare businesses, building relationships with stakeholders, managing hospital operations, financial management and developing people. He is also deeply familiar with the healthcare operating context in different countries across Asia.	Mr Joe Sim is the Group Chief Operating Office of IHH Healthcare Berhad. Mr Sim has served Parkway Pantai Limited since June 2017 as the Chief Executive Officer of Malaysia Operations Division, Parkway Pantai. He provides strategic direction and leadership for Parkway Pantai's integrated healthcare businesses in Malaysia, which includes a network of 15 Gleneagles and Pantai hospitals and ancillary services such as Pantai Integrated Rehab and Pantai Premier Pathology. Mr. Sim has more than 19 years' experience in the healthcare industry and was the winner of the Leading CEO Award by Singapore Human Resources Institute in 2014. Prior to joining Parkway Pantai, he was Group Deputy Chief Executive of National University Healthcare System in Singapore, where he had also served as Chief	Mr. Takeshi Saito was appointed to the Board of IHH Healthcare Berhad (IHH) in 2019. He was an alternate director to Mr. Satoshi Tanaka and Mr. Koji Nagatomi, during their tenure as Directors of IHH, between June 2015 and March 2019. He also serves on the Boards of a few IHH subsidiaries. Mr. Saito currently serves as Chief Executive Officer (CEO) of MBK Healthcare Management Pte Ltd (MHM), a wholly-owned subsidiary of Mitsui & Co., Ltd (Mitsui) based in Singapore, which manages the healthcare assets within the portfolio of Mitsui. Preceding his appointment as CEO of MHM, he served as General Manager of Healthcare Business 1st Department in Healthcare Business Division of Mitsui. In 2017, he was an Executive Assistant to a Representative Director and Executive Vice President of Mitsui.	Mr. Joerg Ayrle was appointed as the Group Chief Financial Officer of IHH Healthcare Berhad (IHH) on 1 February 2021. With a wealth of international experience from United States, Germany, Singapore, China and Thailand, he will be responsible for providing financial leadership and strategic guidance for IHH and its operations and the business plan development. In his role, Mr. Joerg will ensure effective management of resources, safeguard shareholders' interests and steer financial and management reporting, treasury, tax and investor relations functions and support the companies M&A activities. Prior to joining IHH, Mr. Joerg was the GCFO of Thai Union Group and steered the Company's financial transformation journey, winning multiple awards including Best CFO Asia by Corporate Treasurer in 2016.	Dr. Ashutosh Raghuvanshi, is a cardiac surgeon turned management leader. After completing his MBBS and MS in general surgery from Mahatma Gandhi Institute of Medical Sciences, Dr. Ashutosh went on to do MCH in Cardiac surgery from the University of Bombay. Over the last 26 years, he has been associated with the Bombay Hospital, Apollo Hospitals, Vijaya Heart foundation Manipal Heart Foundation and Narayana Hrudayalaya Limited. He is credited with the establishment of Rabindranath Tagore International Institute of Cardiac Sciences, Kolkata, where he joined as Director in 2000 and is today one of the largest Multispeciality Hospitals in Eastern India.

S. No.	Particulars	Dr. Chi Keon Kelvin Loh	Mr. Heng Joo Joe Sim	Mr. Takeshi Saito	Mr. Joerg Ayrle	Dr. Ashutosh Raghuvanshi
		Dr Loh spent the early years of his career as a practising general physician. Driven by a passion for healthcare systems improvement, he embarked on the management track in the public healthcare sector and widened his healthcare portfolios to include clinical services development, hospital planning and hospital management. In 2008, he joined IHH Healthcare where he served nine years in numerous senior management roles, including as Chief Executive Officer of Singapore Operations Division where he steered the group's integrated healthcare businesses in Singapore. From 2017 and prior to re-joining IHH Healthcare in 2019, Dr Loh was with Columbia Asia Group where he oversaw its healthcare business comprising 28 hospitals across four countries in Asia as Chief Executive Officer.	Operating Officer and Chief Executive Officer of National University Hospital. He also held the roles of Chief Corporate Development Officer, acting Chief Information Officer and acting Chief Executive Office for new ventures with the National Healthcare Group in Singapore. Mr Sim began his career with the Singapore Administrative Service, building up a robust portfolio at the Ministry of Finance, Community Development Council and Ministry of Defence. In 2000, he founded a Company that developed business-to-business trading hubs before joining the private sector where he was responsible for developing thought leadership, concepts and innovations on next-generation revenue agency for Accenture. Between 2008 and 2015, Mr Sim was also an adjunct lecturer at Nanyang Business School, during which he was recognised with a Teacher of the Year Award.	Between 2015 and 2016, he was the General Manager of the Provider Network Department, Medical Healthcare Business Division 1, Consumer Service Business Unit of Mitsui and also sat on the Board and Executive Committee of Parkway Pantai Limited, a wholly-owned subsidiary of IHH, as an alternate director. In 2011, Mr Saito was seconded to Parkway Group Healthcare as Vice President of Strategic Planning, following his appointment as Director of the Medical Healthcare Business Department at Mitsui, where he led the investment in IHH. Prior to this in 2007, Mr Saito was appointed Manager of the Strategic Planning/ Business Development Department of the Life Science Division at Mitsui, which subsequently became the Medical Healthcare Division in 2008.	He also had a successful career with tech giants Osram and Siemens. Most notably, he was Chief Financial Officer & Treasurer of Osram Sylvania, USA, and Managing Director of Corporate Finance Mergers, Acquisitions & Post Closing (ASIA) for Siemens, China.	Before joining Fortis, he was last working with Narayana Health as Vice Chairman, Managing Director & Group CEO and was responsible for the operations of all the group hospitals across India and internationally.

S. No.	Particulars	Dr. Chi Keon Kelvin Loh	Mr. Heng Joo Joe Sim	Mr. Takeshi Saito	Mr. Joerg Ayrle	Dr. Ashutosh Raghuvanshi
4.	**Experience**	24 years	Over 19 years	25 years	Over 20 years	Over 25 years
5.	**Directorships held in other Indian Companies as on date**	SRL Limited	SRL Limited	Nil	Nil	SRL Limited Fortis Hospotel Limited
6.	**Memberships / Chairmanships of committees of other companies as on date (includes only Audit Committee and Stakeholders Relationship Committee)**	Nil	Nil	Nil	Nil	Member of Share Allotment and Shareholders / Investor Grievance Committee of SRL Limited.
7.	**Shareholding in the Company**	As on the date of this notice, the directors who are seeking appointment and re-appointment does not hold any shares or convertible instrument in the Company.				
8.	**Relationship with other Directors and KMP's**	There is no inter-se relationship between the directors who are seeking appointment and re-appointment at this meeting and other Directors / KMP's of the Company.				
9.	**Date of Appointment**	September 28, 2019	November 26, 2019	September 1, 2020	March 31, 2021	March 19, 2019
10.	**Terms and Conditions of Appointment**	Pursuant to the provisions of Companies Act, 2013, director(s) are Liable to retire by rotation				Details of terms and conditions of appointment and remuneration of Dr. Raghuvanshi are covered in the resolution and explanatory statement forming part of this notice.
11.	**Remuneration***	Sitting fees for attending meeting(s) of the Board of Directors and Committees thereof.				
12.	**No. of Meetings Attended in FY 2020-21***	10	9	6	1	10

*Refer Report on Corporate Governance for more details.


INSPIRING TRUST
THROUGH
QUALITY AND CARE
ANNUAL REPORT 2020-2021
Fortis

COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman
Ravi Rajagopal (Independent Director)

Vice-Chairman
Shirish Moreshwar Apte (Non-Executive Director)

Managing Director and CEO
Dr. Ashutosh Raghuvanshi

Non-Executive Directors
Dilip Kadambi
Dr. Farid Bin Mohamed Sani
Heng Joo Joe Sim
Joerg Ayrle
Dr. Kelvin Loh Chi-Keon
Takeshi Saito

Independent Directors
Indrajit Banerjee
Shailaja Chandra
Suvalaxmi Chakraborty

Chief Financial Officer
Vivek Kumar Goyal

Company Secretary and Compliance Officer
Sumit Goel

Auditors
B S R & Co. LLP Chartered Accountants

Fortis Healthcare Limited
CIN: L85110PB1996PLC045933

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

Registrar and Transfer Agent
KFin Technologies Private Limited

CONTENTS

*FHL: Fortis Healthcare Ltd | *SRL: SRL Limited

INVESTOR INFORMATION
BSE code: 532843

NSE symbol: FORTIS

AGM date: July 30, 2021

AGM mode: Video Conferencing ("VC") / Other AudioVisual Means ("OAVM")

The year 2020 has been a challenging year for the entire world. Little did we know how the year would unfold. The year has created significant changes in how we all live, how we all work and most importantly it has given a profound importance to the word **'healthcare'**.

The prevailing scenario did call for changes, but something that did not change was our passion to deliver the best and the commitment to put our patients' interests first. The year gone by tested the adaptability and resilience of our people. It has enabled the organisation to continue caring for its patients with compassion and in a safe environment.

Our this year's annual report highlights our corporate values and humble efforts that led to an increasing maturity of our engagement with our stakeholders and community. It is a reflection of how we continued to inspire trust through quality and care.

VISION

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

MISSION

To be a globally respected healthcare organisation known for Clinical Excellence and Distinctive Patient Care.


VALUES
PATIENT CENTRICITY
INNOVATION
TEAMWORK
INTEGRITY
OWNERSHIP

KEY PERFORMANCE HIGHLIGHTS 2020-21*

₹ 4,077 Crores
Total Income

₹ 451 Crores
EBITDA

₹ 42 Crores
PBT (before exceptional items)

1.04x^
Net debt to EBITDA

55%
Overall hospital occupancy

₹ 1.58 Crores
Hospital business ARPOB

23.5 Million
Tests performed by SRL

2.5 Million
COVID-19 tests performed by SRL

* On a consolidated basis

^ Annualised for Q4FY21

PBT: Profit Before Tax

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortisation

BOARD OF DIRECTORS

FORTIS HEALTHCARE LIMITED

Ravi Rajagopal
Independent Director, Chairman

Shirish Moreshwar Apte
Non-Executive Director, Vice-Chairman

Dr. Ashutosh Raghuvanshi
Managing Director and CEO

Dilip Kadambi
Non-Executive Director

Dr. Farid Bin Mohamed Sani
Non-Executive Director

Heng Joo Joe Sim
Non-Executive Director

Indrajit Banerjee
Independent Director

Joerg Ayrle
Non-Executive Director

Dr. Kelvin Loh Chi-Keon
Non-Executive Director

Shailaja Chandra
Independent Director

Suvalaxmi Chakraborty
Independent Director

Takeshi Saito
Non-Executive Director

BOARD OF DIRECTORS

SRL LIMITED

Ravi Rajagopal
Independent Director, Chairman

Dr. Ashutosh Raghuvanshi
Non-Executive Director

Dilip Kadambi
Non-Executive Director

Heng Joo Joe Sim
Alternate Director to
Dr. Kelvin Loh Chi-Keon

Dr. Kelvin Loh Chi-Keon
Non-Executive Director

Praneet Singh
Non-Executive Director

Srinivas Chidambaram
Non-Executive Director

Suvalaxmi Chakraborty
Independent Director

FROM THE CHAIRMAN'S DESK

> At the peak of this pandemic, the Company reserved 1,600 beds for COVID-19 patients. Currently, 23 Fortis hospitals are also proactively partnering with the Government in the vaccination drive across the country.
>
> Ravi Rajagopal

Dear Shareholders,

At the outset, I would like to express my deepest gratitude to all our clinicians, healthcare and administrative members of the Fortis fraternity for their tireless efforts and unceasing commitment in treating patients infected by the novel coronavirus. Working collaboratively with the Central and State Governments, Fortis ensured full compliance with all institutional guidelines, prioritising, and maintaining patient safety, as protocols for management of patient care and hospital operations evolved continuously throughout the past year. In the last one year, over 33,000 COVID-19 patients were successfully treated and discharged, over 1.18 lakh patients were treated at the flu clinics/OPDs, and approx 2.5 million COVID-19 molecular and serology tests were conducted by our partner, SRL Diagnostics. At the peak of this pandemic, the Company reserved 1,600 beds (40% of beds available) for COVID-19 patients. Currently, 23 Fortis hospitals are closely partnering with the Government in the vaccination drive across the country. The remarkable leadership, vision and foresight of our Medical Council (our governance body overseeing clinical practices), has ensured that the best-in-class protocols are in place, leading to desired outcomes.

FY 20-21 has truly been a challenging year. Multiple preparation efforts at several levels from March 2020 ensured that all our units across the country could effectively confront the surge of infections. Our operations were impacted severely during the countrywide lockdown. Postponement of non-COVID-19 services and elective surgeries for over three months resulted in reduced activity. The modest recovery of the overall business from September onwards meant we saw revenues decline when compared with the previous financial year. However, the management's focus, with full support from the Board, on productivity and cost efficiency measures, improving cash generation and liquidity, made considerable difference. We used the crisis to good measure to improve clinical practices and governance protocols ensuring high-quality outcomes. All these helped us bring the business to near normal levels by end of FY21.

Keeping in mind the needs of both COVID-19 and non-COVID-19 patients, there have been various new initiatives in the past year. To mention a few, Fortis Hospital, Vadapalani, a 250-bedded (with 35 operational beds currently and the rest scheduled to open in FY-22) multispeciality hospital was opened in October 2020 as the second Fortis facility in Chennai. An endoscopy unit was inaugurated at Fortis Hospital, Bannerghatta Road, Bengaluru, along with Karnataka's first state-of-the-art advanced Biplane Cath Lab to

provide safer care for neurovascular disorders. The Fortis National Mental Health Programme launched Sukoon Health, a dedicated in-patient psychiatric hospital, under the Department of Mental Health and Behavioural Sciences. Fortis Anandapur, Kolkata, launched the city's only Dual Source Dual Energy Somatom Drive CT scanner, making it a fast and clinically superior means of diagnosis for geriatric, paediatric and trauma patients. Fortis Hospital, Mulund, Mumbai introduced Central Mumbai's first Tesla Advanced Biomatrix MRI to ramp up the Radiology offerings. Additionally, 13 SRL laboratories for COVID-19 RT-PCR testing were added over a span of 9 months bringing the total (across the country) to 15 and 498 collection centres were added to the network to improve reach and access.

On the digital front, our telemedicine and video-based consults increased rapidly across the Fortis network amidst the pandemic, touching a peak of 15% of total consults – one of the highest across the country. We successfully rolled out our in-house, customised HIS platform, OneFortis, enabling a seamless experience for patients, employees, vendors, and other stakeholders across the network. The MyFortis platform customer lifecycle management will be fully integrated with other Fortis digital systems in the coming months. These and other initiatives around data analytics will help build an organisation that is technologically future ready and able to meet the rising demands of 21st century patients, clinicians, and employees. SRL diagnostics also developed its technological infrastructure to handle the surge in testing, specifically with respect to home collection. Technology such as AI tools, data analytics, and ChatBots were leveraged to improve customer experience and ensure the safety of those conducting the tests. In the last quarter, there was a massive spurt in the number of people signing up on the SRL mobile app. Today, roughly 3.3 million patients have an SRL Diagnostics mobile app.

With regard to the open offer from IHH Berhard, the matter is sub-judice due to a Supreme Court order, but hearings have concluded. Orders have been reserved and we are hopeful of clarity once the summer recess is over. Further details are mentioned in the Directors Report under the sub-heading 'Significant Matters during the year under review.'

The Company's Board of Directors had initiated additional procedures/enquiries of certain entities in the Group that were impacted by the matters earlier investigated by an external legal firm. This was done considering that the earlier investigation was subject to the limitations of information available to the external legal firm and their qualifications and disclaimers, as described in their investigation report. The additional procedures/enquiries were conducted by Ernst & Young LLP and were satisfactorily concluded during the year.

We also welcomed the appointment of two new Additional Directors (non-executive) – Ms Shailaja Chandra, former Secretary in the Health Ministry GOI, writer and policy analyst and civil servant having more than 40 years in public service, and Mr Joerg Ayrle, Group CFO, IHH Berhard, as a nominee of IHH. The Board have, subject to guidance by the Supreme Court, sought a change in the name and branding of the Company and its hospital subsidiaries to 'Parkway', an acclaimed brand of IHH Healthcare Berhad. Regulatory clearances will be sought in due course. We are also considering name change for SRL and we will advise you in due course.

The Board and the management re-prioritized some of the key strategic areas it had earlier defined for the coming year. For the year 2021-22, our focus would be on revenue growth initiatives, including building our franchise in the catchment areas, engaging with key corporate clients, strengthening community connect and leveraging our digital platforms. We will strengthen key specialties such as cardiology, neurology, oncology, nephrology, and pulmonology by upgrading technology, onboarding clinicians of repute, and renewing our efforts on Cardiology and Orthopedics. We will continue to invest in Oncology, Neuro Sciences, Gastro Sciences and Renal Sciences to improve margins. At SRL, focus will be to continue investment in new-age technologies and innovative diagnostics solutions which will empower clinicians and enable them to collaborate on a real-time basis.

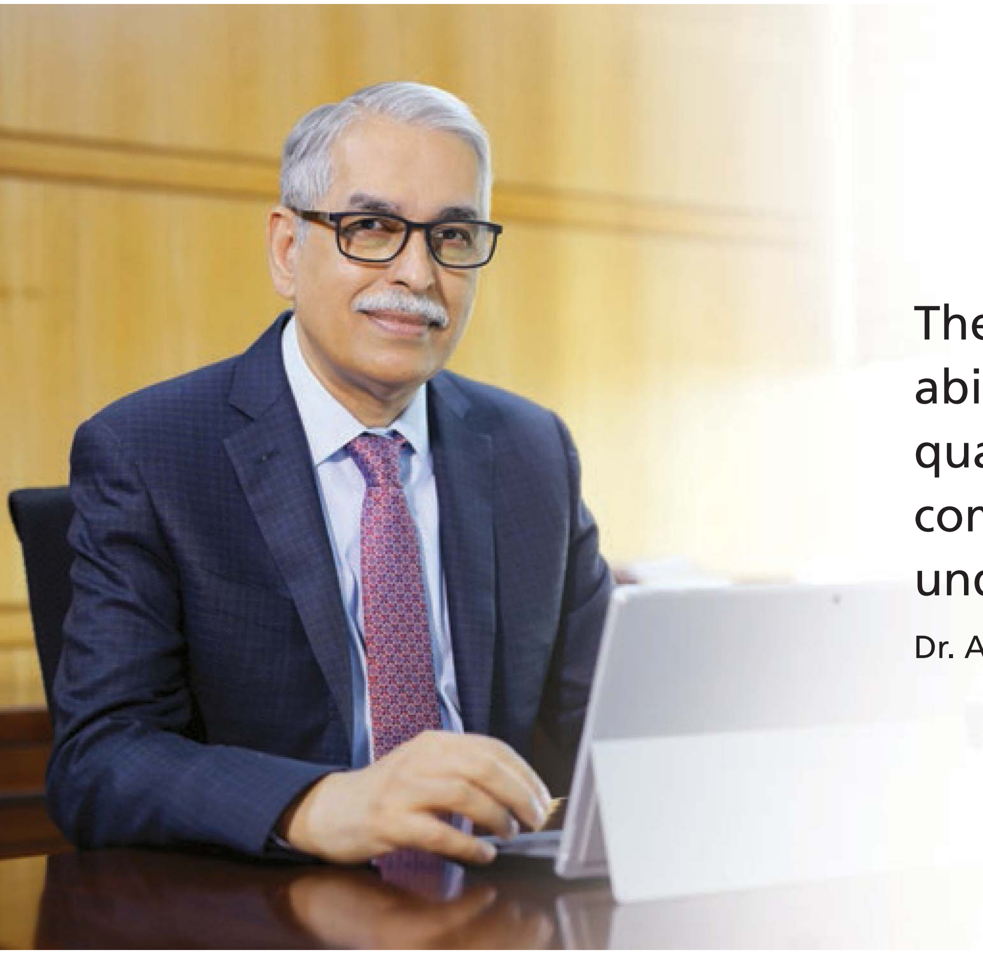
Whilst COVID-19 2.0 has brought in a huge surge of infections, the new wave is being dealt with effectively by our hospitals. The resoluteness demonstrated by our team of doctors, nurses, paramedics and administrative staff makes us confident of gaining patient trust through continued focus on clinical excellence, quality care and patient safety.

Thanks,

Ravi Rajagopal
Chairman

MD & CEO'S MESSAGE

Fortis Healthcare Limited



> The year tested our ability to deliver quality healthcare and compassionate care under duress.
>
> Dr. Ashutosh Raghuvanshi

Dear Shareholders,

I am pleased to present your Company's performance for FY 2020-21. The year has been unprecedented, especially for the healthcare sector across the globe. The COVID-19 pandemic has surpassed any healthcare crisis we have ever witnessed. While the significant loss of lives is very unfortunate, we also had numerous recovered patients walking out of our hospitals. The year tested our ability to deliver quality healthcare and compassionate care under duress. The grit and never-give-up attitude of our clinicians and staff through the crisis-ridden year has not gone unnoticed by the community we serve and has resulted in an exponential increase in the trust we have earned, which is perhaps our greatest gain.

In tandem with the Government authorities, your Company took many steps to efficiently handle the crisis. Over 1,600 beds were allocated across our network for COVID-19 patients. Flu Clinics and Flu Kiosks were launched, and 1,12,000 Tele and Video Consults were conducted, which is one of the highest in the country. Home healthcare packages were provided to patients through our healthcare facilities. We were able to discharge 33,724 COVID-19 patients post treatment whilst our Flu Clinics screened/treated 1,18,836 patients. SRL, our diagnostics business, did approx 2.5 million RT-PCR tests through its network of 15 RT-PCR labs across the country.

On the operations front, our business was impacted significantly in the first half of the year with a drastic reduction in occupancy, particularly in the first quarter of the fiscal. As the lockdown restrictions eased in July 2020, we began to witness a gradual recovery in business through COVID-19 treatments and resumption of non-COVID-19 elective surgeries and services. Our occupancy improved from 37% in Q1 to 64% in Q4 with the overall occupancy for the year at 55% versus 68% the prior year. This resulted in consolidated revenue from operations of ₹ 4,030 Crores for FY21 with 11.2% operating margins as compared to ₹ 4,632 Crores in FY20 and 14.3% operating margins.

Being aware of the challenging environment, we had prudently initiated timely steps early in FY21 to ensure business sustainability. A slew of cost reduction measures were initiated with the support of employees with a focus to ensure liquidity and continuity of operations. During the course of the second half of the year, as business recovery gathered momentum, the Company re-initiated its growth and investment plans, which are currently underway. These include an addition of 1,300 beds over the next 3-4 years in select facilities such as Shalimar Bagh, Noida, FMRI, Mulund, Mohali, Anandapur and a few others. We inaugurated the much-awaited Fortis Hospital, Vadapalani, our second facility in Chennai, in October 2020 in the presence of the former Hon'ble

Chief Minister of Tamil Nadu. The grand, 250-bedded multi-speciality hospital with state-of-the-art medical equipment, quaternary care capabilities and a superb clinical team has commenced full-fledged operations. With a steadfast focus on clinical excellence, we added new clinical offerings enabling us to further bridge the gap between healthcare needs and services provided to our patients. Fortis Escorts, New Delhi, became one of the first centres in India to launch Laser Atherectomy to treat complex cardiac blockages. Fortis Memorial Research Institute, Gurugram, launched a dedicated Paediatric Solid Tumour Clinic to treat a variety of malignancies in children. Fortis Hospital, Shalimar Bagh, New Delhi, launched a Sports Injury Clinic. We would continue to assess all our hospital assets across the network so as to optimally leverage our presence in select geographies including evaluating underperforming assets, investing in high potential facilities and further upscaling well-performing facilities across the network.

I am pleased to also share that our diagnostics business, SRL, has weathered the year gone by admirably well. While Q1 was severely impacted by the pandemic; beginning Q2, the recovery in the diagnostics business was sharper and faster than witnessed in hospitals. This was led by rising test volumes both for COVID-19 and non-COVID-19 tests. With a new leadership at the helm, SRL's strategic imperatives of customer and channel focus, patient serviceability and test offerings have further been fine-tuned to ensure a sustainable and stronger business momentum which has been aptly reflected in the healthy growth trajectory witnessed through the year. Towards the year-end, we announced and completed the acquisition of the 50% balance stake in our DDRC-SRL joint venture, further consolidating SRL's presence in Kerala and increasing its B2C component. This will help us to further supplement our channel strategy and enable us to leverage our size, scale and test repertoire in Kerala and other markets in South India.

During the year, your Company also achieved certain key milestones to become a digital-first organisation. We were able to roll-out our in-house, custom developed, Hospital Information System (HIS) platform – OneFortis across the network. All Fortis hospitals are now using a single platform with uniform processes and data definitions enabling a seamless experience for patients, employees, vendors and other stakeholders across the network. In addition, we are also focusing on creating a unified platform for customer lifecycle management – MyFortis. The app will offer a one-stop shop solution for patients to book appointments for consultations/diagnostics, store and view medical records, conduct tele/video consults and organise medicine delivery among other features. This will be a fully integrated digital system. We also rolled out our data analytics through a new Business Intelligence platform during the year which we will continue to build to further strengthen our operations.

Overall, despite the constrained environment, we were able to successfully manage our liquidity position by extending cost rationalisation initiatives, including voluntary salary reductions, lower administrative, sales and marketing costs and undertaking only necessary capex allocation. In addition to this, better working capital management, availability of bank funding and a gradual improvement in business momentum enabled the Company to successfully navigate the challenges in the past year.

Last year, the Board gave approval for the change in the name and branding of the Company and its subsidiaries to 'Parkway,' an internationally acclaimed brand in the field of healthcare, belonging to IHH Healthcare Berhad, the current promoters of Fortis Healthcare. The key considerations for the name change are - a market research conducted by the Company, expiry of the current brand license agreements in April/May 2021 and most importantly, the need to disassociate the company completely from its erstwhile promoters.

SRL Limited would no longer be using the brand 'SRL' and would seek to develop a new neutral brand name and identity, unrelated to the IHH group, for use in the diagnostics business. These changes are subject to guidance by the Hon'ble Supreme Court of India.

Currently, on the legal front, while the open offer is sub-judice, IHH has reiterated its commitment to growing our hospital chain and remains our largest shareholder, continuing to support our growth plans.

Our focus on improving efficiency and patient satisfaction has won us a number of prestigious recognitions. Fortis Escorts Heart Institute, Okhla Road, New Delhi, was featured in Newsweek's Best Hospitals 2021 - Top Specialised hospitals list for the Cardiology speciality. Fortis Memorial Research Institute, Gurugram, at Rank 23, was the only Indian hospital to be listed in Newsweek's top 25 'World's Best Smart Hospitals 2021.' In addition, four Fortis hospitals were named among the best hospitals in India by Newsweek. Fortis Flt. Lt. Rajan Dhall Hospital, Vasant Kunj, New Delhi, Fortis Memorial Research Institute, Gurugram, Fortis Hospital, Mulund, Mumbai and Fortis Malar Hospital, Chennai, were ranked 13th, 16th, 22nd and 34th in the country respectively. The Department of Urology at Fortis Hospitals, Bengaluru, was ranked 7th in the country and 3rd in South India by the Times Health Survey - All India Critical Care Hospital Ranking Survey – 2021. Fortis Hospital, Mohali, won the National Award for Excellence in Energy Management for the record sixth time.

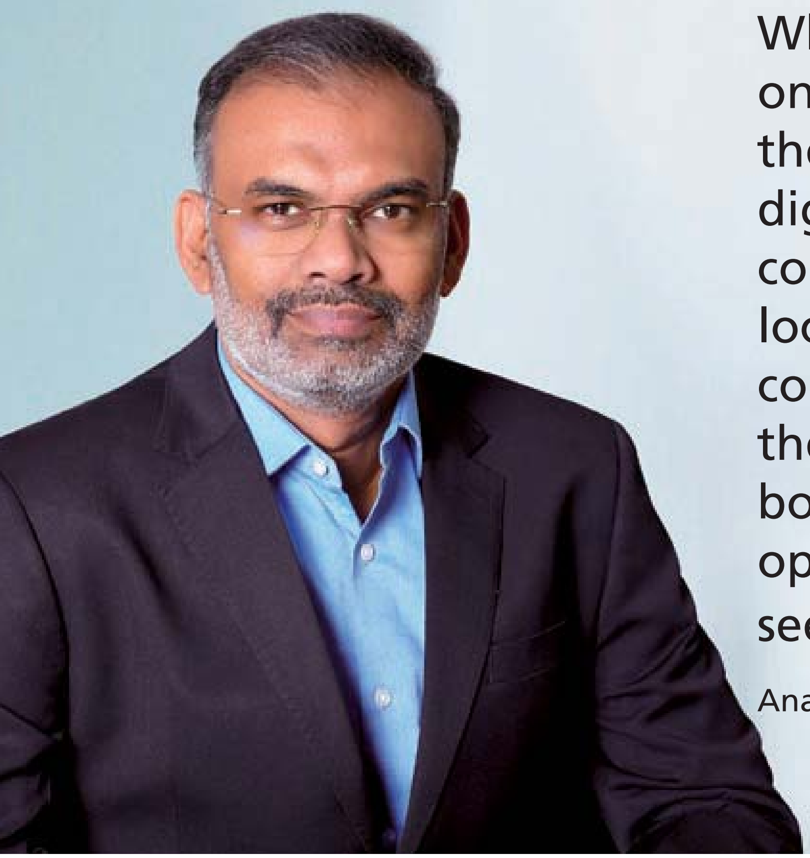
In conclusion, I would like to reiterate our focus on quality patient care, innovation and continued pursuit of medical excellence. In this regard, we will continue to build upon our team of exceptionally committed clinicians, nurses and para-medical staff to deliver world-class patient care services. We will also continue to provide a safe environment for patients and employees alike.

Thank you for your trust and confidence in us – we hope to remain worthy of it.

Dr. Ashutosh Raghuvanshi
Managing Director and Chief Executive Officer

CEO'S MESSAGE

SRL Limited



> While the country was already on the digital-first trajectory, the pandemic accelerated the digital adoption amongst the consumers. The compulsions of lockdown and later the fear of contracting the disease turned the consumers towards online booking of tests through apps, opting for home visits and seeking soft copies of reports.
>
> Anand K

Dear Shareholders,

As I reflect on a uniquely challenging year, one thing is clear – we have all been impacted by COVID-19. Your Company has the utmost respect and gratitude for healthcare professionals around the world who are caring for patients, as well as for scientists who are finding ways to end the pandemic.

As we review our performance for the year dominated by the pandemic, I feel proud of the resilience and agility of our people who continued to make progress in reimagining diagnostics. In challenging circumstances, they responded as heroes, by developing COVID-19 tests, building test capacity, innovating new testing models with our retail partners, transporting samples, delivering results, and of course, supporting our customers. In FY 20-21, SRL Diagnostics was not just one of the first labs to bring critical COVID-19 testing to our country, but your Company also delivered the highest number of COVID molecular and serology tests along with record revenues for the third and fourth quarter.

This was also a year when diagnostics and healthcare saw long overdue impetus toward meaningful change. As this catastrophe unfolded, it was abundantly clear that the diagnostics sector is – and always will be – the first step to effective disease management. Therefore we kept our services moving nationally, uninterrupted, without skipping a beat even during the lockdown. As a result, we finished the year as one of the country's leading providers of COVID-19 testing with steady growth throughout the second half of the year.

Reflecting on last year, as the nation underwent a lockdown in mid-March, the diagnostic industry faced multiple changes and developments. The industry faced a massive decline in the B2C business as the footfall of walk-ins fell drastically and combined with restrictions on elective and OPD services at hospitals and clinics, B2B businesses were majorly affected in Q1 as well. However, we gained momentum in Q2 and were able to reach our pre-COVID numbers for our non-COVID business in October. Along the way, we've also developed and introduced several innovations that are contributing towards the country's ability to return-to-work and travel across the country. In FY 20-21, we performed approximately 2.5 million COVID-19 molecular and serology tests, more than any other provider. At the same time, we also stayed focused on our long-term goals and continued to invest in key initiatives to support sustained growth. Our business rebound in FY21 despite significant challenges and ongoing uncertainty across the industry. Except for the setback in Q1, for the 9 months (July'20 - March'21), SRL registered a revenue growth of 18% and an EBITDA growth of 48%. Understanding the needs of our consumers during these unprecedented times, we have also scaled up our home collection services to serve more and more patients through our Home visit model, considering their safety. Today SRL is offering home collection service in 90 cities/ districts. And our home collection visits increased by 2.5x versus Q4FY20.

2.5 Million

COVID-19 molecular and serology tests performed in FY 20-21 – higher than any other provider

MANAGEMENT COMMUNIQUE

Alongside, we have improved our B2C salience from 42% to 44%, which was achieved due to the growth in an asset-light model like Collection Centers & Home Collection.

From a two-lab setup at the beginning of the year, we scaled our COVID-19 RT-PCR testing capacity to 15 RT-PCR labs across the length and breadth of the country, in a span of 6-9 months. Not only in India, but we are also serving customers internationally for COVID related tests. Our CAP-accredited lab in Dubai is now certified to carry out COVID-19 RT PCR tests in the city. With the second wave hitting villages in India, we plan to increase accessibility and improve turn-around time in semi-urban and rural areas, by adding 5 more RT PCR labs along with more drive through sample collection sites across the country. We continue to serve close to 20,000 doctors and 11 mn patients through our network of 2,257 customer touchpoints. In FY 21, we added 498 new collection centres to our network. With our stringent focus on quality and compliance, we have 48 NABL accredited labs in our network, the highest in the country.

Furthermore, we are leveraging technology such as AI tools and ChatBot to improve the customer experience. While the country was already on the digital-first trajectory, the pandemic accelerated digital adoption amongst the consumers. The compulsions of lockdown and later the fear of contracting the disease turned the consumers towards online booking of tests through apps, opting for home visits and seeking soft copies of reports. Therefore, we invested in enhancing our customer support systems and improving our digital functionalities to cater to this demand. The investments that we made in strengthening our home collection services are playing an important role in adhering to social distancing norms as well. During FY 21, we saw more and more people booking tests online for home visits. In the last quarter, we saw an acceleration in the number of consumers signing up for our mobile app. Today, roughly 3.3 million patients have an SRL Diagnostics mobile app.

We continued to make progress on our strategic priorities. I am happy to announce that our company's shareholders have approved the acquisition of the balance 50% stake in DDRC SRL Diagnostics Private Limited (DDRC- SRL) and the same has been successfully completed in April' 21. This acquisition consolidates SRL's leadership position as the second-largest diagnostic player by revenue and largest Path lab chain with the highest (426) number of labs across the country. Earlier, South India was our weakest link but with this acquisition, we have considerably improved our market share in South India and we become the largest player in South and a true pan-India player with equitable distribution across all geographies. This is a testament to the outstanding team we have assembled, the rapidly scaling business we have created, and the advanced diagnostics solutions we have developed.

In 2021, as the world continues to remain in the grip of COVID-19, we still have reasons to be optimistic. The pandemic has demonstrated what is possible when human resilience and collaborative knowledge rise to the occasion. SRL will continue to deliver on our purpose to help people on their path to better health. Keeping this philosophy at the centre, this year, we have cemented a new vision and mission statement for the company. Our new vision seeks to carry the torch high for quality and innovative diagnostics solutions into the future. This new vision acknowledges that the spirit of SRL is not rooted in a particular product or a place but in the patients' and customers' experiences of SRL. In the future, we will provide our customers with an unparalleled experience as their most trusted and dynamic partner. We will also continue to enable doctors to make informed clinical decisions, and empower them with digital and new-age technology platforms. I am grateful to our stakeholders, who have shown unwavering faith in our long-term strategy.

To give you a better insight into the new-age technologies implemented, we are integrating AI and data analytics to help us improve testing. We have completed the development of an Artificial Intelligence algorithm, in partnership with Microsoft for automated scanning of Liquid Based Cytology (LBC); Whole Slide Images (WSI) used in screening for cervical cancer. The

LBC AI algorithm identifies 20 regions of interest in an LBC WSI to assist a cytopathologist in diagnosing a case quicker and in a standardised manner. To empower our pathologists to read images remotely and enable real-time virtual collaboration between teams, we have set up a Digital Pathology network in Gurugram, Mumbai and Bangalore. In addition, we have also established an advanced centre for Genomics at our Mumbai reference laboratory that can provide solutions to clinicians through precision diagnostics for personalised medicine in areas of Oncology, reproductive medicine, infectious diseases and inherited disorders.

I am humbled to be given the responsibility of taking SRL into the future with a fresh perspective and a new vision – to achieve new goals, scale new heights and create an even stronger legacy. For a large organisation with global operations, we are remarkably agile, and this is reflected in our decisions and initiatives from time to time - be it the portfolio revamp that has taken our consumer business to greater heights, or the digital transformation that is paving a smoother transition for business continuity during the lockdown.

The resilience and agility, together with the forward-thinking vision and the talent of our team, will chart the way for your Company's outstanding performance in the months and years to come. With hopes in our hearts, we look forward to better days!

Regards,

Anand K
Chief Executive Officer - SRL Limited

A CLEAR AND COMPELLING PURPOSE

In a year which was deeply unstable and ended in a national crisis, a sense of a clear and compelling purpose was critical in keeping our organisation focused. At Fortis, we acknowledge the efforts of our heroes – doctors and nurses – who selflessly encountered the uncertain scenarios and responded to the health emergencies resulting from this pandemic.

COVID-19 AND OUR RESPONSE

DEDICATED TO SERVE RESPONSIBLY

A two-month-old COVID-19 positive infant suffering from congenital heart defect underwent a successful surgery at Fortis Escorts Hospital, Jaipur.

(December 2020)

A **68-year-old COVID-19 positive patient was nursed back to health** after 80 days of hospitalisation by a team of doctors, nurses and caregivers at Fortis Hospital, Bannerghatta Road, Bengaluru.

(June 2020)

6.4 Million

COVID-19-related tests conducted as on May 31, 2021

3.8 Million

COVID RT-PCR tests as on May 31, 2021

15 Labs

Conducting RT PCR tests

Early diagnosis and **treatment of Multisystem Inflammatory Syndrome-C (MIS-C), a life-threatening post-COVID-19 complication,** at Fortis Hospital, Shalimar Bagh, New Delhi, led to the complete recovery of six affected children.

(February 2021)

An 82-year-old patient with underlying lung and heart conditions, hypertension and diabetes recovered from COVID-19 infection after treatment at Fortis Hospital, Anandapur, Kolkata. The patient stayed in the hospital for 24 days, which included two extremely critical stints in the ICU.

(April 2020)

Doctors at Fortis Memorial Research Institute (FMRI), Gurugram, **treated a 44-year-old male patient with severe post-COVID lung fibrosis by instilling a medicine used to break down blood clots in the patient's lungs**. Such novel and innovative use of thrombolytic for treating pneumothorax has not been previously reported.

(December 2020)

Doctors at Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj, New Delhi, successfully treated a **47-year-old COVID positive patient, who had developed the rare Guillain–Barré Syndrome (GBS) after contracting the COVID-19 virus.**

(November 2020)

A 49-year-old male COVID-19 patient with Bilateral Pneumonia and uncontrolled Type 2 Diabetes Mellitus was discharged from Fortis Escorts Hospital, Faridabad, after 11 days of treatment. The patient had severe respiratory failure and was managed with the help of high flow nasal cannula (HFNC).

(July 2020)

A 39-year-old male who had tested positive for COVID-19, returned home after spending 24 days at Fortis Hospital, Mulund. The patient had been critically ill and had to be treated in the ICU.

(April 2020)

'Helmet Masks' were used at Fortis Hospital, Noida, to successfully support COVID-19 patients. The masks were used on 10 patients suffering from extensive pulmonary disease due to COVID-19, who were unable to tolerate conventional non-invasive ventilation.

(July 2020)

SRL Diagnostics became one of the first labs to bring critical COVID-19 testing to our country. **SRL was also a pioneer in launching COVID-19 sample collection drive through sites and mobile vans in Gurugram, Chandigarh Tri-city, Mumbai and Chennai.** This concept was used to fast-track sample collection for COVID-19 and also makes it safer for the patient and the healthcare worker.

(April 2020)

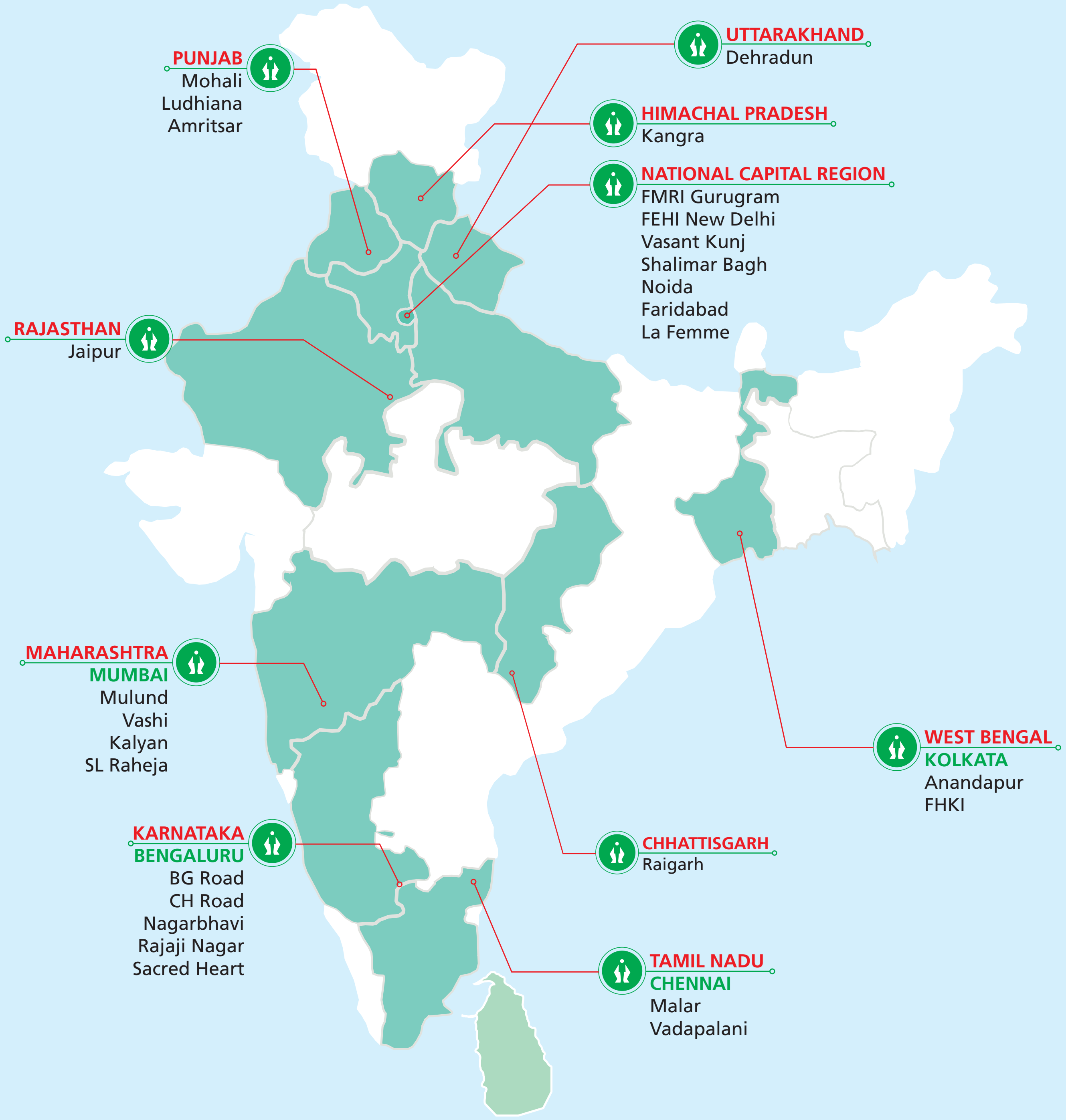
6

Drive through launched in metro cities

2.5 K+

Home visits per day

FORTIS HOSPITAL NETWORK



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

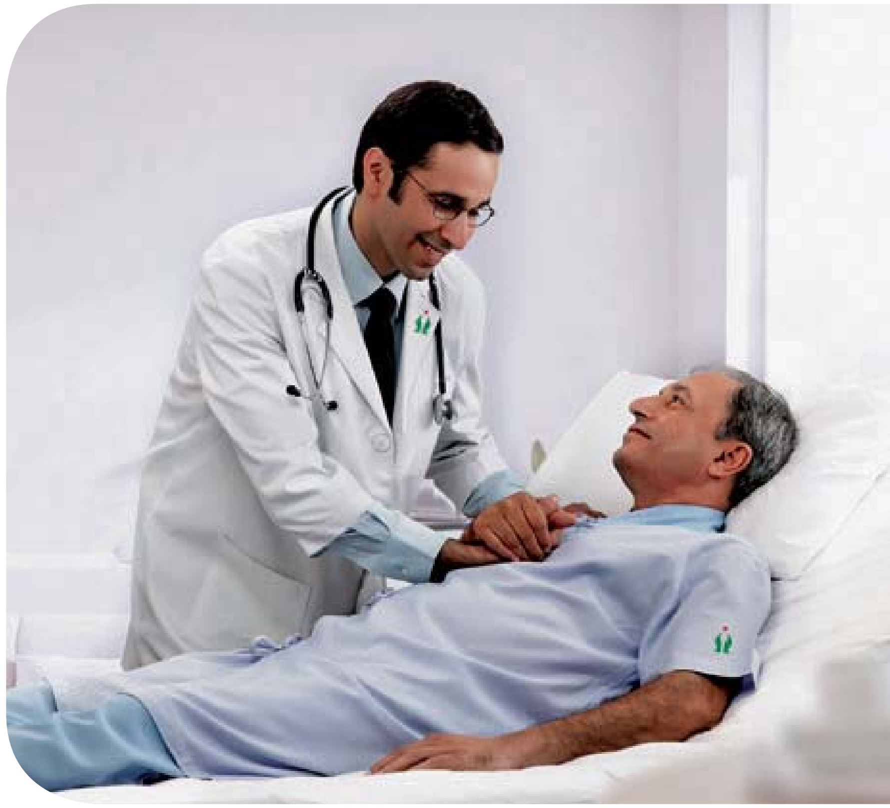
INSPIRING TRUST ACROSS THE NATION

27
Hospitals

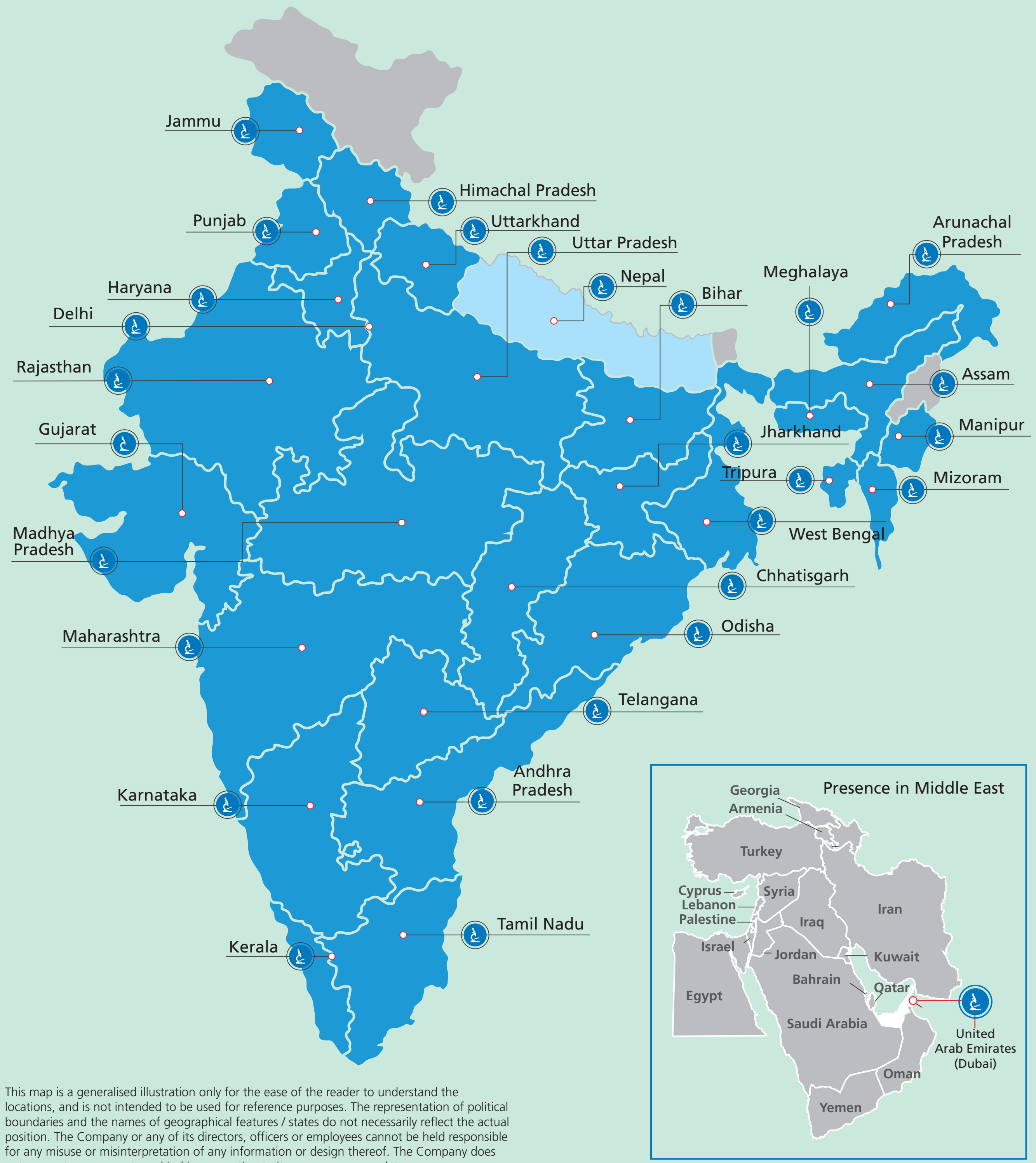
5,000+
Doctors

6,000+
Nurses

4,100+
Operational beds



SRL DIAGNOSTICS NETWORK



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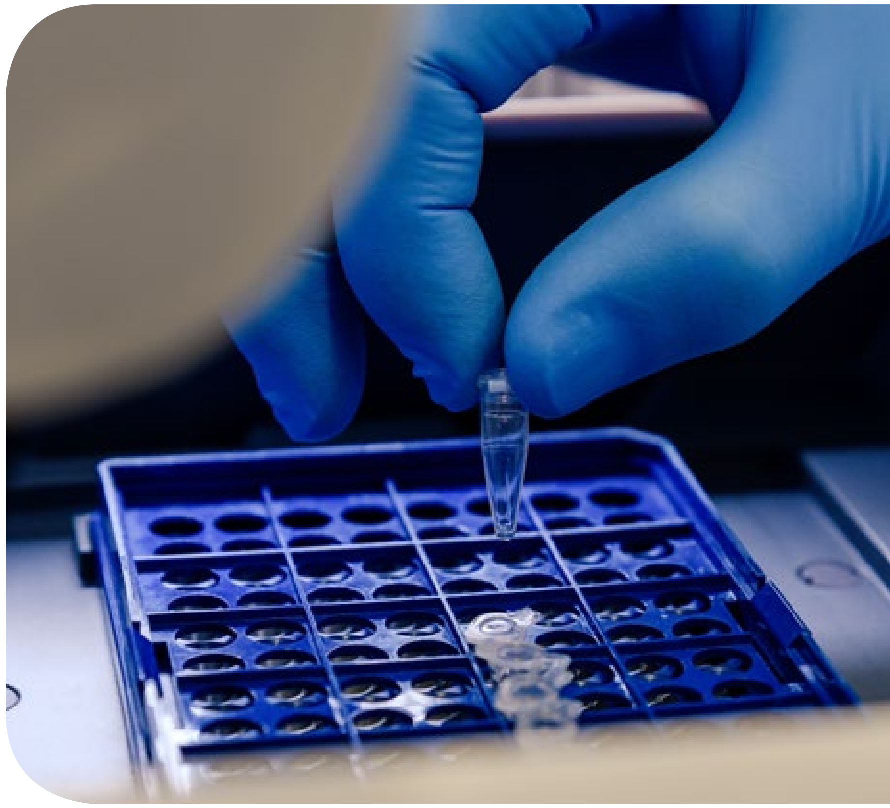
INSPIRING TRUST ACROSS THE NATION

425+
Labs

2,250+
Customer touch points

400+
Doctors

3,500+
Lab technologists



FORTIS HOSPITAL NETWORK


Fortis Hospital, Ludhiana


Fortis Escorts Hospital, Amritsar


Fortis Hospital, Mohali


Fortis Escorts Hospital, Dehradun


Fortis Escorts Hospital, New Delhi


Fortis Flt. Lt. Rajan Dhall Hospital, New Delhi


Fortis Hospital, Shalimar Bagh, New Delhi


Fortis La Femme, New Delhi


Fortis Kangra, Himachal Pradesh


Fortis Escorts Hospital, Faridabad


Fortis Memorial Research Institute, Gurugram


Fortis Hospital, Noida


Fortis Hospital, B.G. Road, Bengaluru


Fortis Hospital, C.H. Road, Bengaluru


Fortis Hospital, Nagarbhavi, Bengaluru


Fortis Hospital, Rajajinagar, Bengaluru


Fortis Sacred Heart, Richmond Road, Bengaluru


Fortis Hospital, Vadapalani, Chennai


Fortis Malar Hospital, Adyar, Chennai


Fortis Hospital, Anandapur, Kolkata


Fortis Hospital & Kidney Institute, Kolkata


Fortis OP Jindal Hospital & Research Centre, Raigarh, Chhattisgarh


Fortis Hospital, Kalyan, Mumbai


Fortis Hospital, Mulund, Mumbai


SL Raheja Hospital, A Fortis Associate, Mahim, Mumbai


Fortis Hospital, Vashi, Mumbai


Fortis Escorts Hospital, Jaipur

OUR TRANSFORMATION

THE NEW JOURNEY

- IHH infuses approx. ₹ 4,000 Crores in Nov 2018 for 31.17% stake through preferential allotment and becomes controlling shareholder with majority Board control

- Funds infusion significantly re-capitalises FHL's weak balance sheet, lowers borrowing costs and improves credit ratings. Stronger liquidity enables investments for business operations continuity and capex for growth

- Funds infused by IHH primarily utilised for the acquisition of RHT Health Trust portfolio of assets. This enabled company to consolidate assets of ₹ 4,666 Crores and save on annualised CE fees of ₹ 270 Crores resulting in turnaround in profitability of the Company

- IHH and FHL collaborate in driving higher synergies in areas of medical operations, procurement and supply chain and Information Technology with mutual exchange of best practices

- FHL announces Q4 & FY 2019 results showcasing significant positive impact due to the acquisition of RHT's portfolio of assets

- Company undertakes various transformational initiatives, including a comprehensive portfolio review, cost efficiency initiatives and incorporating an institutionalised governance framework with robust systems and processes

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

- IHH recognised as new promoter of FHL in June 2019

- Company business momentum further accelerates. FY 2020 results witnesses uptick in operational performance. A consistent growth trajectory allows the Company to accelerate its expansion and growth levers and begin a new journey

- FHL commissioned a 250 bedded multi-specialty facility at Arcot Road, Chennai in October 2020. This is the Company's second facility in Chennai comprising state-of-the-art medical infrastructure and offering high-end quaternary care services

- To consolidate its position in the Kerala market and build a strong platform for expansion in other markets in South India, SRL Ltd. acquired the balance 50% equity stake in its existing 50:50 JV i.e. DDRC SRL in Kerala. DDRC-SRL is the largest organised player with a total of 206 labs and 4 CCs in Kerala

- FY 2020-21 witnessed the Company's performance being impacted due to the COVID-19 pandemic. With a well-capitalised Balance Sheet, cost efficiency initiatives and a robust diagnostics business performance, the Company was able to successfully navigate the challenging environment thereby ensuring sustainability and continuity of operations and expansion plans

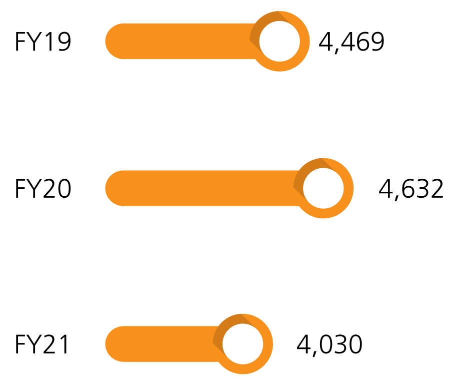
FINANCIAL HIGHLIGHTS

PERFORMANCE SNAPSHOT

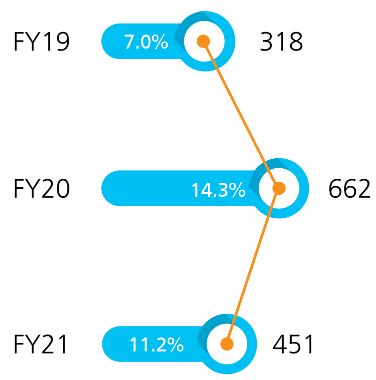
FY2019-FY2021

CONSOLIDATED FINANCIALS

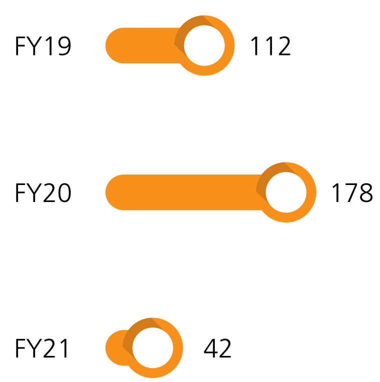
Operating Income (₹ Crores)



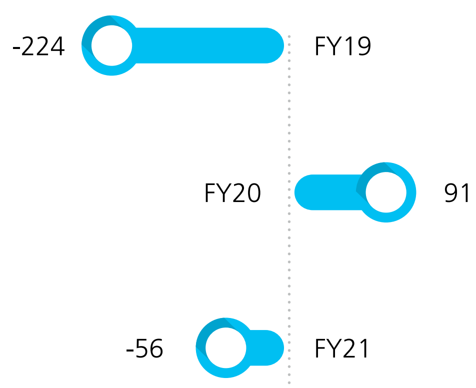
EBITDA (₹ Crores) / Margin



PBT (Before Exceptional Items) (₹ Crores)

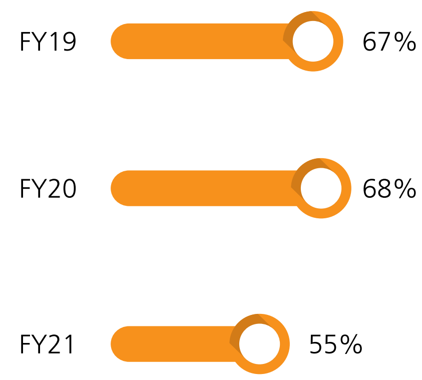


PAT (₹ Crores)

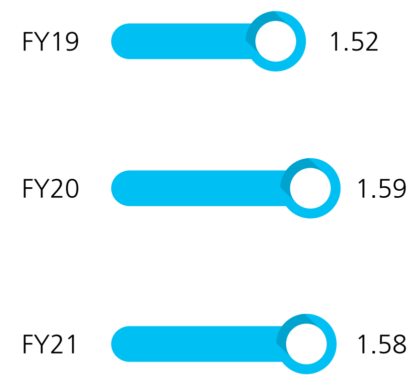


HOSPITAL BUSINESS

Hospital Business Occupancy

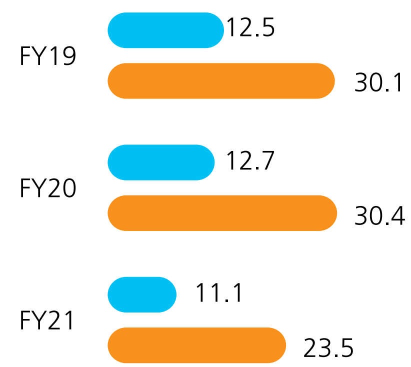


ARPOB* (₹ Crores)

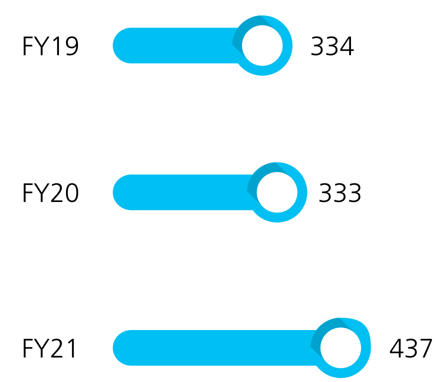


DIAGNOSTIC BUSINESS

No. of Patients (mn) / No. of Tests (mn)



Average Realisation Per Test (₹)

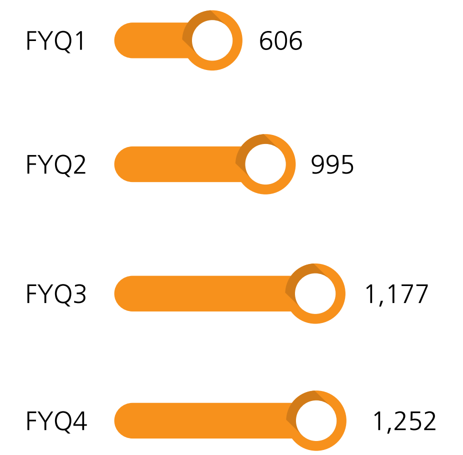


PERFORMANCE SNAPSHOT

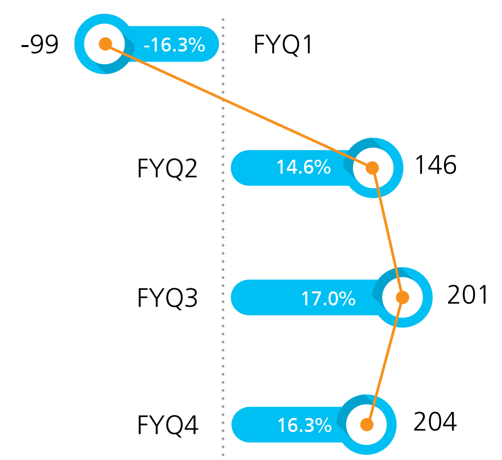
Q1FY2021 - Q4FY2021

CONSOLIDATED FINANCIALS

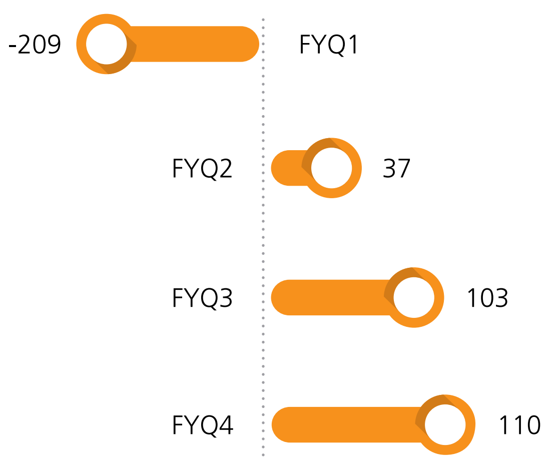
Operating Income (₹ Crores)



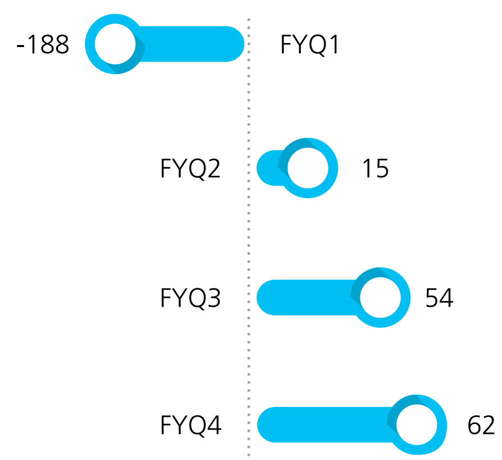
EBITDA (₹ Crores) / Margin



PBT (Before Exceptional Items) (₹ Crores)

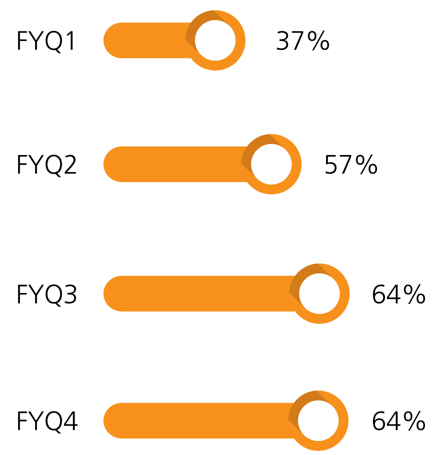


PAT (₹ Crores)

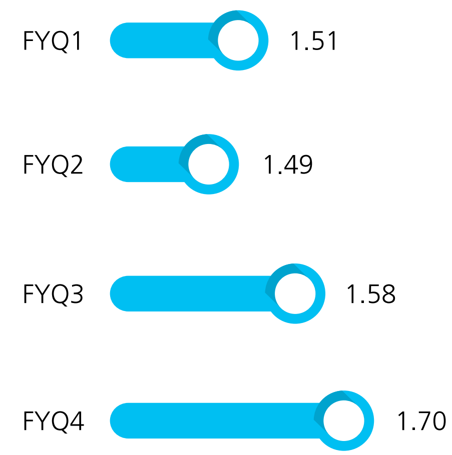


HOSPITAL BUSINESS

Hospital Business Occupancy

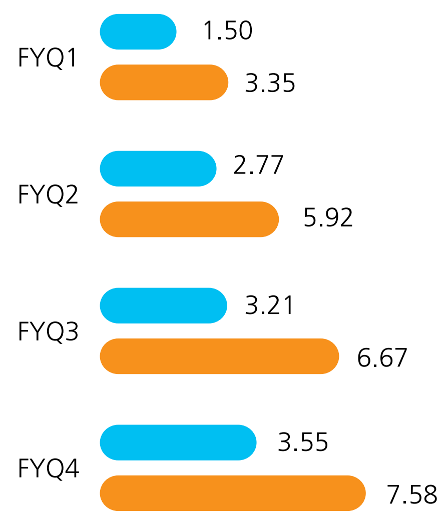


ARPOB* (₹ Crores)

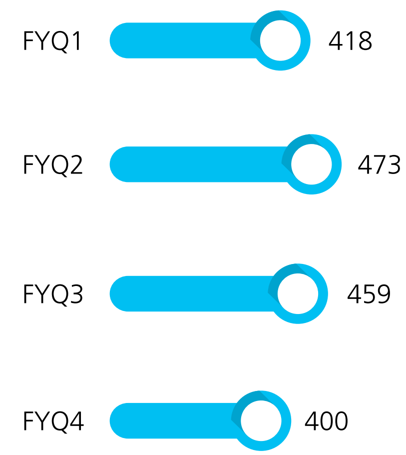


DIAGNOSTIC BUSINESS

No. of Patients (mn) / No. of Tests (mn)



Average Realisation Per Test (₹)



*ARBOP-Average Revenue Per Occupied Bed

NEW CLINICAL OFFERINGS

Fortis Hospital, Vadapalani, a 250-bedded multi-speciality hospital was inaugurated by the former Honourable Chief Minister of Tamil Nadu.

(October 2020)

Fortis Hospital, Shalimar Bagh, New Delhi, launched a Sports Injury Speciality Clinic, to treat sports or exercise related injuries and conditions.

(March 2021)

An Endoscopy unit was inaugurated at **Fortis Hospital, Bannerghatta Road, Bengaluru,** giving a major fillip to the hospital's Medical Gastroenterology Department.

(January 2021)

The Fortis National Mental Health Program launched Sukoon Health, a dedicated inpatient psychiatric hospital, clinically governed by the Department of Mental Health and Behavioural Sciences, Fortis Healthcare.

(October 2020)

Fortis Hospital, Bannerghatta Road, Bengaluru, installed Karnataka's first state-of-the-art advanced Biplane Cath Lab to provide safer care for neurovascular disorders.

(October 2020)

Fortis Anandapur, Kolkata, launched the city's only Dual Source Dual Energy Somatom Drive CT scanner, which is 24 times faster than any other CT scan machine, making it a fast and clinically superior means of diagnosis for geriatric, paediatric and trauma patients.

(January 2021)

A unique Body Plethysmography machine was installed at **Fortis Hospital, Shalimar Bagh.** The equipment, known as Body Box, allows doctors to assess lung function.

(August 2020)

Fortis Hospital, Mulund, Mumbai introduced Central Mumbai's first three Tesla Advanced Biomatrix MRI to ramp up the Radiology offerings.

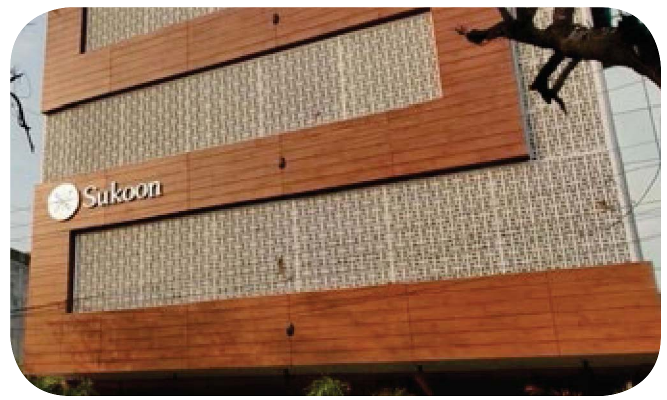
(September 2020)

Sports Injury Clinic, Fortis Hospital, Shalimar Bagh, New Delhi

Endoscopy unit, Fortis Hospital, BG Road, Bengaluru

State-of-the-art 250-bedded Fortis Hospital, Vadapalani in Chennai

Biplane Cath Lab, Fortis Hospital, BG Road, Bengaluru



Sukoon Health, Fortis National Mental Health, Gurugram

SPECIALITY MIX

25%
IPD & Others

17%
Cardiac Sciences

13%
OPD & Others

10%
Oncology

8%
Pulmonology

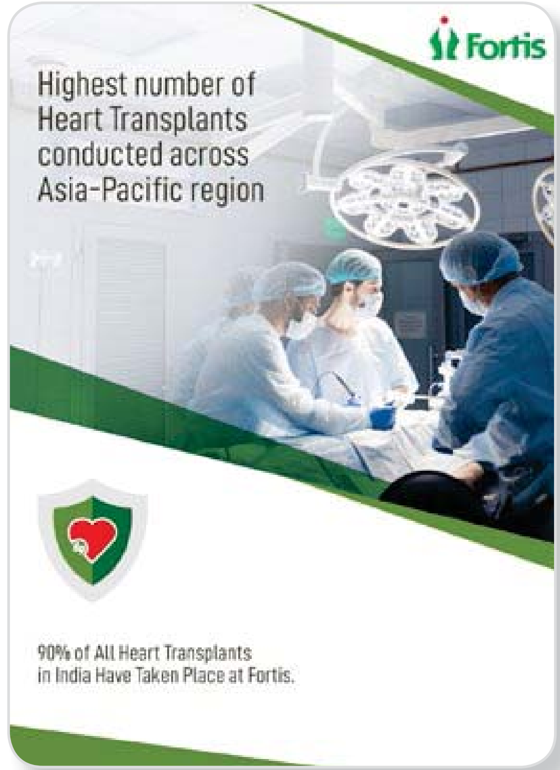
8%
Neuro Sciences

6%
Renal Sciences

6%
Orthopaedics

4%
Gynecology

3%
Gastro Sciences

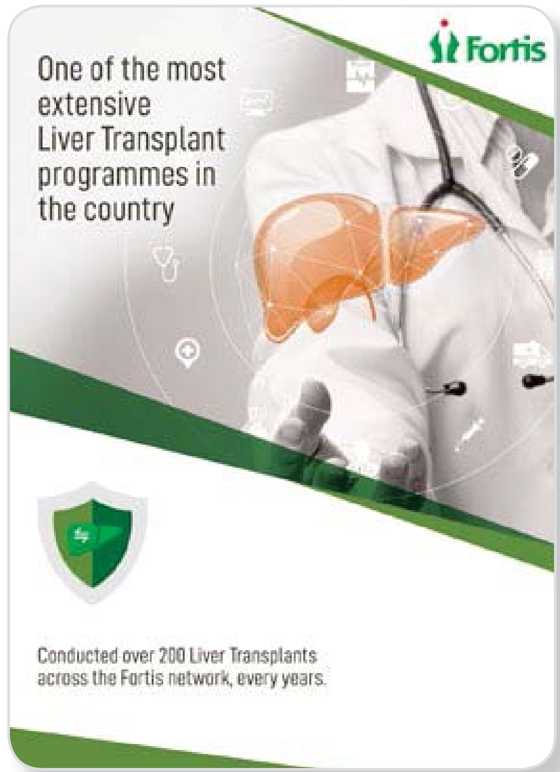


CARDIAC SCIENCES

Adult and Paediatric Cardiac-Sciences PCI

CABG Heart Transplant

Key Hole Minimally Invasive Surgery

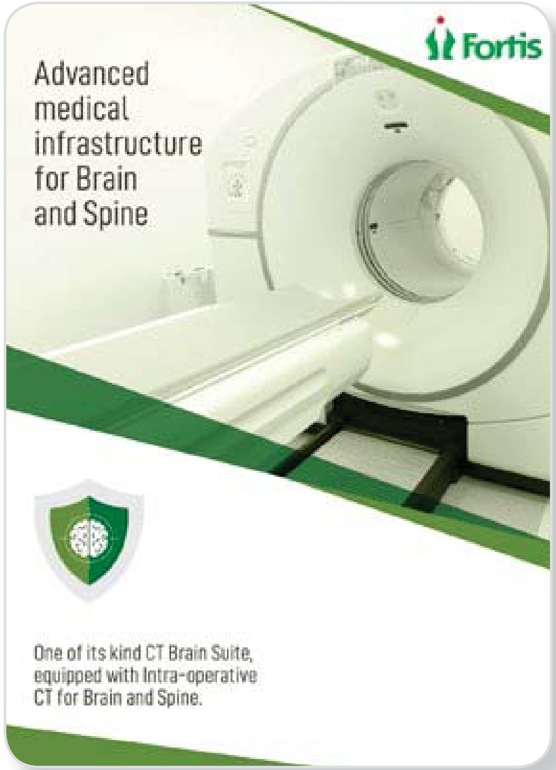


GASTRO SCIENCES

Medical Gastroenterology

Surgical Gastroenterology

CLINICAL FOCUS



NEURO SCIENCES

Tumours

Neurology

Neuro Endoscopic Surgery

Paediatric Neuro Surgery

ONCOLOGY

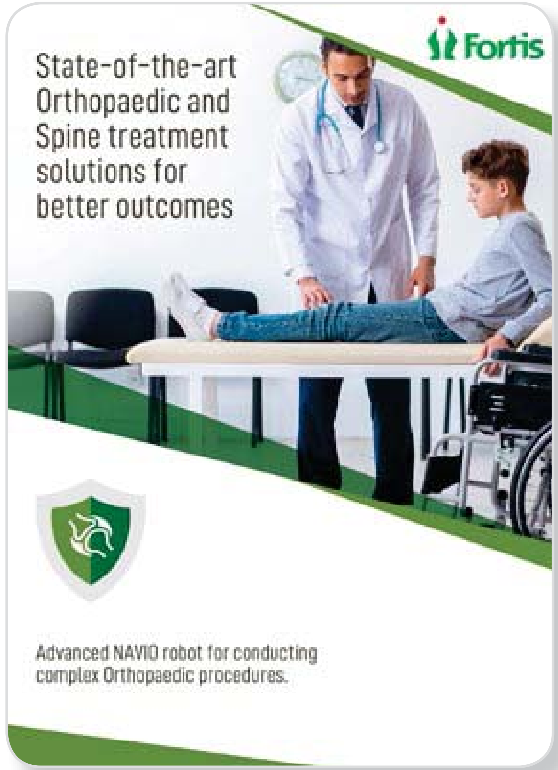
Medical Oncology

Surgical Oncology

Radiation Oncology

Paediatric Oncology

Bone Marrow Transplants

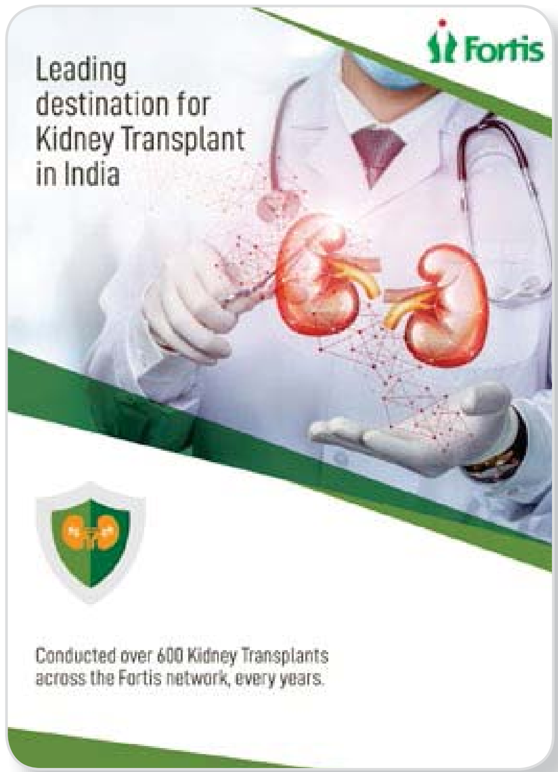


ORTHOPAEDICS

Joint Replacement

Spine Surgeries

Minimally Invasive Spine Surgery



RENAL SCIENCES

Dialysis

Lithotripsy

Minimally Invasive Surgery

Renal Transplants

OPERATIONAL REVIEW

FY 20-21 was a year in which the Company while providing the best possible care to its patients also worked steadfastly to successfully ensure sustainability and continuity of business operations both in the hospitals and the diagnostics business. Growth and expansion, marketing and digitisation initiatives and a wider clinical offering portfolio continued to be the focus areas during the year.

BUSINESS REVIEW SUMMARY

Fortis Healthcare

COUNTERING COVID-19

Fortis fought the COVID-19 war on many fronts. The COVID-19 Expert Group provided strategic guidance as the pandemic evolved while the Speciality Councils drew up speciality-specific strategies. Pre-emptive demand assessment ensured adequate supplies. The Fortis Medical Council and the MD & CEO closely monitored the developments. Learnings were rapidly shared across the network.

INNOVATIONS

Fortis was among the first in India to establish Flu clinics at its hospitals for screening and management of patients.

To further enhance the safety of our staff and patients, Fortis Hospital, Bannerghatta Road, introduced 'Mitra' robot for COVID-19 screening of patients, attendants and hospital staff entering the hospital. The robot used facial and speech recognition for screening visitors for COVID-19 symptoms i.e. fever, cough and cold.

NEW LAUNCHES

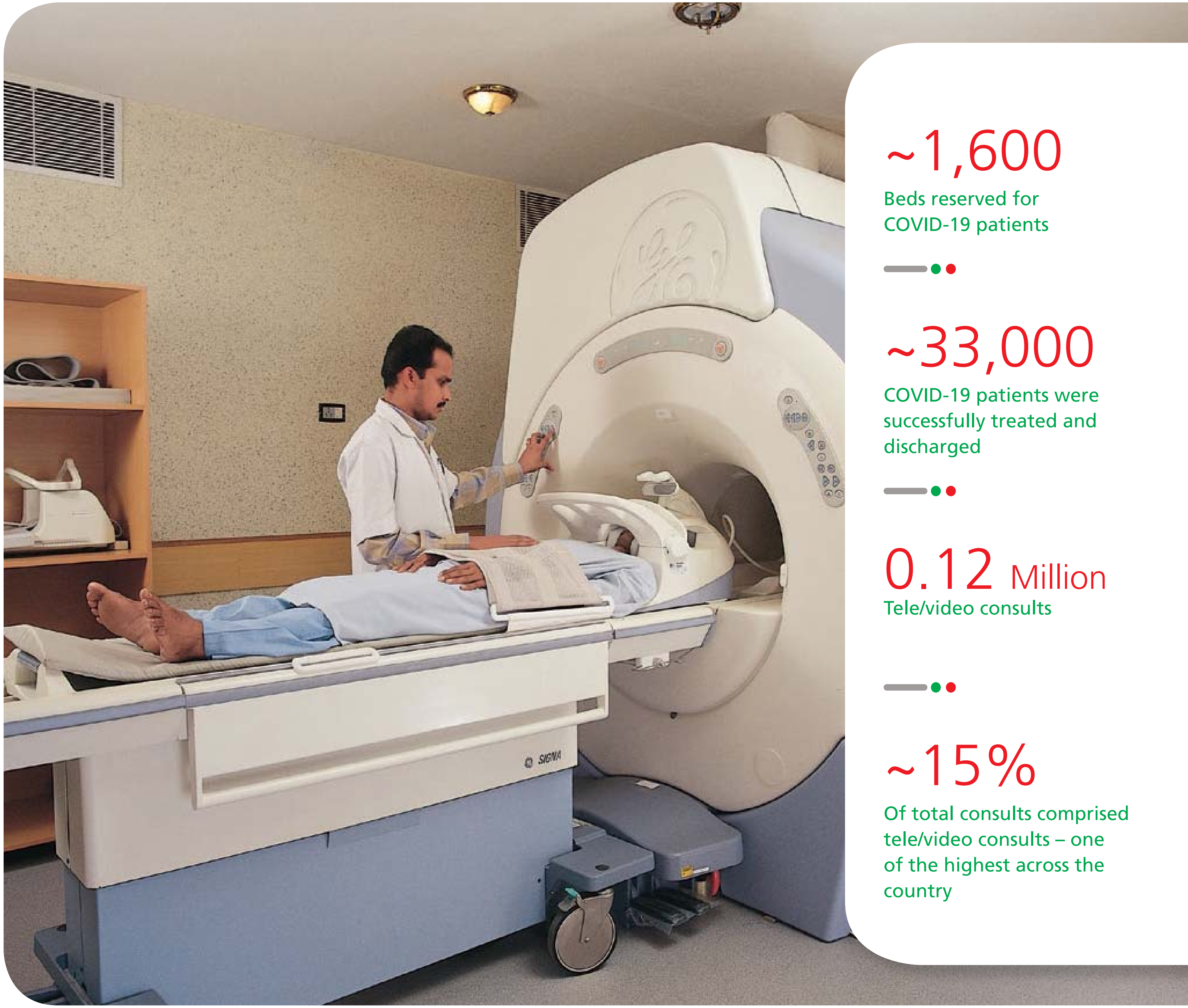
Despite the pandemic, the Company inaugurated its new hospital at Vadapalani in Chennai. Besides, New Medical Programs and Clinical Services were also launched during the year.

DIGITAL

Initiated digital engagement with the patients through telemedicine and video consults; enhanced internal processes by adapting several digital means, and successfully migrated to 'work from home' for employees.

EMPLOYEE WELL-BEING

Introduced additional life insurance coverage and other incentives for doctors, nurses, paramedics and all the frontline workers.



~1,600
Beds reserved for COVID-19 patients

~33,000
COVID-19 patients were successfully treated and discharged

0.12 Million
Tele/video consults

~15%
Of total consults comprised tele/video consults – one of the highest across the country

BUSINESS REVIEW SUMMARY

SRL Limited

COUNTERING COVID-19

Absorbed the economic shock without resorting to government support or no COVID-19-related job losses

NEW LAUNCHES

Launched several new products, new tests and strengthened our foothold in the preventive segment and molecular diagnostics. New tests like NIPS, CMA, eFTS, High-Resolution HLA, COVID-19 - Antigen, Antibody IgG and Total were included

EXPANSION

Expanded retail network by adding 498 customer touch points across key urban and semi-urban cities of India with focused action on building presence in all tier cities

ENGAGEMENT

Continued to engage with customers and medical fraternity despite the challenges induced by the pandemic through strong brand enhancing initiatives. 106 CMEs (continuing medical education) conducted during the year

DIGITAL

Continued to innovate and strengthened digital connect to meet diverse patient needs despite challenging environment. During FY 20-21, 3.3 Million SRL Diagnostic apps were downloaded

EMPLOYEE WELL-BEING

Increased focus on employee well-being and health by implementing several support programs. Vaccination drive was conducted for the frontline workers, support staff and counseling was provided

48

Accredited labs in the network (CAP/NABL/NABH)

2,250+

Customer touch points

11 Million

Patients annually

4,500+

Health camps

~0.2 Million

Consumers/patients screened for various lifestyle disorders

INSPIRING TRUST WITH STATE-OF-THE ART TECHNOLOGICAL INNOVATIONS

At Fortis, we continue to invest in building a robust IT infrastructure and systems to support innovation-driven growth initiatives and performance expectations. These investments are aligned to the IT vision of Fortis and strengthens our competitiveness in serving internal and external stakeholders by offering best in class, cost effective and secured technologies for accessing and rendering services.

FORTIS HEALTHCARE LIMITED

Key Initiatives of 2020-21

ONEFORTIS HOSPITAL INFORMATION SYSTEM (HIS)

OneFortis Hospital Information System (HIS) rollout was completed in November 2020. The indigenous application is built on a robust technological platform with all the prerequisite preventive process controls and exceptions, approved as per organisation's authority matrix. Both, application and infrastructure are scalable to meet additional functional and growth requirements. We have also added new clinical and filling functionalities that are critical for hospital operations.

BLOOD BANK SOLUTION

As a part of consolidation and standardisation drive, we implemented the Blood Bank Solution at three large hospital units within Fortis. We further plan to roll out additional 12 hospital units in the next fiscal.

ORACLE FUSION

We commissioned a new project to migrate the Existing ERP (Oracle E Business Suite) with new Software as a Service (SaaS) ERP Application called Oracle Fusion in FY 21-22. The new ERP will bring in features for **Preventive** and **Realtime** monitoring of financial transactions based on advanced financial controls and addresses conflicts of segregation of duties. It has in-built budgetary controls for expense management, expense analysis and drill down capabilities. It further brings in new age HR Practices in talent acquisition, work force planning and learning and development capabilities. This project will further address the residual gaps highlighted in the 'Strengthening of System Controls' conducted by KPMG. The project also drives the ERP solution towards adoption of standard features of the ERP Application.

BUSINESS INTELLIGENCE SOLUTION PROJECT

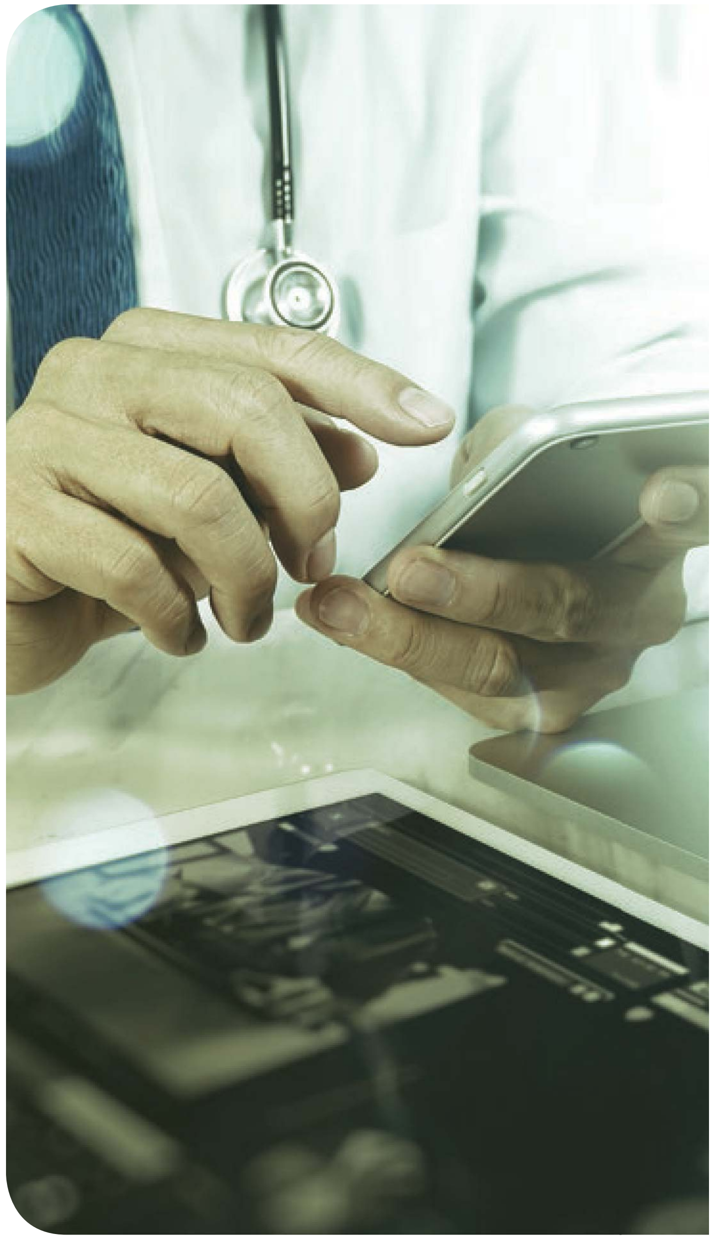
We launched The Business Intelligence (BI) Solution Project during the year with an objective of addressing the needs of the data analysis from different departments. It has the capability to collate, process, and compare large volume data for better and informed decisions. This project has delivered several dashboards in Finance, SCM and Business Operations till date. In the coming fiscal, we will add more dashboards in clinical, HR, sales and marketing and strengthen the analytics capability in the already rolled out domains. The complete rollout is expected to be over within FY22.

MyFortis

At Fortis, we can clearly foresee a significant volume of our patients opting for availing our services digitally. As a response we are developing a unified platform named MyFortis. It would enable us to track patient lifecycle management by integrating various stakeholders (Partner Ecosystems, Doctors, and Patients). The solution will be implemented in 2 phases with complete roll out planned in the next fiscal.

SECURITY OPERATIONS CENTRE (SOC)

As part of the Cyber Security Readiness, we established 24X7 Security Operations Centre (SOC). A dedicated team continuously monitors and safeguards the critical systems and networks against malicious activities and threats. Our services are now protected with latest cyber security tools like Advanced Threat Protection, Security Intelligence Tools like SIMS, Data Leakage Prevention and Software Defined Network. We have done Cyber Posture Assessment through an Expert Third Party for the entire IT Landscape to reassess the Cyber Risks in our environment. The report will be used for further developing the roadmap for Cyber Security.



WORK FROM HOME

Considering the pandemic situation and to ensure work moves on smoothly, IT ensured that Work from Home is easily available to employees, by ensuring secured OTP based VPN authentication, setting up Virtual Desktop Infrastructure (VDI) or by arranging more laptops for key users and finally by setting up VMware Workspace to allow users to securely connect from their laptops.

TELECONSULTATION

FY2020-21 started with the onsetting of the pandemic COVID-19. At Fortis, keeping the **safety** of our health care workers and patients was the **utmost priority**. As a response, we introduced **Teleconsultation** that allowed patients and doctors to touchbase remotely using technology such as videoconferencing or audioconferencing. We also introduced **Flu Kiosks** in our hospital where Corona suspected patients undergo first level for screening virtually without physical contact with the Doctors.

FORTIS SHIELD

With increasing dependency on digital records and associated devices, Fortis initiated a program called 'Fortis Shield'. The initiative aimed at spreading awareness among the employees in enabling them to understand the importance of data, information security and how to safeguard it. We also undertook virtual exercise in the form of phishing simulation for end users, and associated training of employees.

SRL LIMITED

Key Initiatives of 2020-21

CUSTOMER EXPERIENCE

Delivered a completely new mobile app (B2C) with a new and better UI with features including Upload Prescription, Customer Receipt, Repeat Order, and Vitals Tracker. IT further delivered WhatsApp for Business wherein customer reports are now sent on WhatsApp (other than email and link in SMS).

PROCESS AUTOMATION

Existing processes were automated, and new processes implemented with a view on improving employee productivity and doing away with delays on account of human intervention. These included multiple SAP processes both from Finance and Procurement. At the same point in time, IT has begun an investment by developing a platform for workflow automation that can be used to automate any workflow-based approvals within the organisation.

EMPLOYEE PRODUCTIVITY

SRL launched its first online learning platform (Learning Management System) so that web-based training can be imparted to its employees or modules can be deployed, which can be accessed securely by employees at their convenience. Using this, POSH (Prevention of Sexual Harassment of Women at Workplace) and Induction Trainings which are the two most successful pieces of training, have been imparted through the year, other than system-specific or other types of training sessions that have been organised by HR from time to time.

GENOMICS

In FY 2020-21, SRL maintained its industry-leading position by continuing to bring to market advanced solutions in diagnostic testing, laboratory efficiency and clinical decision support with strong focus on Genomics services. The diagnostic solutions that we launched in the space of genomics are designed to meet the challenges of today even as we anticipate the needs of tomorrow. For instances, our newly introduced tests like Product of Conception (POC) on NGS platform studies fetal tissue from a lost pregnancy to investigate whether the miscarriage was the result of chromosomal aneuploidy to help plan any future pregnancy. Similarly, our Preimplantation Genetic Screening (PGS) on NGS platform identifies genetic or chromosomal defects in embryos prior to using them in in-vitro fertilization (IVF), and our Microdeletion NIPT determines 5 common microdeletion over and above aneuploidies. New assays like MYD88 mutation tests, which is the most common genetic abnormality in the activated B-cell-like (ABC) subtype of diffuse large B-cell lymphoma (DLBCL), detected in 40% of cases, were launched in Oncology and immuno-oncology areas.

KNOWLEDGE SHARING

We have also signed an MoU with US-based Healthcare giant Mayo Clinic laboratories, to further enhance our association with them and to collaborate for research, training, co-hosting seminars, conferences and symposia around esoteric tests. The collaboration aims to facilitate joint academic and research initiatives between the two organisations in order to help physicians maintain lifelong knowledge and skills for safe clinical practice.

DIGITAL PATHOLOGY

We launched Digital Pathology labs in Gurugram, Mumbai and Bangalore. These labs allow our pathologists to read images remotely, enabling real-time virtual collaboration between their multi-disciplinary care teams. Remote reviewing of pathological cases is also essential to prevent delay in critical patient diagnosis and care, particularly during a crisis and our association with Microsoft is paving the way to this transformation further. In FY 20-21, SRL initiated the second phase of AI solution development engagement with Microsoft. While the Phase 1 focused on AI models in Cytology and yielded an algorithm for screening of liquid based cytology slides for Cervical Cancer, the second phase delves into AI models in Histopathology, majorly focusing on Breast, Colorectal and Prostate Cancers. These efforts help improve the quality and reach of pathology by bringing together Microsoft's Azure and AI technology innovations and our Company's world-class infrastructure and expertise in the study of human cells and tissues.

CLINICAL EXCELLENCE

At Fortis, delivering clinical excellence has always been our top priority. We have consistently demonstrated our ability to deliver high-quality care for patient and add value to their lives.

DEDICATED TO SERVE RESPONSIBLY

In a path breaking achievement, a team of doctors at Fortis Memorial Research Institute, Gurugram, successfully **conducted the non-surgical implantation of world's smallest cardiac pacemaker** in a 64-year-old patient who had a weak heart.

(March 2021)

Fortis Escorts Heart Institute, New Delhi, conducted a Laser Atherectomy procedure on a 73-year-old female patient. With this, **Fortis Escorts has become one of the first centres in India with independent expertise to launch Excimer Coronary Laser Atherectomy, after its commercial approval.**

(February 2021)

A multi-disciplinary team at Fortis BG Road, Bengaluru, **conducted a rare and lifesaving surgery on a 66-year-old male suffering from an extremely rare malignant growth** that arises in the nasal cavity. The highly aggressive tumour had affected the patient's skull base.

(October 2020)

Doctors at Fortis Escorts Hospital, Faridabad, **revived a snake bite victim, who was un-responsive with no eye movement** and was mimicking the 'brain dead' condition.

(October 2020)

A 48-year-old female patient from Mauritius underwent simultaneous robotic **removal of a rare pancreatic tail tumour along with robotic total abdominal hysterectomy** at Fortis Memorial Research Institute, Gurugram.

(December 2020)

A 66-year-old patient, who was brought to the Emergency Room at Fortis Hospital, Kalyan, Mumbai with complains of very high blood pressure, breathlessness and lung swelling, became the **first patient in India to undergo Intra Vascular Lithotripsy, a novel technique,** for the removal of calcified blockage in his kidney artery.

(October 2020)

A team of doctors at Fortis Escorts Heart Institute, New Delhi, **implanted India's first Percutaneous Trans Axillary TAVI in a patient.** The procedure is a blessing for patients who have badly diseased and narrowed conventionally used groin site blood vessels route.

(December 2020)

A team of doctors at Fortis Hospital, Mulund, Mumbai **conducted a rare and complex surgery to repair an aortic tear in a 59-year-old female patient** who was brought to the Emergency Room after doctors at another city hospital diagnosed her with Acute Aortic Dissection, requiring immediate and advanced care.

(January 2021)

A 50-year-old farmer from a village in Haryana received a new lease of life after doctors at Fortis Hospital, Shalimar Bagh, New Delhi, **conducted an emergency procedure to close a large spontaneous rupture in the Aorta**, the largest blood vessel emanating from the heart. The doctors discovered that while blood was continuously oozing out from the tear, it was flowing into the right chamber of the heart, keeping him alive.

(November 2020)

Doctors at Fortis Hospital, Ludhiana, battled adverse conditions to conduct an emergency **surgery on a 35-year-old, 8-month pregnant female, leading to the successful delivery of triplets.** The patient, who had conceived through IVF after 10 years of marriage, was brought to the Emergency in a critical condition.

(December 2020)

Fortis Hospital, Bannerghatta Road, Bengaluru, **performed a robotic radical Cystectomy along with creation of intra-corporeal ileal neobladder**, on a 59-year-old male who was diagnosed with recurrent bladder tumour – an invasive high grade papillary urothelial carcinoma. The patient had only one kidney.

(February 2021)

Extraordinary care was rendered continuously for over three months to save the life of an extremely premature baby born at 24 weeks of gestation by the Neonatology team at Fortis La Femme, GK 2, New Delhi.

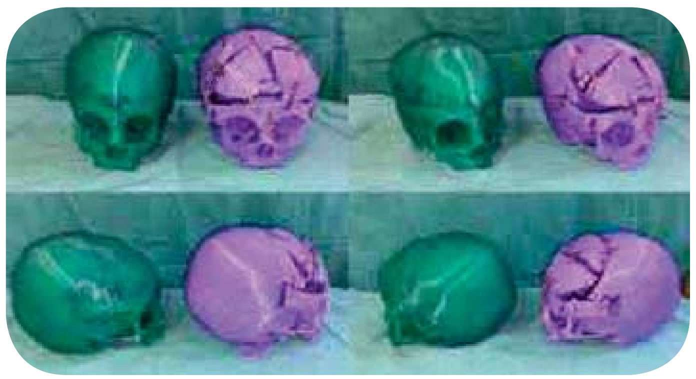
(January 2021)

A 44-year-old patient received a new lease of life after a team of doctors at Fortis Hospital, Mulund, Mumbai **conducted a complex surgery to remove seven cancerous tumours from the only kidney he was surviving on.**

(March 2021)

Doctors at Fortis Hospital, Shalimar Bagh, New Delhi, **conducted a complex surgery to treat an 18-month old infant's Trigonocephaly**, a rare abnormality of the skull, characterised by the triangular appearance of the forehead.

(January 2021)



A team of doctors at Fortis Hospital, Noida, **performed a life-saving brain surgery using a rare Clipping Technique** on a 50-year-old woman from Aligarh, Uttar Pradesh. The patient had suffered a brain haemorrhage caused by the bursting of an aneurysm (a balloon-like inflation of a blood vessel).

(December 2020)

Fortis Cancer Institute, Bannerghatta Road, Bengaluru, **treated a year-old child from Sudan who was suffering from a rare blood cancer** called Juvenile Myelomonocytic Leukaemia.The child had a novel genetic mutation, which is reportedly the first of its kind in the world.

(August 2020)

Doctors at Fortis Escorts, Okhla Road, used **specialised Fenestrated Pedicle Screws, used for the first time in India**, to treat the spinal fracture of an 83-year-old patient who had suffered a fall.

(March 2021)

INSPIRED BY RECOGNITIONS

1

Fortis Memorial Research Institute, Gurugram, at Rank 23, was the only Indian hospital to be listed in Newsweek's top 25 'World's Best Smart Hospitals 2021'

2

Fortis Escorts Heart Institute, Okhla Road, New Delhi, featured in Newsweek's Best Hospitals 2021 - Top Specialised hospitals list for Cardiology speciality

3

Four Fortis hospitals shone in Newsweek's 'World's Best Hospitals 2021' rankings list. Fortis Flt. Lt. Rajan Dhall Hospital, Vasant Kunj, New Delhi, Fortis Memorial Research Institute, Gurugram, Fortis Hospital, Mulund, Mumbai and Fortis Malar Hospital, Chennai, were ranked 13^{th}, 16^{th}, 22^{nd} and 34^{th} respectively

4

Fortis Hospital, Mohali, was recognised by the International Hospital Federation as one of the 100 hospitals globally that went beyond the 'Call of Duty' during the COVID-19 pandemic

5

The Department of Urology at Fortis Hospitals, Bengaluru, has been ranked 7th in the country and 3rd in South India by Times Health Survey – All India Critical Care Hospital Ranking Survey 2021

6

Fortis Hospital, Mohali, won the National Award for Excellence in Energy Management for the record sixth time

7

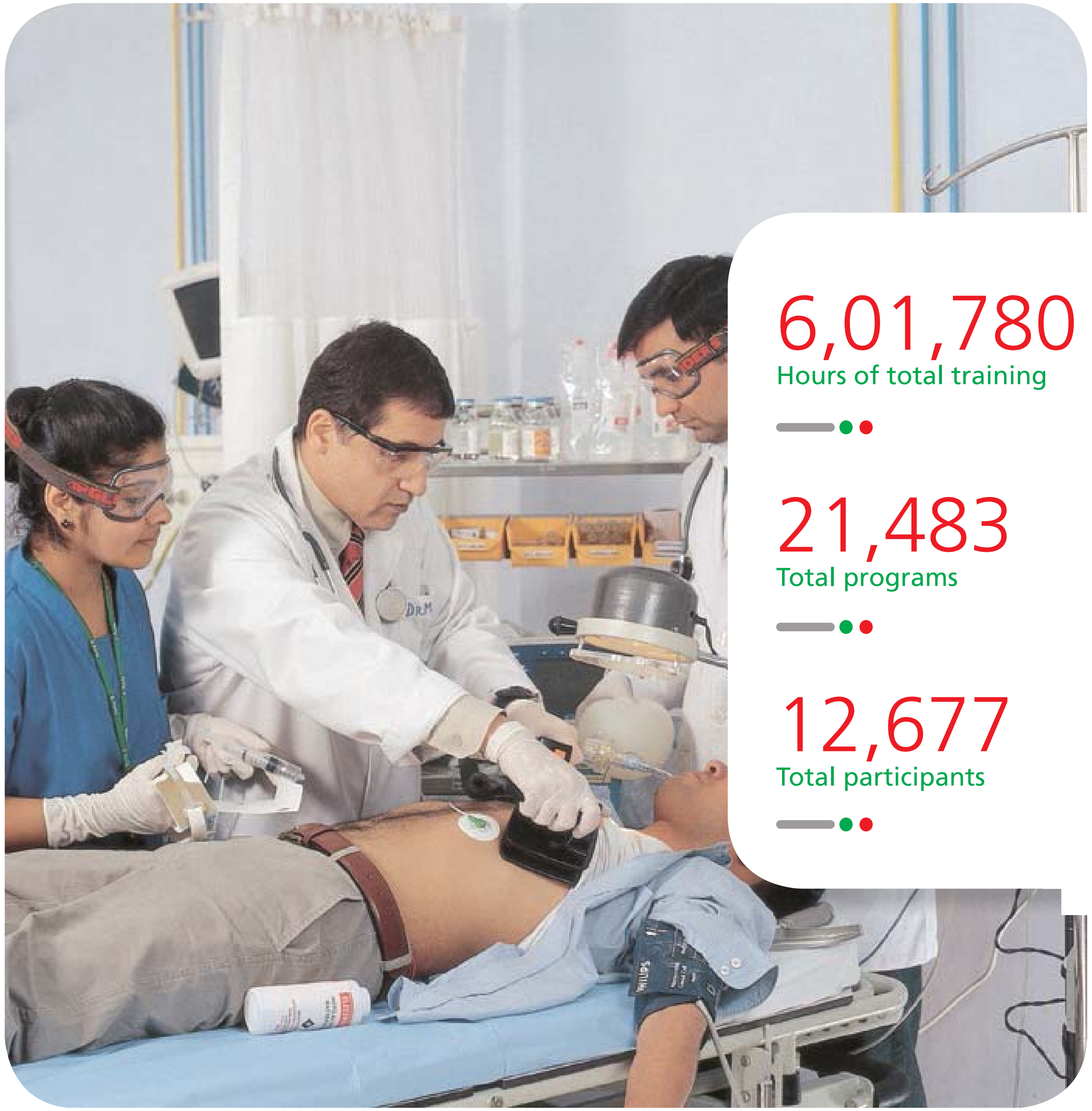
Hon'ble Governor of Maharashtra, Shri Bhagat Singh Koshyari, conferred a certificate of excellence to teams across Fortis Hospitals, Mumbai, for their contribution and efforts in treating COVID and non-COVID patients during the pandemic

8

Medical, non-medical and administrative teams across Fortis Hospitals, Mumbai, were applauded by Shri Uddhav Thackeray, Hon'ble Chief Minister of Maharashtra, for exemplary work done during the ongoing COVID-19 pandemic

INSPIRING TRUST THROUGH PEOPLE POWER

Fortis Healthcare Ltd



6,01,780
Hours of total training

21,483
Total programs

12,677
Total participants

Compassion and Care

Fortis Healthcare adopted a holistic approach, to manage both patients and employees along with their families, driven by compassion and care that one needs during such testing times. The communication channels were well managed to provide much-needed guidance not only on the clinical aspects but also on the social norms to prevent exposure. As a healthcare worker, each Fortisian displayed unmatched passion towards call of duty and faced every challenge with courage and conviction. Some of us even became prey to the deadly virus and laid their lives during this fight. Fortis Board, Management and Team will always keep them in their prayers and celebrate the fighting spirit of these Heroes.

The following aspects were institutionalised in quick succession to ensure safety for our employees:

PUTTING PEOPLE FIRST

We continued to hold our commitment to job security despite industry and world at large seeing optimisation. All Fortisians stood tall with participation and involvement in decisions to ensure we managed our affairs in the most fair and just manner. We initiated several special schemes for the vulnerable groups. These include:

- 5,000 number of employees covered under ESI (Employee State Insurance) have also been provided an additional Mediclaim coverage of ₹ 2 lacs
- Introduction of additional Group Term Life insurance coverage for Doctors, Nurses and Paramedics on COVID-19 duty
- Introduction of Work From Home rosters, including providing tools to work from home
- Hardship incentive to frontline health staff

TRAINING ON COVID-19 MEDICAL PROTOCOLS

MSOG led the extensive training/awareness programs on each aspect of COVID-19 management protocols set by the Government of India. Additional best practices were researched and adopted across all hospitals. Frontline warriors handling COVID-19 wards were managed with individual focus and attention. Liaison with government agencies at all platforms was an additional job that team cracked with least stress rather did fairly well.

We were proactive in setting up special teams to manage operations with minimal impact on hospital working for patients and their families.

In collaboration with Fortis Mental Health Department, Self-Care Strategies & Managing Stress virtual training programs were conducted for frontline Health Care Workers across Fortis, reinforced by self-care micro learning modules and online courses.

HUMAN RESOURCES

To ensure continuous upskilling and learning in times of physical distancing, we pivoted to digital capability building for the entire organisation. Leveraging various digital learning platforms curated and contextualised digital solutions, virtual/online training programs addressing the emerging skill requirements such as working remotely, tele sales, handling call during COVID-19, enhancing productivity and professional skills were deployed.

Training cycle of service imparting requisite service skills and enhanced awareness of employee role in improving customer journey/experience to support higher customer satisfaction and customer loyalty was introduced.

REGULAR COMMUNICATION

This remained the most critical aspect with unified flow of information on critical aspects proactively and in as much details as were suitable to ensure flawless/error free implementation of various protocols. Fighting another battle with fake news and rumour mongers became quite a challenge. Teams remained extremely attentive to weed out any unwarranted information which was not verified from the source itself. Digitised communication/ collaboration platform – MS Teams was made available with extensive training on features and workflows. This indeed became a life saviour in more than one manner.

COST OPTIMISATION

A very rigorous activity was undertaken by the management on costs which could be contained. HR led a voluntary salary reduction scheme which was subscribed by senior members of all employee groups especially clinicians and senior executives.

While these COVID-19 specific fronts were being managed, the regular activities continued to go in a bit scaled down manner. Hiring of critical resources, working on ongoing critical projects like Project Fusion, Manpower norms, productivity benchmarks, HR functional audit, Wage code impact analysis were some of the key things undertaken during last year. To strengthen culture of performance, Balance Score Card framework has been deployed across units, translating in better integration of qualitative aspects in addition to financial parameters as organisation strategic intent.

The situation started to look up effective till December 2020. However a second wave seems to be building up. Our guards are up and we remain unfettered.

INSPIRING TRUST THROUGH PEOPLE POWER

SRL Limited

47,463
Hours of total training

400+
Total programs

29,137
Total participants

Training and Development

Training continues to remain one of the Company's key focus areas. Over the past few years, SRL has progressed to bring many tailor-made competency enhancement programs. SRL's training curriculum includes robust technical as well as specialised behavioural training from the best of the faculties from the internal talent pool and also liaising with the best of the external faculties.

NNEEV

We have further strengthened our 15 days training program for new joinees "Nneev" with a better mix of 'Theory' and 'Exercise' with the inclusion of different learning enhancement activities, such as 'Consultative Selling Skills,' 'Effective Communication Skills' and 'Biomedical Waste Management.'

MEDGURUKUL

In this e-learning program, SRL doctors conduct CME (Continuing Medical Education) through webinars.

TECH TALK

This is a CME targeted to the Technologist. In this program a technologist presents a topic of his/her expertise under the guidance of respective lab head.

TRAIN THE TRAINER

This program is aimed at phlebotomists for relevant learning interventions. A pool of 35 certified trainers was built to further roll out this training on Phlebotomy Essentials, in their respective regions.

OTHER INITIATIVES

The Company conducted seminars for the Prevention of Sexual Harassment (POSH) for IC members covering 40 people (IC members + HR team) along with an online refresher on POSH for all the employees to ensure a safe workplace. Furthermore, the Company also concluded a Leadership Development Workshop through a Gallup certified coach for strength assessment of its leaders as well as succession planning for critical roles.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting here the Twenty Fifth Annual Report of the Company along with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the Year ended March 31, 2021.

FINANCIAL RESULTS

The highlights of Consolidated Financial Results of your Company are as follows:

(₹ in Lakhs)

Particulars		Consolidated	
		Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations			
1	Operating Income	403,012	463,232
2	Other Income	4,656	5,264
3	**Total Income (1+2)**	**407,668**	**468,496**
4	Total Expenditure (Excluding finance cost, depreciation & tax expenses)	362,568	402,280
5	**Operating Profit (EBITDA) (3-4)**	**45,100**	**66,216**
6	Finance Charges, Depreciation & Amortisation	45,648	49,679
7	**Profit/ (loss) before share of profit of equity accounted investees, exceptional items and tax (5-6)**	**(548)**	**16,537**
8	Share in profits of associate companies	4,756	1,216
9	**Profit/ (loss) before exceptional items and tax (7+8)**	**4,208**	**17,753**
10	Exceptional items	121	6,183
11	**Profit/ (loss) before tax (9+10)**	**4,329**	**23,936**
12	Tax Expenses	9,946	14,787
13	**Profit/ (Loss) for the year from continuing operations (11-12)**	**(5,617)**	**9,149**
14	**Discontinuing Operations**		
	Profit/ (Loss) before tax from discontinuing operations	-	-
	Tax expense of discontinuing operations	-	-
	Profit/ (Loss) after tax and before minority interest from discontinuing operations	-	-
	Share in profits/ (losses) of associate companies	-	-
	Profit for the year from discontinuing operations (B)	-	-
15	**Profit/ (loss) for the year (13+14)**	**(5,617)**	**9,149**
	Profit for the year attributable to:		
	Owners of the Company	(10,976)	5,794
	Non-controlling interests	5,359	3,355
	Profit for the year before other comprehensive income		
16	Other comprehensive income	1,034	11
17	**Total comprehensive income (15+16)**	**(4,583)**	**9,160**
	Total comprehensive income for the year attributable to:		
	Owners of the Company	(9,974)	5,947
	Non-controlling interests	5,391	3,213

The highlights of financial results of your Company as a Standalone entity are as follows:

(₹ in Lakhs)

Particulars		Standalone	
		Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations			
1.	Operating Income	63,287	70,185
2.	Other Income	19,198	93,834
3.	**Total Income (1+2)**	**82,485**	**164,019**
4.	Total Expenditure (Excluding finance cost, depreciation & tax expenses)	60,495	63,390
5.	**Operating Profit (EBITDA) (3-4)**	**21,990**	**100,629**
6.	Finance Charges, Depreciation & Amortisation	25,223	25,698
7.	**Profit before exceptional items and tax (5-6)**	**(3,233)**	**74,931**
8.	Exceptional items	5,646	(12,863)
9.	**Profit before tax (7+8)**	**2,413**	**62,068**
10.	Tax Expenses	1,993	10,735
11.	**Net Profit for the year (9-10)**	**420**	**51,333**
12.	Share in profits of associate companies	-	-
13.	**Profit for the year from continuing operations (11+12)**	**420**	**51,333**
14.	**Discontinuing Operations**		
	Profit/ (Loss) before tax from discontinuing operations	-	-
	Tax expense of discontinuing operations	-	-
	Profit/ (Loss) after tax and before minority interest from discontinuing operations	-	-
	Share in profits/ (losses) of associate companies	-	-
	Profit for the year from discontinuing operations	-	-
15.	**Profit for the year (13+14)**	420	51,333
16.	Other comprehensive income	86	(12)
17.	**Total comprehensive income (15+16)**	506	51,321

STATE OF COMPANY'S AFFAIR, OPERATING RESULTS AND PROFITS

Fiscal 2020-21 was a challenging year for the healthcare sector due to COVID-19 pandemic. The pandemic created a huge strain on the sector's workforce, infrastructure, and supply chain. Fortis also witnessed these challenges and had to re-prioritise its key strategic areas earmarked for the year to focus on the management of the COVID crisis. The Company's performance in both of its hospital and diagnostics businesses was significantly impacted during the first two quarters of the year due to country-wide lockdown in April and May 2020. However, the two businesses witnessed recovery during the latter half of the year. The Company was also successfully able to navigate the challenges by ensuring sustainability and continuity of business operations and maintaining a comfortable liquidity position through the year.

For the FY 2020-2021, the Company reported a consolidated revenue from operations of ₹ 4,030 Crores compared to ₹ 4,632 Crores reported for FY 2019-20. Revenue from Hospital business stood at ₹ 3,124 Crores compared to ₹ 3,753 Crores reported during the corresponding year. SRL Limited, the diagnostic business of the company, reported gross revenues of ₹ 1,035 Crores compared to ₹ 1,016 Crores in the previous financial year. The diagnostics business witnessed a healthy trend during H2 FY 2020-21 as the non-COVID business saw a significant recovery and also due to increase in demand for COVID and COVID related tests. Considering elimination of inter-company revenue (within the group), net revenue of

SRL Ltd was at ₹ 906 Crores compared to ₹ 879 Crores in FY 2019-20.

The consolidated EBITDA of the Company stood at ₹ 451 Crores compared to ₹ 662 Crores for the previous corresponding year. EBITDA margin of the Company stood at 11.2% in FY 2020-21 versus 14.3% reported in FY 2019-20.

Hospital business EBITDA for FY 2020-21 was at ₹ 281 Crores compared to ₹ 476 Crores reported for FY 2019-20. EBITDA margin of the hospital business stood at 9.0% in FY 2020-21 versus 12.7% in FY 2019-20.

The diagnostic business of the Company reported EBITDA of ₹ 200 Crores compared to ₹ 197 Crores reported in the previous corresponding year. EBITDA margin of the diagnostic business stood at 19.3% (basis gross revenue) for the year FY 2020-21 compared to 19.4% in FY 2019-20.

The consolidated EBITDA for the Company at ₹ 451 Crores in FY 2020-21 also accounts for the operational and finance / forex costs related to certain non-operational international entities.

At the consolidated level, the Company reported Profit Before Tax before and exceptional items of ₹ 42 Crores versus ₹ 178 Crores in the previous FY 2019-20. Profit after tax for FY 2020-21 stood at a loss of ₹ 56 Crores compared to a profit of ₹ 91 Crores in the previous financial year.

The Company has a comfortable liquidity position with net debt of ₹ 849 Crores as on March 31, 2021 versus ₹ 1,004 Crores as of March 31, 2020 (net debt to equity of 0.13x vs 0.14x, respectively). Gross debt of the Company stood at ₹ 1,271 Crores as on March 31, 2021 versus ₹ 1,354 Crores as of March 31, 2020. The Company's Net Debt / EBITDA (annualised) stood at healthy 1.04x in Q4 FY 2020-21, down from 1.52x in FY 2019-20.

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

During the course of FY 2020-21, your Company launched several new medical programmes and clinical services at its various facilities across the country. A Home Isolation Support Programme for COVID -19 positive patients was launched by Forits Memorial Research Institute (FMRI) Gurugram, Fortis Anandapur, Kolkata, launched the city's only Dual Source Dual Energy Somatom Drive CT scanner, which is 24 times faster than any other CT scan machine. Fortis Hospital, Mulund, introduced Central Mumbai's first Tesla Advanced Biomatrix MRI to ramp up the Radiology offerings. Fortis Hospital, BG Road, Bengaluru installed the first state of the art Biplane Cath lab in the state of Karnataka which will provide advanced care for neurovascular disorders.

Your Company plans to launch a number of new projects aimed to fulfil the growing demand. The Company aims to further consolidate its position in Cardiac Sciences and Orthopaedics while focusing on high growth specialties such as Oncology, Neuro Sciences, Gastro Sciences and Renal Sciences. Furthermore, the Company plans to commission over 1,300 new beds over the next 3 to 4 years in existing facilities to leverage economies of scale – majority of bed additions are planned in Noida, BG Road, Anandapur, Mulund, Shalimar Bagh, FMRI, Mohali and Arcot Road.

The healthcare verticals of the Company primarily comprise day care specialty, diagnostics and tertiary and quaternary care. As of March 31, 2021, the Company had a network of 27 healthcare facilities in India with approximately 4,100 operational beds including beds under the O&M model.

In addition, its Indian diagnostics business has a presence in over 600 cities and towns, with an established strength of over 425 laboratories, 20+ radiology / imaging centers; 48+ Accreditations (NABL/NABH/CAP) and a footprint spanning 2250+ customer touch points.

There has been no change in the nature of business of the Company during the year under review. The Company endeavors to provide high quality healthcare services with an emphasis on successful clinical outcomes and a superlative patient experience.

SIGNIFICANT MATTERS DURING THE YEAR UNDER REVIEW

The Company undertook a comprehensive strategic review and prioritised key areas to drive revenues and operational performance. These include aspects related to evaluating the current portfolio of the Company's facilities and planned bed expansion, initiating cost optimisation measures across the network, investing in technology and medical equipment and

further strengthening its clinical excellence program. Further details of this are mentioned in the Business Strategy section of the Management Discussion and Analysis Report ('MDA').

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

- **Changed Board and Key Managerial Personnel-** During the year under review, the Board of Directors and Key Managerial Personnel underwent changes, details whereof are separately disclosed in this report.
- **Open Offer-** The Board had at its meeting held on July 13, 2018, accepted the binding bid made by IHH Healthcare Berhad (IHH). Pursuant thereto your Company entered into subscription Agreement dated July 13, 2018 for issuance of 23,52,94,117 Shares at a price of ₹ 170 per share for an aggregate consideration upto ₹ 4,000 Crores (Rupees Four Thousand Crores only) to Northern TK Venture Pte Limited ("NTK"), an indirect wholly owned subsidiary of IHH. Consequently, after obtaining regulatory and statutory approvals such as from Securities and Exchange Board of India, Competition Commission of India and in terms of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, IHH made the Mandatory Open Offer for acquisition of upto 197,025,660 Equity Shares representing additional 26% of the expanded voting share capital of your Company ("Fortis Open Offer") and another Mandatory Open Offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of ₹ 10 each, representing 26% of the fully diluted voting equity share capital of Fortis Malar Hospitals Limited ("Fortis Malar Open Offer").

  After the Preferential Allotment on November 13, 2018, public announcement was made on December 7, 2018 regarding Fortis Open Offer and Fortis Malar Open Offer, thereafter the Hon'ble Supreme Court of India had on December 14, 2018 passed an order ("Order") directing "status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained". In light of the Order, Fortis Open Offer and Fortis Malar Open Offer were put on hold until further order(s) / clarification(s) / direction(s) issued by the Hon'ble Supreme Court of India. Application was filed by your Company for modification of the Order and for proceeding with Fortis Open Offer and Fortis Malar Open Offer. Vide its judgment dated November 15, 2019 ("Judgment"), the Hon'ble Supreme Court issued suo-moto contempt notice to, among others, your Company, and directed its Registry to register a fresh contempt petition in regard to alleged violation of the Order ("Contempt Petition"). In this respect, the Hon'ble Supreme Court sought an enquiry into:

  (i) Whether the subscription by NTK for the Shares of your Company was undertaken after the Order, and accordingly if such subscription was in violation of the Order; and

  (ii) The consummation of acquisition of healthcare assets from RHT Health Trust by your Company.

  The Company has filed a reply to the show cause notice issued in the suo-moto contempt, praying inter alia, that the suo-moto contempt proceedings be dropped and Order be modified / vacated such that Fortis Open Offer and Fortis Malar Open Offer may proceed. Since the issuance of the Judgement, several other parties have filed applications before the Hon'ble Supreme Court, for seeking various remedies including (i) A minority shareholder of your Company ("Minority Shareholder") has sought resumption of the Fortis Open Offer; (ii) Daiichi Sankyo Co. Ltd has sought permission to be impleaded in the Suo- Moto Contempt; (iii) Securities and Exchange Board of India has sought resumption of the Fortis Open Offer citing larger public interest at stake; (iv) NTK has filed applications to intervene in the Supreme Court Proceedings, to be heard and for vacation of the Order that continues to stay the Fortis Open Offer and Fortis Malar Open Offer. On August 14, 2020 an application has been submitted before the Hon'ble Supreme Court of India seeking permission for change of name, brand and logo of your Company and its subsidiaries. The matter is sub-judice.
- **Other Matters:** 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 an appointed external legal firm. Pending completion of the additional procedures / enquiries (**"Additional Procedures / Enquiries"**) and since the earlier investigation was subject to the limitations on the information available to the other external legal firm (being subject to 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 verification by engaging independent experts with specialised forensic skills to assist with the Additional Procedures/Enquiries and conduct data gathering exercise 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.

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. 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 with full disclosures. There are no further improper transactions identified by the Additional Procedures / Enquiries or / by the management which had not been expensed or provided. In connection with the potentially improper transactions, your Company has undertaken a detailed review of each case to assess the Company's legal rights and has initiated appropriate legal action. Complaint has been filed with the Economic Offences Wing ("EOW") in November 2020 against erstwhile promoters / erstwhile promoters group company in respect of certain transactions which is being investigated.

DIVIDEND AND TRANSFER TO RESERVES

The Board of Directors of the Company have not recommended any dividend for the FY 2020-21. Accordingly, there has been no transfer to general reserves and the Company would like to retain its profit this year to strengthen its business.

Refer the Company's policy on Dividend Distribution available on the website of the Company at **https:/www.fortishealthcare.com/investors** - Corporate Governance / Policies / Codes / Policy on Dividend Distribution.

MATERIAL CHANGES

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the FY 2020-21 and the date of this report.

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

Statutory Auditors in their report to the Board of Directors on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act") have given the opinion that the Company and such companies incorporated in India which are its subsidiary companies and joint venture companies (jointly controlled company), have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and the financial statements of the Company and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to consolidated financial statements and the financial statements of the Company, criteria established considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. The Auditor's opinion on adequacy and operating effectiveness of internal control is self-explanatory.

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

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

Further note that your Board of Directors have adopted a policy for determining "material subsidiary" pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available at **https://www.fortishealthcare.com/investors** - Corporate Governance / Policies / Codes / Policy for determination of Material Subsidiary.

In terms of the said policy, as on April 1, 2021, Fortis Hospitals Limited (FHsL), International Hospital Limited (IHL), Fortis Hospotel Limited (FHTL) and SRL Limited are considered as Material Subsidiary(ies). Necessary compliances w.r.t. material subsidiaries have been duly carried out.

Further, during the year under review a material subsidiary of the Company i.e. SRL Limited ("SRL") executed SRL PE amendment agreement dated March 30, 2021 to amend the terms of the existing Shareholder Agreement dated June 12, 2012 between SRL Limited and International Finance Corporation, Nylim Jacob Ballas India Fund III LLC, Resurgence PE Investments Limited (collectively referred as "PE Investors") and Fortis Healthcare Limited for incorporating new exit rights of the PE Investors. Simultaneously, to align with the amendment, the Exit Agreement dated June 12, 2012 executed amongst Fortis Healthcare Limited, SRL and the PE Investors was terminated.

Post closure of the year under review, a material subsidiary of the Company i.e. SRL, acquired balance 50% stake in joint venture DDRC SRL Diagnostics Private Limited ('DDRC SRL') in terms of Share Purchase Agreement dated March 24, 2021 and thereby DDRC SRL became a step-down subsidiary of the Company effective April 5, 2021.

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

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

The contribution of the subsidiary/associates/joint venture companies to the overall performance of your Company is outlined in Note No. 27 of the Consolidated Financial Statements for the year ended March 31, 2021.

LOANS / ADVANCES / INVESTMENTS / GUARANTEES

Particulars of Loans / Advances / Investments / guarantees given and outstanding during the FY 2020-21 forms part of the Notes to the Financial Statements.

PUBLIC DEPOSITS

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

UTILISATION OF FUNDS

The details of utilisation of funds raised through preferential allotment during the year are mentioned in Notes to Financial Statements.

AUDITORS

- **Statutory Auditors**

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

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

a) Note 28 and Note 29 of the consolidated financial statements 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 (hereinafter referred to as "the Company" or the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "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 present 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 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 March 31, 2018. The Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Group. Further, based on management's detailed analysis and consultation with external legal counsel, a further provision has been made and recognised in the current year for any contingency that may arise from the aforesaid issues. As per the management, any further impact, to the extent it can be reliably estimated as at present, is not expected to be material.

b) Note 30 of the consolidated financial statements 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 December 14, 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 consolidated financial statements.

c) As explained in Note 14(I) of the consolidated financial statements, a Civil Suit claiming ₹ 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 30 of the consolidated financial statements, 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.

d) Note 14(II)(i) and 14(II)(iii) of the consolidated financial statements, 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 these consolidated financial statements, considering the uncertainty relating to the outcome of these matters.

e) Note 14(III) of the consolidated financial statements, which describes in detail the matter relating to the termination of hospital lease agreement by Navi Mumbai Municipal Corporation vide order dated January 18, 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.

f) Note 37 of the consolidated financial statements, 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.

The statutory auditors have, in their report to Board of Directors on the consolidated financial statements of the Company given a qualified opinion as follows:

- **Qualified opinion**

We have audited the consolidated financial statements of Fortis Healthcare Limited (hereinafter referred to as "the Company" or the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary and joint ventures as were audited by the other auditors, and except for the possible effects, if any, of the matter described in the "Basis for Qualified Opinion" paragraph of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2021, of its consolidated loss, other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

- **Basis for Qualified Opinion**

We draw attention to Note 40 of the consolidated financial statements, which explains that due to a significant amount of dividend received during the previous year ended March 31, 2020 from a wholly owned overseas subsidiary, the 'income from financial assets' of the Company was more than 50 percent of the gross income for the year then ended. Further, in view of the investments in subsidiaries and financing provided to them, the Company's financial assets as at that date are also more than 50 percent of its total assets. Consequently, the Company technically meets the "principal business test" criteria for classification as a Non-Banking Financial Company (NBFC) as per press release by Reserve Bank of India (RBI) vide No. 1998-99/1269 dated April 08, 1999 as at April 01, 2020 and is required to obtain a certificate of registration as a NBFC. As per the Company, such dividend is non-recurring in nature and does not represent income from ordinary activities of the Company and the Company does not intend to carry on the business as a NBFC. Accordingly, the Company, vide its letter dated November 08, 2019, had made a representation to the RBI that keeping in view the objective behind the principal business test criteria, its registration as a NBFC should not be required. Subsequent to the completion of audit of the standalone financial statements of the Company for the year ended March 31, 2020, we, as statutory auditors, have 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, in September 2020, the Company has written another letter to RBI with a request to confirm that no such registration as a NBFC is required. RBI advised the Company to submit to it the financial results for the quarters ended June 30, 2020, September 30, 2020 and December 31, 2020 which were duly submitted by the Company.

Pending resolution of the matter with RBI, we are unable to comment on the impact thereof, if any, on the consolidated financial statements for the year ended March 31, 2021.

- **Director's response to comments of the statutory auditors in the Audit Report:**

With regard to the comments of the statutory auditors in paragraph basis for qualified opinion of Audit Report, pertaining to NBFC registration, it has been explained in Note 40 of the consolidated financial statements, 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)". The Company has, in Note 40 of the consolidated financial statements, clarified that while it 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 'non-banking financial institution'. The Board has also noted and confirmed by way of a board resolution that the significant dividend received during the previous year ended March 31, 2020 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. In this backdrop, the requirement for registration as a 'non-banking financial institution' should not arise.

The Company also has made a representation to the RBI in November 2019, i.e. more than a year ago, 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. 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 current year 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 current 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 these financial statements, the criteria for principal business test is not met as at March 31, 2021. For more details, please refer to note 40.

The statement of impact of Audit Qualification as stipulated in regulation 33(3)(d) is placed below:

- **Qualification in the Auditor's Report**

The Board of Fortis Healthcare Limited, has dealt with the matters stated in the qualification in statutory auditor's report on the Consolidated Financial Statement of Fortis Healthcare Limited ("the Parent" or "the Company") and its subsidiaries (the Parent/Company and its subsidiaries together referred to as "the Group") and its share of profit /(Loss) of its joint ventures and associates for the year ended March 31, 2021 ("the Consolidated Annual Financial Statement") included in the Statement of Consolidated Financial Statement ("the Consolidated Statement") to the extent information was available with them.

₹ in Lakhs

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualification)	Adjusted Figures (audited figures after adjusting for qualification) $
1	Turnover / Total income	407,668	Not Determinable
2	Total Expenditure	408,216	---Do---
3	Share of profit of associates and joint ventures (net)	4,756	---Do---
4	Exceptional gain	121	---Do---
5	Tax expense	9,946	---Do---
6	Net Profit/(Loss)	(5,617)	---Do---
7	Earnings Per Share	(1.45)	---Do---
8	Total Assets	1,115,468	---Do---
9	Total Liabilities	443,687	---Do---
10	Net Worth*	671,781	---Do---

"$" for Qualification of the Auditor's Report.

* Including non-controlling interest of ₹ 59,800 Lakhs.

- **Qualification of the Auditor's Report**

1. **Details of Audit Qualification:**

   As per audit report para on "Basis for Qualified Opinion"

2. **Type of Audit Qualification:**

   Qualified Opinion

3. **Frequency of qualification:**

   First time

4. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

   Not Applicable

5. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

   (i) Management's estimation on the impact of audit qualification:

   Not quantifiable.

   (ii) If management is unable to estimate the impact, reasons for the same:

   Please refer to Director's response to comments of the statutory auditors in the Audit Report as stated in above Directors' Report.

   (iii) Auditors' Comments on (i) or (ii) above:

   The Company technically meets the "principal business test" criteria for classification as a Non-Banking Financial Company (NBFC). As per the Company, such significant dividend income recorded in the year ended March 31, 2020 is non-recurring in nature and does not represent income from ordinary activities of the Company and the Company does not intend to carry on the business as a NBFC. The Company has written letters to RBI with a request to confirm that no such registration as a NBFC is required. Pending resolution of the matter with RBI, we are unable to comment on the impact thereof, if any, on the financial statements for the year ended March 31, 2021.

- **Cost Auditor**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the cost audit records maintained by the Company in respect of its hospital activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Jitender, Navneet & Co., Cost Accountants to audit the cost accounts of the Company for the FY 2020-21 at a remuneration upto ₹ 3.5 Lakhs (plus out of pocket expenses and taxes). As required under the Companies Act, 2013, the remuneration payable to the cost auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s Jitender, Navneet & Co., Cost Auditors is included in the Notice convening the ensuing Annual General Meeting. Further, in terms of the Companies (Accounts) Rules, 2014, it is confirmed that maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is applicable on the Company and accordingly such accounts and records are properly made and maintained.

- **Secretarial Auditor**

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

- **Internal Auditors**

Upon the recommendation of the Audit and Risk Management Committee, the Board of Directors has appointed Mr Rajiv Puri, Head Risk and Internal Audit as the Chief Internal Auditor of the Company and authorised him to engage independent firm(s), if needed, for conducting the internal audit for the FY 2020-2021 to enable him to extend adequate coverage of internal audit checks. Accordingly, PWC was engaged to carry out certain aspects of Internal Audit for the Company / its subsidiaries to augment the in-house team of internal audit team led by the Chief Internal Auditor.

Besides, the matters mentioned in basis for qualified opinion in the Auditors Report, if any, as per the requirement of Companies Auditor Report Order (CARO), Rules, 2016, there was no fraud reported by the above stated auditors during the year under review.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During FY 2020-21, the Company received an order dated November 12, 2020 passed by the Securities and Exchange Board of India (SEBI) revoking its earlier interim orders read with confirmatory order qua Best Healthcare Private Limited, Fern Healthcare Private Limited and Modland Wears Private Limited and directed that the ongoing proceedings be substituted with adjudication proceedings. The order clarified that the Company and Fortis Hospitals Limited (FHsL) were at liberty to pursue remedies under law, as deemed appropriate by them, against the above mentioned entities in respect of their role in the diversion of funds.

Subsequently, a Show-Cause Notice (SCN) was issued by SEBI to various entities including the Company and FHsL on November 20, 2020, which alleged that the consolidated financials of FHL at the relevant period were untrue and misleading for the shareholders and the Company has 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 on various grounds, after which oral submissions in response to the SCN were made in a personal hearing before the SEBI Whole Time Member on January 20, 2021 and a written synopsis of the same was also filed thereafter. We await the outcome of the hearing before SEBI. Details of this matter is provided in note 29(a) of consolidated financial statements.

CAPITAL STRUCTURE / STOCK OPTION

The Company currently manages its stock options through "Employee Stock Option Plan 2007" and "Employee Stock Option Plan 2011" ("Schemes") as approved by the shareholders. The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Schemes of the Company. Each option when exercised would be converted into one fully paid up equity share of ₹ 10 each of the Company. During the year under review, no option was granted by the Company. Disclosure pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 for the year ended March 31, 2021 is available at the website of the Company at **https://www.fortishealthcare.com/investors** - Annual Report / ESOP Disclosure 2020-21.

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

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

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

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

Extract of Annual Return is enclosed herewith as **"Annexure – III"**.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

Total Foreign Exchange Earned and Used (Based on Standalone Financial Statements) during the financial year ended March 31, 2021:

Particulars	Amount (in ₹ Crores)
Foreign Exchange earned in terms of Actual Inflows	2.10
Foreign Exchange outgo in terms of Actual Outflows	1.06

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

CORPORATE SOCIAL RESPONSIBILITY - OUR JOURNEY THROUGH THE PAST YEAR

During FY 2020-21, Fortis Healthcare Limited along with its subsidiaries contributed a total of ₹ 14.25 Crores towards various Corporate Social Responsibility (CSR) initiatives.

As a responsible corporate member of the Indian healthcare ecosystem, Fortis Healthcare Limited strongly believes that we can meaningfully alleviate the problem of inequitable access to quality healthcare. By creating and supporting social sector programmes linked to health and well-being, we seek to leverage our skills, experience, capabilities, technologies and facilities to address a critical social need for the vulnerable sections of society. Following a rigorous needs assessment, we have enabled initiatives & programmes aimed at creating social awareness and bringing about a positive change in the communities.

The Company's CSR initiatives follow a 'need based' program approach. CSR activities are carried out in a collaborative and inclusive manner not only to align and synergise the social enterprise work of the group companies but also to expand the circle of partnerships with Government, Non-Government Organisations (NGOs), other Corporates and Individuals. The CSR initiatives of the Company are in line with India's Sustainable Development Goal (SDG) of 'Good health and well-being' and also supporting Government initiative as per Schedule VII of Section 135 of the Companies Act, 2013.

The Company and its subsidiaries supported the efforts of the Government in the fight against COVID-19, Research & Development and Central Armed Police Forces (CAPF) & also supported Central Para Military Forces (CPMF) veterans and their dependents including widows.

Fortis Healthcare Limited and Fortis Hospotel Limited:

This year Company and one of its wholly owned subsidiary viz Fortis Hospotel Limited contributed its CSR Fund to "Bharat Ke Veer" fund to support Central Armed Police Forces (CAPF) & Central Para Military Forces (CPMF) veterans and their dependents including widows. A fund-raising initiative by the Ministry of Home Affairs, Govt. of India on behalf of members of the Indian paramilitary Forces. They are always on duty and have round the clock commitments throughout the year, without any consideration for leave, holidays, weekends, festivals and personal commitments. They work in a very hazardous conditions and stress compiled with unhygienic living conditions. Many lost their life in terrorist / Naxalite attacks. Our contribution will support the dependents and widows of Braveheart heroes.

Escorts Heart Institute and Research Centre Limited and SRL Limited:

This year Escorts Heart Institute and Research Centre Limited and SRL Limited contributed CSR fund to ICMR (The Indian Council of Medical Research) fund to support research and development projects in the field of science, technology, engineering and medicine. The fund to ICMR is duly approved CSR fund as per Schedule VII of Section 135 of the Companies Act. The ICMR has always attempted to address itself to the growing demands of scientific advances in biomedical research on the one hand, and to the need of finding practical solutions to the health problems of the country, on the other.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company as on date of this report comprises twelve directors, of which one is a Managing Director and CEO (Executive Director), four are Independent Directors and rest of the seven directors are Non-Executive & Non-Independent Directors. Pursuant to Sections 152 of the Companies Act, 2013, Dr. Kelvin Loh Chi Keon and Mr Heng Joo Joe Sim are liable to retire by rotation and being eligible offers themselves for re-appointment at the forthcoming Annual General Meeting of the Company. During the year under review, the Board of Directors has appointed Mr. Dilip Kadambi and Ms Shailaja Chandra as Directors of the Company w.e.f. June 4, 2020 and June 28, 2020, respectively. The matter(s) related to their appointment was placed before the shareholders at the twenty fourth Annual General Meeting of the Company held on August 31, 2020.

During the year under review, the Board of Directors has co-opted Mr Takeshi Saito and Mr Joerg Ayrle as an additional director(s) w.e.f. September 1, 2020 & March 31, 2021 respectively. The matter(s) related to their appointment are being placed at the forthcoming Annual General Meeting.

Further, during the year under review, Mr Low Soon Teck has resigned from directorship of the Company w.e.f. June 4, 2020. Your Board places on record its appreciation for the contribution made by Mr. Low Soon Teck during his association with the Company.

Dr. Ashutosh Raghuvanshi was appointed as Chief Executive Officer with effect from March 18, 2019 and Chief Executive Officer and Managing Director ('CEO & MD') of the Company with effect from March 19, 2019 for a period of three years. The matter related to his re-appointment as CEO & MD for a further period of three years with effect from March 19, 2022 is being placed at the forthcoming Annual General Meeting.

Brief resume of the directors being appointed and / or proposed to be regularised at the forthcoming Annual General Meeting is separately disclosed in the Notice of the ensuing Annual General Meeting.

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

During the FY 2020-21, Ten (10) meetings were held by the Board of Directors. The details of board / committee meetings and the attendance of Directors are provided in the Corporate Governance Report.

Details of Key Managerial Personnel are as under:

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

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

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

BOARD EVALUATION

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

The Board of Directors of the Company, in order to give objectivity to the evaluation process identified an independent third party for conducting board evaluation exercise for this financial year.

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

S. No.	Process	Remarks	Criteria for Evaluation (including Independent Directors)
1.	Kick Off Board Evaluation Program	The Chairperson kick starts the process. Appointed and designated independent external agency as Process Coordinator	-
2.	Evaluation forms and One to One discussion	Process Coordinator interacted with the Board members to assess performance, invite direct feedback and seek inputs to identify opportunities for improvement. Process Coordinator circulated the feedback questionnaire to the board members and invited feedback from individuals, after collecting the key findings, one to one discussions were conducted to seek further clarity.	This includes Board focus (Strategic inputs), Board Meeting Management, KPI's, suggestions to improve Board performance, Board Effectiveness, Management Engagement, Governance, Risk Management and addressing of follow up requests.
3.	Evaluation by the Board and of Independent Directors	A compilation of the individual self-assessments and one to one discussions were placed at the meetings of the Independent Director's (ID's) and the Board of Directors (BoD) for them to review collectively.	This includes demonstration of integrity, commitment, attendance at the meetings, contribution and participation, professionalism, contribution while developing Annual Operating Plans, demonstration of roles and responsibilities, review of high risk issues & grievance redressed mechanism, succession planning, working of Board Committees etc.
4.	Final recording and reporting	Based on the above, a final report on Board Evaluation 2020-21 was presented at a meeting of the Board of Directors held on May 29, 2021.	NA

MANAGERIAL REMUNERATION

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

(a) Comparison and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2020-21

Name of the Director	Remuneration of Director (₹ in Crores)	Median Remuneration of Employees (₹ in Crores)	Ratio
Dr. Ashutosh Raghuvanshi	6.22	0.021	283:1

(b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year under review: During the year there was no change in the remuneration / no increments were given across the Group due to COVID pandemic.

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

(d) The number of permanent employees on the rolls of the Company is 2,680 as on March 31, 2021 as compared to 2644 as on March 31, 2020.

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

Particulars	For the FY 2020-21
(A) Average percentile increases already made in the salaries of employees other than the managerial personnel	During the year no increments were given across the Group due to COVID pandemic.
(B) Percentile increase in the managerial remuneration	
Comparison of (A) and (B)	
Justification	
Any exceptional circumstances for increase in the managerial remuneration	

(f) During the FY 2020-21, ₹ 2,50,10,160 variable pay was paid to Dr. Ashutosh Raghuvanshi, MD and CEO, ₹ 80,19,150 to Mr Vivek Kumar Goyal, Chief Financial Officer and ₹ 5,71,122 to Mr. Sumit Goel, Company Secretary for FY 2019-20.

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

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director etc. The same is governed by Board of Directors Governance Standard and it is available on the website of the Company at **https://www.fortishealthcare.com/investors** - Corporate Governance / Policies / Codes / Board Governance Document. Details of Remuneration Policy and changes, if any, are stated in the Corporate Governance Report.

PARTICULARS OF EMPLOYEES

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

RELATED PARTY TRANSACTIONS

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

The Related Party Transactions are placed before the Audit Committee for approval as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their review on a quarterly basis.

The Company has developed a Related Party Transactions Framework for the purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at **https://www.fortishealthcare.com/investors** - Corporate Governance / Policies / Codes / Policy on Related Party Transactions.

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

RISK MANAGEMENT POLICY

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

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT

The Company has adopted a Policy for Prevention, Prohibition and Redressal of Sexual Harassment. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, the Company has constituted Internal Complaints Committees (ICC). During the FY 2020-21, the Company received Three ('3') complaints on sexual harassment and Three ('3') complaints were resolved with appropriate action taken and no complaint was pending as on March 31, 2021. The same may also be read in terms of Companies (Accounts) Rules, 2014.

DISCLOSURE REQUIREMENTS

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

CODE OF CONDUCT

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

CERTIFICATE BY STATUTORY AUDITORS FOR DOWNSTREAM INVESTMENT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

(b) The selection and application of accounting policies were assessed for their consistent application and judgements and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of the affairs of your Company at the end of the financial year and of the profit of your Company for the Financial Year ended March 31, 2021;

(c) except for the findings of the Investigation Report done earlier and the findings of the additional procedures/ enquiries concluded during the year, all of which pertained to earlier years, described in Note 28 in the Notes to the Consolidated Financial Statements and Note 27 in the notes to the Standalone Financial Statements, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(d) the Statements have been prepared on a going concern basis for the reasons stated in Note 36 in the Notes to the Consolidated Financial Statements and Note 30 in the notes to the Standalone Financial Statements;

(e) except for certain control lapses identified in the Investigation Report done earlier and in the findings of the additional procedures/enquiries concluded during the year, all of which pertained to earlier years as described in Notes 28 in the Notes to the Consolidated Financial Statements and Note 27 in the Notes to the Standalone Financial Statements, proper internal financial controls have been laid down and that such internal financial controls are adequate and are operating effectively; and

(f) except for the matters on related parties and managerial remuneration, all of which pertained to earlier years described in Note 28 (A) (ii) and 28 (C) (vi) in the Notes to the Consolidated Financial Statements and Note 27 (A) (ii) and 27 (C) (vi) in the notes to the Standalone Financial Statements, there are proper systems in place to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank all doctors, nurses, technicians and staff members who have been battling COVID-19. Their heroic performance under enormous stress is what really makes us a world-class healthcare provider. Your Directors offer their deepest condolences to the bereaved families of Fortisians who lost their loved ones and pray for the early recovery of those who have been infected. Ensuring the health and well-being of our employees, especially the frontline healthcare workers, is paramount and the steps taken towards ensuring their protection during the COVID pandemic is praiseworthy. At the same time, the Fortis team is playing a significant role in the ongoing nation-wide vaccination drive in tandem with the Government directives, reaffirming our pivotal role as a trustworthy healthcare provider.

Your Directors are glad to place on record that Fortis has posted a strong financial performance in spite of the pandemic. This is truly amazing and the Board is proud of each one of you for this achievement. It speaks volumes about your dedication and commitment. Your Board is confident that the team will do much better, as the situation improves. Your Directors are very appreciative of the fantastic work being done and have high hopes that you will continue to deliver wonderful outcomes.

Your Directors also place on record their gratitude to the Central Government, State Governments and all other Government agencies for the assistance, co-operation and encouragement they have extended to the Company. Your Directors also greatly appreciate the commitment and dedication of all the employees at all levels, that has contributed to the growth and success of the Company. Your Directors also thank all the strategic partners, business associates, Banks, financial institutions and our shareholders for their assistance, co-operation and encouragement to the Company during the year.

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

Sd/-	**Sd/-**
Ashutosh Raghuvanshi	**Indrajit Banerjee**
MD & CEO	**Independent Director**
DIN: 02775637	**DIN: 01365405**
Date: May 29, 2021	**Date: May 29, 2021**
Place: Gurugram	**Place: New Delhi**

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

Statement pursuant to first proviso to Sub-Section(3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 related to subsidiaries

(Amount in Lakhs)

S. NO.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding *
1	Escorts Heart Institute and Research Centre Limited	March 31, 2021	INR	1.00	256.29	57,581.02	87,155.74	29,318.43	65,751.05	25,773.72	(2,950.70)	-	(2,950.70)	-	100.00%
2	Fortis Healthstaff Limited	March 31, 2021	INR	1.00	490.00	(1,699.90)	94.83	1,304.73	-	0.02	(266.22)	-	(266.22)	-	100.00%
3	Fortis Asia Healthcare Pte. Ltd	March 31, 2021	USD	73.21	16,219.40	(124,926.65)	5,204.21	113,911.47	5,197.85	-	(2,813.94)	-	(2,813.94)	-	100.00%
4	Fortis Healthcare International Pte. Limited	March 31, 2021	SGD	54.40	95,168.12	(88,475.35)	7,391.42	698.65	6,339.44	35.59	(120.69)	0.58	(121.27)	-	100.00%
5	Mena Healthcare Investment Company Limited	March 31, 2021	AED	18.77	19.82	(909.50)	34.44	924.13	34.44	-		-	-	-	82.54%
6	Medical Management Company Limited	March 31, 2021	AED	18.77	32.55	744.56	896.71	119.59	-	-	-	-	-	-	82.54%
7	SRL Diagnostics FZ-LLC	March 31, 2021	AED	19.94	282.00	(2,206.17)	2,615.22	4,539.39	-	1,595.52	(1,530.33)	-	(1,530.33)	-	100.00%
8	Hiranandani Healthcare Private Ltd	March 31, 2021	INR	1.00	561.33	3,940.55	9,369.89	4,868.01	-	8,675.27	(145.08)	-	(145.08)	-	100.00%
9	Fortis La Femme Limited	March 31, 2021	INR	1.00	5.00	(91.93)	2.01	88.94	-	0.02	(8.04)	-	(8.04)	-	100.00%
10	Fortis CSR Foundation	March 31, 2021	INR	1.00	5.00	24.20	38.22	9.02	-	66.12	6.26	-	6.26	-	100.00%
11	SRL Limited	March 31, 2021	INR	1.00	7,842.55	109,344.37	136,952.85	19,765.93	40,350.03	80,893.66	12,494.19	3,249.99	9,244.20	-	56.93%
12	SRL Diagnostics Private Limited	March 31, 2021	INR	1.00	395.82	9,859.29	26,027.47	15,772.36	950.88	27,666.28	5,040.88	677.26	4,363.62	-	100.00%
13	SRL Reach Limited	March 31, 2021	INR	1.00	800.00	(868.07)	687.57	755.64	-	558.18	(207.10)	-	(207.10)	-	100.00%
14	Fortis Healthcare International Limited	March 31, 2021	USD	73.21	227.30	1,628.88	2,474.38	618.20	-	32.58	(39.25)	-	(39.25)	-	100.00%

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

(Amount in Lakhs)

S. NO.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding *
15	Fortis Global Healthcare (Mauritius) Limited	March 31, 2021	USD	73.21	373.53	(34,081.42)	110.89	33,818.78	-	-	(1,451.29)	-	(1,451.29)	-	100.00%
16	Fortis Hospitals Limited	March 31, 2021	INR	1.00	7,998.76	(59,292.21)	357,588.50	408,881.95	42,340.97	203,431.13	(26,283.01)	568.66	(26,851.67)	-	100.00%
17	Fortis Cancer Care Limited	March 31, 2021	INR	1.00	5.00	(3,730.30)	2.28	3,727.58	-	0.21	(294.98)	-	(294.98)	-	100.00%
18	Fortis Malar Hospitals Limited	March 31, 2021	INR	1.00	1,875.70	6,785.88	16,698.54	8,036.96	5.00	7,732.53	(1,146.66)	(345.33)	(801.33)	-	62.71%
19	Malar Star Medicare Limited	March 31, 2021	INR	1.00	5.00	212.88	225.66	7.78	-	25.25	15.50	1.04	14.46	-	62.71%
20	Fortis Health Management (East) Limited	March 31, 2021	INR	1.00	5.00	(1,204.98)	34.10	1,234.08	-	-	(106.53)	-	(106.53)	-	100.00%
21	Birdie and Birdie Realtors Private Limited	March 31, 2021	INR	1.00	1.00	(14,568.59)	9,111.62	23,679.21	-	6.88	(1,838.68)	-	(1,838.68)	-	100.00%
22	Stellant Capital Advisory Services Private Limited	March 31, 2021	INR	1.00	1,750.00	2,980.55	4,860.00	129.45	1,288.51	5,700.97	(199.04)	825.79	(1,024.83)	-	100.00%
23	Fortis Hospotel Limited	March 31, 2021	INR	1.00	56,117.02	149,773.80	216,303.14	10,412.32	95,340.90	21,507.94	13,726.85	3,566.81	10,160.04	-	100.00%
24	RHT Health Trust Manager Pte Ltd	March 31, 2021	SGD	54.40	609.45	10,069.75	11,017.71	338.51	9,682.99	75.18	(469.72)	(43.50)	(426.22)	-	100.00%
25	Fortis Emergency Services Limited	March 31, 2021	INR	1.00	5.00	(7,190.25)	912.96	8,098.21	-	116.68	(660.54)	-	(660.54)	-	100.00%
26	Fortis C-Doc Healthcare Limited	March 31, 2021	INR	1.00	676.77	(3,064.55)	705.53	3,093.31	-	1,974.87	(502.99)	-	(502.99)	-	60.00%
27	Escorts Heart and Super Speciality Hospital Limited	March 31, 2021	INR	1.00	3,392.52	9,219.25	74,083.26	61,471.49	17,775.00	7,775.14	(2,134.41)	(530.37)	(1,604.04)	-	100.00%

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

(Amount in Lakhs)

S. NO.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding *
28	International Hospital Limited	March 31, 2021	INR	1.00	33,963.13	60,067.85	265,779.03	171,748.05	87,908.52	27,227.29	422.21	181.71	240.50	-	100.00%
29	Hospitalia Eastern Private Limited	March 31, 2021	INR	1.00	5.10	(12,297.22)	12,628.46	24,920.58	-	0.38	(1,702.33)	-	(1,702.33)	-	100.00%
30	Fortis Health Management Limited	March 31, 2021	INR	1.00	250.00	(58,807.46)	62,461.62	121,019.08	52,050.02	3,733.31	(7,792.25)	-	(7,792.25)	-	100.00%

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

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

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

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

ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

INDRAJIT BANERJEE
Independent Director
DIN: 01365405

SUMIT GOEL
Company Secretary
Membership No.: F6661

VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 29, 2021

Place : Gurugram
Date : May 29, 2021

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

Statement pursuant to first proviso to Sub-Section(3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 related to Joint Venture / Associate Companies

(Amount in Lakhs)

Sl. No	Name of Associates/ Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding % *				i. Considered in Consolidation	i. Not Considered in Consolidation
1	RHT Health Trust	March 31, 2021	2,257.48	2,468.24	27.82%	Associate	Not Applicable	2,468.24	(88.11)	-
2	Lanka Hospitals Corporation PLC	December 31, 2020	641.21	10,547.73	28.60%	Associate	Not Applicable	10,547.73	487.03	-
3	DDRC SRL Diagnostics Private Limited	March 31, 2021	2.50	5,299.09	50.00%	Joint Venture	Not Applicable	5,299.09	4,339.30	-
4	Fortis Cauvery	March 31, 2021	NA, a partnership firm		51.00%	Joint Venture	Not Applicable	27.44	-	-
5	SRL Diagnostics (NEPAL) Private Limited	March 31, 2021	2.40	288.38	50.00%	Joint Venture	Not Applicable	288.38	17.65	-
6	Sunrise Medicare Private Limited	March 31, 2018	0.03	0.31	31.26%	Associate	Not Applicable	0.31	-	-

* The percentage of shareholding also includes indirect shareholding.

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

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,
The Members
Fortis Healthcare Limited
Fortis Hospital Sector-62,
Phase-VIII, Mohali, Punjab-160062.

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

We report that: -

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

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

c) We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

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

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

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

g) The auditor adhered to best professional standards and practices as could be possible while carrying out audit during the lock-down conditions due to COVID-19. The Company made due efforts to make available the relevant records and documents which were verified through online means to conduct and complete the audit in the aforesaid lock-down conditions.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

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

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

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

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

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred as "PIT Regulations");

(c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

(g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; &

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 (herein after referred as "SEBI LODR, 2015");

* No event took place under these regulations during the audit period.

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

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

➢ As per Regulation 24(1) of SEBI LODR, 2015, at least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary. However, the Company appointed Independent Director on the Board of Directors of its two unlisted material subsidiaries i.e. Fortis Hospotel Limited and International Hospital Limited w.e.f. September 17, 2020 and September 22, 2020 respectively;

➢ The Company received a onetime dividend from Fortis Healthcare International Limited. Accordingly, the 'income from financial assets' of the Company was more than 50% of the gross income for the year then ended. Further, in view of the investments in subsidiaries and financing provided to them, the Company's financial assets as at that date are also more than 50% of its total assets. Consequently, the Company technically meets the "principal business test" criteria for classification as a Non-Banking Financial Company (NBFC) as per press release by Reserve Bank of India (RBI) vide No.1998-99/1269 dated April 8, 1999 as at April 1, 2020 and it may be required to obtain a certificate of registration as a NBFC. As per the Company, such dividend is non-recurring in nature and does not represent income from ordinary activities of the Company and the Company does not intend to carry on the business as a NBFC. Accordingly, the Company, vide its letter dated November 8, 2019, had made a representation to the RBI that keeping in view the objective behind the principal business test criteria, its registration as a NBFC should not be required. Further, the Company has written another letter to RBI with a request to confirm that no such 'registration as a NBFC is required. Till date no response has been received from the RBI on either of the letters of the Company.

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

➢ The Clinical Establishment (Registration and Regulation) Act, 2010 and Rules made thereunder;

➢ The Drugs Control Act, 1950 and Rules made thereunder; and

➢ The Transplantation of Human Organs Act, 1994 and bye laws made thereunder.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Except otherwise mentioned in this report, in our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company. The Company has not complied with the provisions applicable to NBFC.

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

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

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

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

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No. P2001DE052900

Sd/-
Mohinder Paul Kharbanda
Partner
CP No.: 22192 FCS No.: 2365
UDIN.: F002365C000390051

New Delhi
May 29, 2021

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2021

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

S. No.	Particulars	Details
1.	CIN	L85110PB1996PLC045933
2.	Registration Date	February 28, 1996
3.	Name of the Company	Fortis Healthcare Limited
4.	Category / Sub-category of the Company	Public Company / Limited by Shares
5.	Address of the Registered Office & contact details	Fortis Hospital, Sector 62, Phase VIII, Mohali - 160062 Tel. 0172 - 5096001 Fax: 0172 - 5096221 Email Id: secretarial@fortishealthcare.com Website: www.fortishealthcare.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Kfin Technologies Private Limited Selenium Building Tower B, Plot 31 - 32, Financial District, Nanakramguda, Serilingampally Rangareddi, Hyderabad – 500 032, Telangana Toll Free No.: 18003454001 E-mail: einward.ris@kfintech.com Website: www.kfintech.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	*NIC Code of the Product / service	% to total turnover of the Company
1	To establish, maintain, operate, run, manage or administer hospitals, medicare, healthcare, diagnostic, health aids and research centers	861	100%

**As per National Industrial Classification - Ministry of Statistics and Programme Implementation http://mospi.nic.in/Mospi_New/site/home.aspx#*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

(A) HOLDING COMPANIES

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	IHH Healthcare Berhad Level 11 Block A, Pantai Hospital Kuala Lumpur, 8 Jalan Bukit Pantai, 59100, Malaysia	Foreign Company	Ultimate Holding Company	-	2(46)
2	Integrated Healthcare Holdings Limited Level 11 Block A, Pantai Hospital Kuala Lumpur, 8 Jalan Bukit Pantai, 59100 Malaysia	Foreign Company	Intermediate Holding Company	-	2(46)
3	Parkway Pantai Limited 111, Somerset Road, # 15 - 01, TripleOne Somerset, Singapore 238164	Foreign Company	Intermediate Holding Company	-	2(46)
4	Northern TK Venture Private Limited 111, Somerset Road, # 15 - 01, TripleOne Somerset, Singapore 238164	Foreign Company	Immediate Holding Company	31.1	2(46)

(B) DIRECT SUBSIDIARIES OF FORTIS HEALTHCARE LIMITED

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Hiranandani Healthcare Private Limited Mini Seashore Road, Sector - 10A, Plot No. 28, Vashi, Navi Mumbai - 400703	U85100MH2005PTC154823	Subsidiary Company	100	2(87)
2	*Fortis Hospotel Limited Fortis Memorial Research Institute, Sector - 44, Gurugram - 122002	U74899HR1990PLC054770	Subsidiary Company	74.35	2(87)
3	Fortis La Femme Limited Escorts Heart Institute and Research Centre, Okhla Road, Delhi - 110025	U85100DL2011PLC217500	Subsidiary Company	100	2(87)
4	SRL Limited Fortis Hospital, Sector 62, Phase - VIII, Mohali - 160062	U74899PB1995PLC045956	Subsidiary Company	56.95 (on diluted basis)	2(87)
5	Fortis Healthcare International Limited 4th Floor, Ebene Skies, Rue de l'Institut, Ebène, Mauritius	Foreign Company	Subsidiary Company	100	2(87)
6	Fortis Hospitals Limited Escorts Heart Institute and Research Centre, Okhla Road, Delhi - 110025	U93000DL2009PLC222166	Subsidiary Company	100	2(87)

ANNEXURE III TO DIRECTORS' REPORT (Contd.)

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
7	Escorts Heart Institute and Research Centre Limited SCO 11, Sector – 11 - D Chandigarh - 160011	U85110CH2000PLC023744	Subsidiary Company	100	2(87)
8	Fortis CSR Foundation Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110025	U85100DL2014NPL271782	Subsidiary Company	100	2(87)
9	*International Hospital Limited Fortis Memorial Research Institute, Sector - 44, Gurugram - 122002	U74999HR1994PLC048225	Subsidiary Company	78.4	2(87)
10	*Fortis Health Management Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110025	U85110DL2008PLC176412	Subsidiary Company	52	2(87)
11	*Escorts Heart and Super Speciality Hospital Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110025	U85110DL2003PLC120016	Subsidiary Company	48.58	2(87)

*Indirect wholly owned subsidiaries

(C) DIRECT SUBSIDIARIES OF FORTIS HOSPITALS LIMITED

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Fortis Cancer Care Limited Fortis Memorial Research Institute, Sector - 44, Gurugram - 122022	U85110HR2011PLC084071	Subsidiary Company	100	2(87)
2	Fortis Malar Hospitals Limited Fortis Hospital, Sector 62, Phase VIII, Mohali - 160062, Punjab.	L85110PB1989PLC045948	Subsidiary Company	62.71	2(87)
3	Fortis Health Management (East) Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110025	U85190DL2011PLC217462	Subsidiary Company	100	2(87)
4	Fortis C-Doc Healthcare Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110025	U85110DL2010PLC208379	Subsidiary Company	60	2(87)

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
5	Birdie & Birdie Realtors Private Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110025	U45400DL2008PTC173959	Subsidiary Company	100	2(87)
6	Stellant Capital Advisory Services Private Limited Fortis Hospitals Limited, Mulund Goregaon Link Road, Bhandup (West), Mumbai - 400078	U31300MH2005PTC153134	Subsidiary Company	100	2(87)
7	Fortis Global Healthcare (Mauritius) Limited 4th Floor, Ebene Skies, Rue de l'Institut, Ebène, Mauritius	Foreign Company	Subsidiary Company	100	2(87)
8	Fortis Emergency Services Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110025	U93000DL2009PLC189866	Subsidiary Company	100	2(87)

(D) DIRECT SUBSIDIARY OF FORTIS MALAR HOSPITALS LIMITED

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Malar Stars Medicare Limited 52, First Main Road, Gandhi Nagar, Adyar, Chennai - 600020	U93000TN2009PLC072209	Subsidiary Company	100	2(87)

(E) DIRECT SUBSIDIARY OF STELLANT CAPITAL ADVISORY SERVICES PRIVATE LIMITED

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	RHT Health Trust Manager Pte Ltd 120 Robinson Road # 08 - 01, Singapore 068913	Foreign Company	Subsidiary Company	100	2(87)

(F) DIRECT SUBSIDIARIES OF ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Fortis HealthStaff Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110025	U85194DL1984PLC205390	Subsidiary Company	100	2(87)
2	Fortis Asia Healthcare Pte Limited 120 Robinson Road # 08 - 01 Singapore 068913	Foreign Company	Subsidiary Company	100	2(87)

(G) DIRECT SUBSIDIARY OF FORTIS ASIA HEALTHCARE PTE LIMITED

S. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Fortis Healthcare International Pte Limited 120 Robinson Road # 08 - 01 Singapore 068913	Foreign Company	Subsidiary Company	100	2(87)

(H) DIRECT SUBSIDIARY OF FORTIS HEALTHCARE INTERNATIONAL PTE LIMITED

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Mena Healthcare Investment Company Limited 3rd Floor, J&C Building, PO Box 362, Road Town, Tortola, British Virgin Islands, VG1110	Foreign Company	Subsidiary Company	82.54	2(87)

(I) DIRECT SUBSIDIARY OF MENA HEALTHCARE INVESTMENT COMPANY LIMITED

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Medical Management Company Limited 3rd Floor, J&C Building, PO Box 362, Road Town, Tortola, British Virgin Islands, VG1110	Foreign Company	Subsidiary Company	100	2(87)

(J) DIRECT SUBSIDIARIES OF SRL LIMITED

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	SRL Diagnostics Private Limited 74, Ground Floor, Paschimi Marg, Opposite C Block, Market, Vasant Vihar, New Delhi - 110057	U85195DL1999PTC217659	Subsidiary Company	100	2(87)
2	SRL Diagnostics FZ- LLC 64, Al Razi Building, Unit 107-108, 118-119, Block A, P.O. Box 505143, Dubai Healthcare City	Foreign Company	Subsidiary Company	100	2(87)
3	SRL Reach Limited 74, Ground Floor, Paschimi Marg, Opposite C Block Market, Vasant Vihar, New Delhi - 110057	U85100DL2015PLC279712	Subsidiary Company	100	2(87)

(K) DIRECT SUBSIDIARY OF FORTIS HEALTH MANAGEMENT LIMITED

S. No	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Hospitalia Eastern Private Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110025	U45202DL1988PTC033270	Subsidiary Company	100	2(87)

(L) ASSOCIATES OF FORTIS HEALTHCARE LIMITED AND ITS SUBSIDIARIES

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Sunrise Medicare Private Limited S-549, Greater Kailash, Part I, New Delhi - 110048*	U74899DL1983PTC014923	Associate Company	31.26	2(6)
2	RHT Health Trust 120 Robison Road #08-01, Singapore 068913	Foreign Company	Associate Company	27.82	2(6)
3	Lanka Hospitals Corporation PLC No.578, Elvitigala Mawatha, Narahenpita, Colombo 05, Sri Lanka	Foreign Company	Associate Company	28.66	2(6)
4	DDRC SRL Diagnostics Private Limited** 4th Floor, Prime Square, Plot No.1 Gaiwadi Industrial Estate, S.V.Road, Goregaon (West) Mumbai - 400062	U85190MH2006PTC161480	Associate Company	50	2(6)

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
5	SRL Diagnostics (Nepal) Private Limited Maharajgunj, Ward No. 3 (Opposite US Embassy) P.O. Box 275 Kathmandu, Nepal	Foreign Company	Associate Company	50	2(6)

*Under Process of Striking Off.

**became step down subsidiary company of the Company with effect from April 5, 2021.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of shareholder	No. of Shares held at the beginning of the year April 1, 2020				No. of shares held at the end of the year March 31, 2021				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
PROMOTER AND PROMOTER GROUP									
INDIAN									
Individual / HUF	0	0	0	0.00	0	0	0	0.00	0
Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0
Others	0	0	0	0.00	0	0	0	0.00	0
Sub-Total A(1) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**
FOREIGN									
Individuals (NRIs / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0
Bodies Corporate	23,52,94,117	0	23,52,94,117	31.17	23,52,94,117	0	23,52,94,117	31.17	0
Institutions	0	0	0	0.00	0	0	0	0.00	0
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0
Others	0	0	0	0.00	0	0	0	0.00	0
Sub-Total A(2) :	**23,52,94,117**	**0**	**23,52,94,117**	**31.17**	**23,52,94,117**	**0**	**23,52,94,117**	**31.17**	**0**
Total A=A(1)+A(2)	**23,52,94,117**	**0**	**23,52,94,117**	**31.17**	**23,52,94,117**	**0**	**23,52,94,117**	**31.17**	**0**
PUBLIC SHAREHOLDING									
INSTITUTIONS									
Mutual Funds / UTI	5,40,62,918	0	5,40,62,918	7.16	9,34,83,030	0	9,34,83,030	12.38	5.22
Financial Institutions / Banks	97,23,613	0	97,23,613	1.29	90,00,035	0	90,00,035	1.19	(0.10)
Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00

Category of shareholder	No. of Shares held at the beginning of the year April 1, 2020				No. of shares held at the end of the year March 31, 2021				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	32,56,10,089	0	32,56,10,089	43.13	25,98,43,083	0	25,98,43,083	34.42	(8.71)
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(1) :	**38,93,96,620**	**0**	**38,93,96,620**	**51.58**	**36,23,26,148**	**0**	**36,23,26,148**	**47.99**	**(3.59)**
NON-INSTITUTIONS									
Bodies Corporate	3,75,83,323	0	3,75,83,323	4.98	3,59,95,121	0	3,59,95,121	4.77	(0.21)
Individuals									
(i) Individuals holding nominal share capital upto ₹ 1 Lakhs	2,85,49,365	73,953	2,86,23,318	3.79	3,27,63,321	73,713	3,28,37,034	4.35	0.56
(ii) Individuals holding nominal share capital in excess of ₹ 1 Lakhs	5,77,28,179	14,000	5,77,42,179	7.65	7,25,48,376	14,000	7,25,62,376	9.61	1.96
Others									
Clearing Members	17,50,307	0	17,50,307	0.23	14,98,936	0	14,98,936	0.20	(0.03)
Foreign Collaborators	0	6,70,194	6,70,194	0.09	0	6,70,194	6,70,194	0.09	0.00
NBFC	69,488	0	69,488	0.01	34,557	0	34,557	0.00	0.00
Non Resident Indians	11,92,850	58,715	12,51,565	0.17	16,78,850	58,715	17,37,565	0.23	0.06
NRI Non-Repatriation	11,15,915	0	11,15,915	0.15	6,35,917	0	6,35,917	0.08	(0.06)
Trusts	8,09,285	0	8,09,285	0.11	50,837	0	50,837	0.01	(0.10)
Qualified Institutional Buyer	6,51,837		6,51,837	0.09	1,13,15,346	0	1,13,15,346	1.50	1.41
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(2) :	**12,94,50,549**	**8,16,862**	**13,02,67,411**	**17.25**	**15,65,21,261**	**8,16,622**	**15,73,37,883**	**20.84**	**3.59**
Total B=B(1)+B(2):	**51,88,47,169**	**8,16,862**	**51,96,64,031**	**68.83**	**51,88,47,409**	**8,16,622**	**51,96,64,031**	**68.83**	**0.00**
Total (A+B) :	**75,41,41,286**	**8,16,862**	**75,49,58,148**	**100.00**	**75,41,41,526**	**8,16,622**	**75,49,58,148**	**100.00**	**0.00**
Shares held by custodians, against which	0	0	0	0.00	0	0	0	0.00	0.00
Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C) :	**75,41,41,286**	**8,16,862**	**75,49,58,148**	**100.00**	**75,41,41,526**	**8,16,622**	**75,49,58,148**	**100.00**	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding as on April 1, 2020			Shareholding as on March 31, 2021			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Northern TK Venture Private Limited	23,52,94,117	31.17	0.00	23,52,94,117	31.17	0.00	0.00
	Total	**23,52,94,117**	**31.17**	**0.00**	**23,52,94,117**	**31.17**	**0.00**	**0.00**

III. Change in Promoters' Shareholding

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Increase or Decrease during the year	Cumulative Shareholding during the year		Reason for Increase or Decrease
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	
1	Northern TK Venture Private Limited	23,52,94,117	31.17	-	23,52,94,117	31.17	No change during the year
	Total	**23,52,94,117**	**31.17**	**-**	**23,52,94,117**	**31.17**	

(IV) SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN APRIL 1, 2020 AND MARCH 31, 2021

Sl. No.	PAN No.	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	AAACW5648R	FPC	Opening Balance on April 1, 2020	WF Asian Smaller Companies Fund Limited	3,37,88,834	4.48%	3,37,88,834	4.48%
	September 30, 2020		Sale		(6,90,957)	0.10	3,30,97,877	4.38
	October 2, 2020		Sale		(20,284)	0.00	3,30,77,593	4.38
	October 9, 2020		Sale		(52,40,375)		2,78,37,218	3.69
	October 16, 2020		Sale		(1,48,50,994)		1,29,86,224	1.72
	October 23, 2020		Sale		(21,95,450)		1,07,90,774	1.43
	October 30, 2020		Sale		(11,35,094)		96,55,680	1.28
	November 6, 2020		Sale		(96,55,680)		0	0.00
	March 31, 2021		**Closing Balance**				**0**	**0.00**
2	ACPPJ9449M	PUB	Opening Balance on April 1, 2020	Jhunjhunwala Rakesh Radheshyam	50,00,000	0.66	50,00,000	0.66
	December 4, 2020		Purchase		50,00,000	0.66	1,00,00,000	1.32
	December 18, 2020		Purchase		10,00,000	0.14	1,10,00,000	1.46
	December 25, 2020		Purchase		25,50,000	0.33	1,35,50,000	1.79
	January 15, 2021		Purchase		49,99,995	0.67	1,85,49,995	2.46
	January 29, 2021		Purchase		5	0.00	1,85,50,000	2.46
	March 19, 2021		Purchase		30,50,000	0.40	2,16,00,000	2.86
	March 26, 2021		Purchase		1,09,50,000	1.45	3,25,50,000	4.31
	March 31, 2021		**Closing Balance**				**3,25,50,000**	**4.31**

Sl. No.	PAN No.	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
3	AAECE8814F	FPC	Opening Balance on April 1, 2020	East Bridge Capital Master Fund I Limited	2,90,01,000	3.84	2,90,01,000	3.84
	September 11, 2020		Sale		(9,93,898)	0.12	2,80,07,102	3.71
	September 30, 2020		Sale		(37,848)	0.01	2,79,69,254	3.70
	January 1, 2021		Sale		(2,00,000)	0.02	2,77,69,254	3.68
	January 8, 2021		Sale		(39,80,000)	0.53	2,37,89,254	3.15
	January 22, 2021		Sale		(5,00,000)	0.07	2,32,89,254	3.08
	March 12, 2021		Sale		(5,00,000)	0.06	2,27,89,254	3.02
	March 31, 2021		**Closing Balance**				**2,27,89,254**	**3.02**
4	AABCU7548R	FPC	Opening Balance on April 1, 2020	UBS PRINCIPAL CAPITAL ASIA LIMITED	2,89,15,132	3.83	2,89,15,132	3.83
	June 12, 2020				(7,14,609)		2,82,00,523	3.74
	June 26, 2020				(4,30,355)		2,77,70,168	3.68
	June 30, 2020				(4,05,263)		2,73,64,905	3.62
	July 3, 2020				(18,013)		2,73,46,892	3.62
	September 4, 2020				1,36,507		2,74,83,399	3.64
	September 11, 2020				8,561		2,74,91,960	3.64
	October 16, 2020				1,59,359		2,76,51,319	3.66
	November 13, 2020				(2,75,637)		2,73,75,682	3.63
	November 20, 2020				(4,30,933)		2,69,44,749	3.57
	November 27, 2020				(4,75,623)		2,64,69,126	3.51
	December 4, 2020				(5,12,719)		2,59,56,407	3.44
	January 15, 2021				(1,03,05,50)		2,49,25,857	3.30
	January 22, 2021				(1,06,552)		2,48,19,305	3.29
	January 29, 2021				(1,17,343)		2,47,01,962	3.27
	February 5, 2021				7,70,149		2,54,72,111	3.37
	February 12, 2020				76,331		2,55,48,442	3.38
	February 19, 2021				18,92,749		2,74,41,191	3.63
	February 26, 2021				10,53,500		2,84,94,691	3.77
	March 5, 2021				(2,74,888)		2,82,19,803	3.74
	March 31, 2021		**Closing balance**		**-**		**2,82,19,803**	**3.74**
5	AAFCG0345N	FPC	Opening Balance on April 1, 2020	GOLDMAN SACHS (SINGAPORE) PRIVATE -	2,59,72,914	3.44	2,59,72,914	3.44
	April 3, 2020		Purchase		9,729	0.00	2,59,82,643	3.44
	April 10, 2020		Purchase		3,564	0.00	2,59,86,207	3.44
	April 17, 2020		Purchase		18,493	0.00	2,60,04,700	3.44
	May 1, 2020		Purchase		5,561	0.01	2,60,10,261	3.45
	May 8, 2020		Purchase		1,13,004	0.01	2,61,23,265	3.46
	May 15, 2020		Purchase		17,339	0.00	2,61,40,604	3.46
	June 12, 2020		Sale		(5,20,521)	(0.07)	2,56,20,083	3.39
	June 26, 2020		Sale		(3,03,755)	(0.04)	2,53,16,328	3.35

Sl. No.	PAN No.	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	July 31, 2020		Sale		(97,374)	(0.01)	2,52,18,954	3.34
	October 9, 2020		Purchase		54,000	0.01	2,52,72,954	3.35
	November 20, 2020		Sale		(2,62,000)	(0.04)	2,50,10,954	3.31
	November 27, 2020		Sale		(10,38,145)	(0.13)	2,39,72,809	3.18
	December 4, 2020		Sale		(5,00,000)	(0.07)	2,34,72,809	3.11
	December 18, 2020		Sale		(11,07,337)	(0.15)	2,23,65,472	2.96
	December 25, 2020		Sale		(4,16,782)	(0.05)	2,19,48,690	2.91
	December 31, 2020		Sale		(3,95,381)	(0.06)	2,15,53,309	2.85
	January 8, 20201		Sale		(80,286)	(0.01)	2,14,73,023	2.84
	January 22, 2021		Sale		(2,66,392)	(0.03)	2,12,06,631	2.81
	February 12, 2020		Sale		(4,26,392)	(0.06)	2,07,80,239	2.75
	March 5, 2021		Sale		(6,20,157)	(0.08)	2,01,60,082	2.67
	March 12, 2021		Sale		(5,235)	(0.00)	2,01,54,847	2.67
	March 19, 2021		Sale		(15,78,621)	(0.21)	1,85,76,226	2.46
	March 26, 2021		Sale		(7,64,336)	(0.10)	1,78,11,890	2.36
	March 31, 2021		**Closing Balance**		**-**	**-**	**1,78,11,890**	**2.36**
6	AAATR0090B	MUT	Opening Balance on April 1, 2021	Nippon Life India Trustee Limited- A/C Nippon India Mul	2,57,09,337	3.41	2,57,09,337	3.41
	April 3, 2020		Purchase		3,01,079	0.04	2,60,10,416	3.45
	April 10, 2020		Purchase		1,54,608	0.02	2,61,65,024	3.47
	April 17, 2020		Purchase		5,50,000	0.07	2,67,15,024	3.54
	April 17, 2020		Sale		(53)	0.00	2,67,14,971	3.54
	April 24, 2020		Purchase		9,42,716	0.12	2,76,57,687	3.66
	May 1, 2020		Purchase		50,000	0.01	2,77,07,687	3.67
	May 1, 2020		Sale		(6,03,584)	0.08	2,71,04,103	3.59
	May 8, 2020		Purchase		6,67,986	0.11	2,77,72,089	3.68
	May 15, 2020		Purchase		15,610	0.00	2,77,87,699	3.68
	May 22, 2020		Purchase		2,176	0.00	2,77,89,875	3.68
	May 29, 2020		Purchase		1,024	0.00	2,77,90,899	3.68
	June 5, 2020		Purchase		20,00,000	0.27	2,97,90,899	3.95
	June 5, 2020		Sale		(2,304)	0.00	2,97,88,595	3.95
	June 12, 2020		Purchase		18,00,256	0.23	3,15,88,851	4.18
	June 19, 2020		Sale		(8,01,152)	0.00	3,07,87,699	4.08
	June 26, 2020		Purchase		8,00,000	0.10	3,15,87,699	4.18
	June 26, 2020		Sale		(5,376)	0.00	3,15,82,323	4.18
	June 30, 2020		Sale		(644)	0.00	3,15,81,679	4.18
	July 3, 2020		Purchase		670	0.00	3,15,82,349	4.18
	July 10, 2020		Sale		(13,689)	0.00	3,15,68,660	4.18
	July 17, 2020		Sale		(4,644)	0.00	3,15,64,016	4.18
	July 24, 2020		Sale		(213)	0.00	3,15,63,803	4.18
	July 31, 2020		Sale		(3,096)	0.00	3,15,60,707	4.18
	August 7, 2020		Sale		(11,645)	0.00	3,15,49,062	4.18
	August 14, 2020		Sale		(129)	0.00	3,15,48,933	4.18

Sl. No.	PAN No.	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	August 21, 2020		Sale		(8,901)	0.00	3,15,40,032	4.18
	August 28, 2020		Purchase		1,81,319	0.02	3,17,21,351	4.20
	August 28, 2020		Sale		(13,19,965)	(0.17)	3,04,01,386	4.03
	September 4, 2020		Purchase		3,076	0.00	3,04,04,462	4.03
	September 11, 2020		Sale		(2,440)	0.00	30,40,20,22	4.03
	September 18, 2020		Purchase		4,456	0.00	3,04,06,478	4.03
	September 25, 2020		Purchase		2,89,98,723	3.84	5,94,05,201	7.87
	September 30, 2020		Purchase		768	0.00	5,94,05,969	7.87
	October 2, 2020		Sale		(2,176)	0.00	5,94,03,793	7.87
	October 9, 2020		Sale		(4,352)	0.00	5,93,99,441	7.87
	October 16, 2020		Purchase		1,792	0.00	5,94,01,233	7.87
	October 23, 2020		Purchase		828	0.00	5,94,02,061	7.87
	October 30, 2020		Purchase		2,560	0.00	5,94,04,621	7.87
	November 6, 2020		Purchase		931	0.00	5,94,05,552	7.87
	November 13, 2020		Sale		(1,664)	0.00	5,94,03,888	7.87
	November 20, 2020		Purchase		15,00,000	0.02	6,09,03,888	8.07
	November 27, 2020		Purchase		206	0.00	6,09,04,094	8.07
	December 4, 2020		Purchase		384	0.00	6,09,04,478	8.07
	December 11, 2020		Sale		(3,472)	0.00	6,09,01,006	8.07
	December 18, 2020		Purchase		16,00,000	0.21	6,25,01,006	8.28
	December 25, 2020		Purchase		2,00,512	0.03	6,27,01,518	8.31
	December 31, 2020		Purchase		4,00,000	0.05	6,31,01,518	8.36
	January 1, 2020		Purchase		19,000	0.00	6,31,20,518	8.36
	January 1, 2021		Sale		(1,461)	0.00	6,31,19,057	8.36
	January 8, 2021		Purchase		11,11,870	0.15	6,42,30,927	8.51
	January 15, 2021		Purchase		1,00,511	0.01	6,43,31,438	8.52
	January 15, 2021		Sale		(6,00,000)	(0.08)	6,37,31,438	8.44
	January 22, 2021		Purchase		50,504	0.01	63,78,1,942	8.45
	January 22, 2021		Sale		(5,00,000)	(0.07)	6,32,81,942	8.38
	January 29, 2021		Purchase		1,00,000	0.02	6,33,81,942	8.40
	January 29, 2021		Sale		(10,04,258)	(0.14)	6,23,77,684	8.26
	February 5, 2021		Purchase		1,501	0.00	6,23,79,185	8.26
	February 12, 2021		Purchase		2,00,630	0.03	6,25,79,815	8.29
	February 12, 2021		Sale		(3,00,000)	(0.04)	6,22,79,815	8.25
	February 19, 2021		Purchase		15,00,000	0.20	6,37,79,815	8.45
	February 19, 2021		Sale		(2,409)	0.00	6,37,77,406	8.45
	February 26, 2021		Purchase		20,09,762	0.26	65,78,7168	8.71
	February 26, 2021		Sale		(126)	0.00	6,57,87,042	8.71
	March 5, 2021		Purchase		2,00,643	0.03	6,59,87,685	8.74
	March 5, 2021		Sale		(504)	0.00	6,59,87,181	8.74
	March 12, 2021		Purchase		1,971	0.00	6,59,89,152	8.74
	March 19, 2021		Purchase		4,975	0.00	6,59,94,127	8.74
	March 19, 2021		Sale		(14,20,118)	(0.19)	6,45,74,009	8.55
	March 26, 2021		Purchase		1,442	0.00	6,45,75,451	8.55
	March 26, 2021		Sale		(20,18,810)	(0.26)	6,25,56,641	8.29

Sl. No.	PAN No.	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	March 31, 2021		Purchase		14	0.00	6,25,56,655	8.29
	March 31, 2021		Sale		(4,86,126)	(0.07)	6,20,70,529	8.22
	March 31, 2021		**Closing Balance**		**-**	**-**	**3,30,76,005**	**4.38**
7	AAKCA7237L	FPC	Opening Balance on April 1, 2020	Amansa Holdings Private Limited	2,48,57,133	3.29	2,48,57,133	3.29
	April 3, 2020		Purchase		5,17,090	0.07	2,53,74,223	3.36
	April 10, 2020		Purchase		20,029	0.00	2,53,94,252	3.36
	April 17, 2020		Sale		(72,107)	(0.01)	2,53,22,145	3.35
	May 15, 2020		Sale		(1,11,728)	(0.01)	2,52,10,417	3.34
	May 22, 2020		Sale		(6,85,005)	(0.09)	2,45,25,412	3.25
	May 29, 2020		Sale		(10,35,849)	(0.14)	2,34,89,563	3.11
	June 6, 2020		Sale		(35,68,126)	(0.47)	1,99,21,437	2.64
	June 12, 2020		Sale		(45,67,682)	(0.61)	1,53,53,755	2.03
	June 19, 2020		Sale		(72,67,980)	(0.96)	80,85,775	1.07
	June 26, 2020		Sale		(34,62,533)	(0.54)	46,23,242	0.61
	June 30, 2020		Sale		(6,20,347)	(0.08)	40,02,895	0.53
	July 3, 2020		Sale		(22,30,810)	(0.30)	17,72,085	0.23
	July 10, 2020		Sale		(17,72,085)	(0.23)	0	0.00
	March 31, 2021		**Closing Balance**		**-**	**-**	**0**	**0.00**
8	AACCE9888M	FPC	Opening Balance on April 1, 2020	East Bridge Capital Master Fund Limited	2,14,58,339	2.84	2,14,58,339	2.84
	September 11, 2020		Sale		(3,19,292)	(0.04)	2,11,39,047	2.80
	September 18, 2020		Sale		(20,00,000)	(0.26)	1,91,39,047	2.54
	December 31, 2020		Sale		(2,220)	(0.01)	1,91,36,827	2.53
	January 1, 2020		Sale		(1,80,405)	(0.02)	1,89,56,422	2.51
	January 8, 2021		Sale		(60,72,319)	(0.80)	1,28,84,103	1.71
	January 15, 2021		Sale		(4,47,080)	(0.06)	1,24,37,023	1.65
	January 22, 2021		Sale		(76,625)	(0.01)	1,23,60,398	1.64
	January 29, 2021		Sale		(1,73,121)	(0.03)	1,21,87,277	1.61
	February 12, 2021		Sale		(5,33,426)	(0.07)	1,16,53,851	1.54
	February 19, 2021		Sale		(17,30,599)	(0.23)	99,23,252	1.31
	February 26, 2021		Sale		(18,00,000)	(0.23)	81,23,252	1.08
	March 12, 2021		Sale		(56,58,854)	(0.75)	24,64,398	0.33
	March 26, 2021		Sale		(9,85,563)	(0.13)	14,78,835	0.20
	March 31, 2021		**Closing balance**		**-**	**-**	**14,78,835**	**0.20**
9	AAEFR8176J	PUB	Opening Balance on April 1, 2020	Rakesh Jhunjhunwala	2,00,00,000	2.65	2,00,00,000	2.65
	June 5, 2020		Sale		(21,00,000)	(0.28)	1,79,00,000	2.37
	June 26, 2020		Sale		(49,25,000)	(0.65)	1,29,75,000	1.72
	August 14, 2020		Sale		(35,00,000)	(0.46)	94,75,000	1.26
	September 25. 2020		Purchase		77,00,000	1.01	1,71,75,000	2.27
	October 16, 2020		Sale		(42,25,000)	(0.55)	1,29,50,000	1.72
	December 4, 2020		Sale		(38,50,000)	(0.51)	91,00,000	1.21
	March 19, 2021		Sale		(14,00,000)	(0.19)	77,00,000	1.02

Sl. No.	PAN No.	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	March 31, 2021		**Closing Balance**		**-**	**-**	**77,00,000**	**1.02**
10	AACFY0704B	FPC	Opening Balance on April 1, 2020	York Asian Opportunities Investments Master Fund.	1,43,05,531	1.89	1,43,05,531	1.89
	April 3, 2020		Purchase		82,492	0.02	1,43,88,023	1.91
	April 10, 2020		Purchase		41,542	0.00	1,44,29,565	1.91
	April 17, 2020		Purchase		1,74,613	0.02	1,46,04,178	1.93
	May 1, 2020		Purchase		21,056	0.01	1,46,25,234	1.94
	May 8, 2020		Purchase		3,55,438	0.04	1,49,80,672	1.98
	May 15, 2020		Purchase		3,69,215	0.05	1,53,49,887	2.03
	May 22, 2020		Purchase		91,641	0.02	1,54,41,528	2.05
	May 29, 2020		Purchase		59,280	0.00	1,55,00,808	2.05
	June 5, 2020		Purchase		11,809	0.00	1,55,12,617	2.05
	June 12, 2020		Purchase		7,93,319	0.11	1,63,05,936	2.16
	June 19, 2020		Purchase		20,04,247	0.27	1,83,10,183	2.43
	September 4, 2020		Purchase		2,60,957	0.03	1,85,71,140	2.46
	January 1, 2021		Purchase		18,529	0.00	1,85,89,669	2.46
	March 31, 2021		Purchase		1,76,876	0.03	1,87,66,545	2.49
	March 31, 2021		**Closing Balance**		**-**	**-**	**1,87,66,545**	**2.49**

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Mr. Ravi Rajagopal**				
	At the beginning of the year	N.A.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	NIL			
2.	**Mr. Shirish Moreshwar Apte**				
	At the beginning of the year	N.A.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	NIL			
3.	**Dr. Ashutosh Raghuvanshi**				
	At the beginning of the year	N.A.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	NIL			

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	**[1]Mr. Dilip Kadambi**				
	At the beginning of the year	N.A.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	NIL			
5.	**Dr. Farid Bin Mohamed Sani**				
	At the beginning of the year	N.A.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	NIL			
6.	**Mr. Indrajit Banerjee**				
	At the beginning of the year	N.A.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	NIL			
7	**[2] Mr. Joerg Ayrle**				
	At the beginning of the year	N.A.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	NIL			
8.	**Dr. Kelvin Loh Chi Keon**				
	At the beginning of the year	N.A.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	NIL			
9.	**[3]Mr. Low Soon Teck**				
	At the beginning of the year	N.A.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	NIL			
10.	**Mr. Heng Joo Joe Sim**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	N.A.			

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11.	**[4]Ms. Shailaja Chandra**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	N.A.			
12.	**Ms. Suvalaxmi Chakraborty**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	N.A.			
13.	**[5]Mr. Takeshi Saito**				
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	N.A.			
14.	**Mr. Sumit Goel**				
	At the beginning of the year	N.A.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	NIL			
15.	**Mr. Vivek Kumar Goyal**				
	At the beginning of the year	N.A.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	NIL			
	At the end of the year	NIL			

[1]Appointed w.e.f. June 4, 2020

[2]Appointed w.e.f. March 31, 2021

[3]Resigned w.e.f. June 4, 2020

[4]Appointed w.e.f. June 28, 2020

[5]Appointed w.e.f. September 1, 2020

ANNEXURE III TO DIRECTORS' REPORT (Contd.)

V) INDEBTEDNESS - INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT.

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits*	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness as on April 1, 2020				
i) Principal Amount	71,988.30	64,135.65	-	136,123.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	236.61	-	-	236.61
Total (i+ii+iii)	**72,224.91**	**64,135.65**	**-**	**136,360.56**
Addition	18,474.43	14,556.43	-	33,030.86
Reduction	(18,874.35)	(12,401.12)	-	(31,275.47)
Net Change	(399.92)	2,155.31	-	1,755.39
Indebtedness as on March 31, 2021				
i) Principal Amount	71,795.80	66,223.91	-	138,019.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29.19	67.05	-	96.24
Total (i+ii+iii)	**71,824.99**	**66,290.96**	**-**	**138,115.95**

*Secured Loan is net of financial guarantee adjustment on guarantee given to Banks by subsidiary company.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

Sl. No.	Particulars of Remuneration	Name of MD ~~/ WTD / Manager~~ Dr. Ashutosh Raghuvanshi (April 1, 2020 to March 31, 2021) (Amount in ₹)
1	**[$]Gross salary**	
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	5,42,40,619
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	80,38,108
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	
2	**Stock Options (in Nos.)**	Nil
3	**Sweat Equity**	Nil
4	**Commission**	Nil
5	**Others**	Nil
	Total	**6,22,78,727**

[$]Remuneration does not include Employer Contribution to Provident Fund as the same is not covered under Section 17(1) of the Income Tax Act, 1961.

B. Remuneration to other Directors –

During the period under review, sitting fees paid to the Non-Executive Directors as on March 31, 2021 is as follows:

S. No.	Name of Directors	*Particulars of Remuneration- Gross Sitting Fees for attending board and committee meetings (Amount in ₹)
1	**Independent Directors**	
	Mr. Ravi Rajagopal	74,80,000*
	Mr. Indrajit Banerjee	66,00,000*
	Ms. Suvalaxmi Chakraborty	52,00,000*
	Ms. Shailaja Chandra	17,00,000
	Total (1)	**2,09,80,000**
	*The above amount includes commission paid to independent director(s) for FY 2019-20 during the period under review. The details of amount of commission paid to each of the independent director(s) has been detailed in the Corporate Governance Report.	
2	**Other Non-Executive Directors**	
	Mr. Low Soon Teck	3,00,000
	Mr. Shirish Moreshwar Apte	13,00,000
	Mr. Dilip Kadambi	15,00,000
	Dr. Kelvin Loh Chi Keon	11,00,000
	Dr. Farid Bin Mohamed Sani	11,00,000
	Mr. Heng Joo Joe Sim	10,00,000
	Mr. Takeshi Saito	6,00,000
	Mr. Joerg Ayrle	1,00,000
	Total (2)	**60,00,000**
	Total = (1+2)	**2,69,80,000**
	Overall Ceiling as per the Act	Sitting fees is payable upto the Maximum amount as specified under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR

SI No.	Particulars of Remuneration	Mr. Vivek Kumar Goyal (Chief Financial Officer)	Mr. Sumit Goel* (Company Secretary)
1	**$Gross salary**		
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	2,56,52,023/-	₹ 50,37,978/-
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	2,34,600/-	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	NIL	NIL
2	**Stock Option (in Nos.)**	NIL	NIL
3	**Sweat Equity**	NIL	NIL
4	**Commission**	NIL	NIL
	- as % of profit		
	- Others		
5	**Others**	NIL	NIL
	Total	**2,58,86,653/-**	**₹ 50,37,978/-**

$Remuneration does not include Employer Contribution to Provident Fund as the same is not covered under Section 17(1) of the Income Tax Act, 1961.

* Part of Salary is reimbursed by SRL Limited, a Subsidiary Company.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

No penalty / punishment / compounding of offences was levied against the Company during the FY 2020-21 in terms of the Companies Act, 2013.

On behalf of the Board of Directors
For Fortis Healthcare Limited

Sd/-
Ashutosh Raghuvanshi
MD & CEO
DIN: 02775637

Date: May 29, 2021
Place: Gurugram

Sd/-
Indrajit Banerjee
Independent Director
DIN: 01365405

Date: May 29, 2021
Place: New Delhi

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

- Fortis thrives to continuously monitor and improve energy scores across hospitals by switching to LED light fixtures, installing VFDs, BMS, low flow plumbing & sanitary fixtures. The chart below captures the reduction in energy consumption achieved by various Fortis Hospitals across India.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:

- It is proposed to reduce "Heat Island Effects" by designing efficient Landscape around Hospitals and install the equipment that are most energy efficient e.g. Chillers, Heat Pumps and Solar Hot water.
- Solar Power Generation Capacity is being enhanced.
- LED Lights are being installed in New Projects to reduce Electrical Power consumption.
- Energy Efficient Chillers, DG sets, Pumps have been selected for New Projects.
- Building Management System (BMS) has been installed for efficient HVAC operations.
- Variable Frequency Drives have been installed to conserve energy across Hospitals.
- As part of design standard, for all new upcoming projects, Fortis is providing hot water generation system with solar panels and heat pumps as secondary source.
- Fortis continues to explore avenues to employ renewable source of energy like Solar power & wind power.

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

For the FY 2021-22 various energy saving initiatives have resulted in reduction of Specific Energy consumption as shown in table given below:

Sr. No.	Hospital	Units consumed (kWH) in Lakhs	
		FY 2019-20 (A)	FY 2020-21 (B)
1	Noida	51.85	49.46
2	Mulund	62.15	59.09
3	Mohali	55.91	51.04
4	BG Road	71.18	69.07
5	Vasant Kunj	35.25	30.01
6	Nagarbhavi	6.70	5.22
7	CG Road	19.27	16.04
8	Jaipur	50.26	41.09
9	Anandpur	56.37	53.09
10	Kalyan	8.85	8.75
11	Okhla Road	91.55	81.39
12	Rajaji Nagar	4.11	3.24
13	Vashi	29.97	26.78
14	Adyar	30.62	26.14
15	Amritsar	37.68	34.76
16	Gurugram	100.72	87.07
17	Ludhiana	32.36	29.91
18	Shalimar Bagh	51.85	49.62

B. TECHNOLOGY ABSORPTION

1. Research & Development (R & D):

- Project Team is working on various models of Hospital Design to reduce Hospital Acquired Infection by segregation of staff and services movement.

2. Technology Absorption, Adaptation & Innovation:

a) Efforts made towards technology absorption, adaptation & innovation at FMRI:

- Variable Frequency Drives (VFDs) have been used in Chillers and critical AHUs.
- Rain Water Harvesting Pits have been provided to conserve rain water and improve the water table.
- Recirculation of treated water to reduce water consumption.

b) Efforts made towards technology absorption, adaptation & innovation at other units:

- The Company has decided to register all new projects for Green Building accreditations.

c) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

- As a result of installing PTS, usages of man movement and lifts have been reduced.
- The above steps are helping us across to conserve energy.

3. Expenditure incurred on Research and Development:

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

On behalf of the Board of Directors
For Fortis Healthcare Limited

Sd/-	**Sd/-**
Ashutosh Raghuvanshi	**Indrajit Banerjee**
MD & CEO	**Independent Director**
DIN: 02775637	**DIN: 01365405**
Date: May 29, 2021	**Date: May 29, 2021**
Place: Gurugram	**Place: New Delhi**

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

Under the guiding principles detailed in the Code of Conduct including amongst others:

- Conducting our operation in an honest and fair manner with integrity and openness;
- Respecting the human rights, dignity and legitimate interest of all individuals directly or indirectly associated with us;
- Providing a safe, healthy work and business environment directly or indirectly associated with us; and
- Ensuring conduct which sustains and enhances the global reputation and image of the organisation.

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

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

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

This year Company contributed its CSR Fund to 'Bharat Ke Veer" fund to support Central Armed Police Forces (CAPF) & Central Para Military Forces (CPMF) veterans and their dependents including widows. A fund-raising initiative by the Ministry of Home Affairs, Govt. of India on behalf of members of the Indian paramilitary Forces. They are always on duty and have round the clock commitments throughout the year, without any consideration for leave, holidays, weekends, festivals and personal commitments. They work in a very hazardous conditions and stress compiled with unhygienic living conditions. Many lost their life in terrorist / Naxalite attacks. Our contribution will support the dependents and widows of Braveheart heroes.

The policy seeks to define the specific roles and responsibilities associated with administration, program design and execution. It further clarifies the governance, monitoring, reporting and disclosure requirements.

As an enterprise in the critical domain of healthcare, the Company has participated and implemented various socially responsive programs since its inception. While some or many of these programs may not meet the strict interpretation of the new CSR rules, thereby impacting the assessment and eligibility of the 2% spent, these programs remain significant Fortis contributions to society and the Board, the Policy and Senior Management remain committed to continuing with them in the wider interests.

The policy as approved by the Board is available on the Company's website at **www.fortishealthcare.com**> Investors> Corporate Governance> Policies / Codes >Policy on Corporate Social Responsibility.

2. Composition of the CSR Committee

The Board has approved the constitution of a standalone CSR Committee with a delegated mandate. The current composition and mandate of the committee are available and updated on the Company's website at **www.fortishealthcare.com**>investors>Corporate Governance / Terms of Reference of Board Committees / Corporate Social Responsibility Committee Mandate.

ANNEXURE V TO DIRECTORS' REPORT (Contd.)

The composition of the CSR committee as on March 31, 2021 is as follows:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
(i)	Dr. Kelvin Loh Chi Keon	Non-Executive Director	1	1
(ii)	Mr. Indrajit Banerjee	Independent Director	1	1
(iii)	Mr. Ravi Rajagopal	Independent Director	1	1
(iv)	Ms. Shailaja Chandra	Independent Director	1	NA
(v)	Ms. Suvalaxmi Chakraborty	Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

https://www.fortishealthcare.com/investors/ Policies & Codes / Corporate Social Responsibility Policy.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)- Not Applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- Not Applicable.

6. Average net profit of the Company as per section 135(5) for last three FY:

Year	Amount in Lakhs
FY 2017-18	(728.73)
FY 2018-19	11,516.51
FY 2019-20	65,625.43
Total Profit	76,413.20
Average Net Profit	**25,471.07**

7. **(a) Two percent of average net profit of the company as per section 135(5) -** ₹ 509.42 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - NIL

(c) Amount required to be set off for the financial year, if any - NIL

(d) Total CSR obligation for the financial year (7a+7b- 7c). ₹ 509.42 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 5,09,42,137/-	-	-	-	-	-

(b) Details of CSR spend during the Financial Year (Total Amount Spent, Details of amount committed, manner in which the amounts were spent during the Financial Year including details of implementing agency / vehicle):

Chart I: CSR spend measured under Section 135 of Companies Act, 2013 (FY 2020-21)

Manner in which the amount spent by the Company and its subsidiaries during the Financial Year is detailed below:

Fortis Healthcare Limited **(Amount in Lakhs)**

1	2	3	4	5	6	7	8	9
S. No	**CSR Project or activity identified**	**Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)**	**Contributing Entity**	**Projects or program Local Area or other Specify the State and District where projects and programs were undertaken**	**Amount Outlay (budget) project or programs wise**	**Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads**	**Cumulative Expenditure upto the Reporting Period**	**Amount Spent: Direct or through implementing agency**
1	Savera	i, ii	Fortis Healthcare Limited	Pan India	-	-	89.69	Designated Special Purpose Vehicle
2	COVID-19	viii	Fortis Healthcare Limited	Pan India	-	-	37.53	Direct to Prime Minister's National Relief Fund
3	Central Armed Police Forces(CAPF) and Central Para Military Forces(CPMF) veterans, and their dependents including widows	vi	Fortis Healthcare Limited	Pan India	509.42	509.42	509.42	Direct Contribution to Bharat Ke Veer fund to support Central Armed Police Forces (CAPF) & Central Para Military Forces (CPMF)
	TOTAL				**509.42**	**509.42**	**636.64**	

- **Escorts Heart Institute and Research Centre limited**

1	2	3	4	5	6	7	8	9
S. No	**CSR Project or activity identified**	**Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)**	**Contributing Entity**	**Projects or program Local Area or other Specify the State and District where projects and programs were undertaken**	**Amount Outlay (budget) project or programs wise**	**Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads**	**Cumulative Expenditure upto the Reporting Period**	**Amount Spent: Direct or through implementing agency**
1	Savera	i, ii	Escorts Heart Institute and Research Centre Limited	Pan India	-		277.68	Designated Special Purpose Vehicle
2	COVID-19	viii	Escorts Heart Institute and Research Centre Limited	Pan India	-		22.94	Prime Minister's National Relief Fund through SPV ie Fortis CSR Foundation
3	Research & Development of Project	ix(b)	Escorts Heart Institute and Research Centre Limited	Pan India	267.39	267.39	267.39	Direct Payment to ICMR (The Indian Council of Medical Research)
	TOTAL				**267.39**	**267.39**	**568.01**	

Note: Unspent amount for Financial Years 2016-17, 2017-18 and 2018-19 amounting to ₹ 267.39 Lakhs was paid to The Indian Council of Medical Research in financial year 2020-21.

- **Hiranandani Healthcare Private Limited:**

1	2	3	4	5	6	7	8	9
S. No	**CSR Project or activity identified**	**Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)**	**Contributing Entity**	**Projects or program Local Area or other Specify the State and District where projects and programs were undertaken**	**Amount Outlay (budget) project or programs wise**	**Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads**	**Cumulative Expenditure upto the Reporting Period**	**Amount Spent: Direct or through implementing agency**
1	Savera	i, ii	Hiranandani Healthcare Private Limited	Pan India	-	-	11.17	Designated Special Purpose Vehicle
2	COVID-19	viii	Hiranandani Healthcare Private Limited	Pan India	-	-	3.25	Direct to Prime Minister's National Relief Fund
	TOTAL				**-**	**-**	**14.42**	

- **Fortis Malar Hospitals limited**

1	2	3	4	5	6	7	8	9
S. No	**CSR Project or activity identified**	**Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)**	**Contributing Entity**	**Projects or program Local Area or other Specify the State and District where projects and programs were undertaken**	**Amount Outlay (budget) project or programs wise**	**Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads**	**Cumulative Expenditure upto the Reporting Period**	**Amount Spent: Direct or through implementing agency**
1	Savera	i, ii	Fortis Malar Hospitals Limited	Pan India	-	-	111.96	Designated Special Purpose Vehicle
2	COVID-19	viii	Fortis Malar Hospitals Limited	Pan India	-	-	9.50	Direct to Prime Minister's National Relief Fund
	TOTAL				**-**	**-**	**121.46**	

- **Fortis Hospotel Limited**

1	2	3	4	5	6	7	8	9
S. No	**CSR Project or activity identified**	**Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)**	**Contributing Entity**	**Projects or program Local Area or other Specify the State and District where projects and programs were undertaken**	**Amount Outlay (budget) project or programs wise**	**Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads**	**Cumulative Expenditure upto the Reporting Period**	**Amount Spent: Direct or through implementing agency**
1	Savera	i, ii	Fortis Hospotel Limited	Pan India	-	-	96.95	Designated Special Purpose Vehicle
2	SEWA-Disaster Relief Program	viii	Fortis Hospotel Limited	Pan India	-	-	100.00	Chief Minister's Relief Fund-Assam through SPV ie Fortis CSR Foundation
3	COVID-19	viii	Fortis Hospotel Limited	Pan India	-	-	496.13	Direct to Prime Minister's National Relief Fund
4	Central Armed Police Forces(CAPF) and Central Para Military Forces(CPMF) veterans, and their dependents including widows	vi	Fortis Hospotel Limited	Pan India	353.18	353.18	353.18	Direct Contribution to Bharat Ke Veer fund to support Central Armed Police Forces (CAPF) & Central Para Military Forces (CPMF)
	TOTAL				**353.18**	**353.18**	**1,046.26**	

- **Escorts Heart and Super Speciality Hospital Limited**

1	2	3	4	5	6	7	8	9
S. No	**CSR Project or activity identified**	**Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)**	**Contributing Entity**	**Projects or program Local Area or other Specify the State and District where projects and programs were undertaken**	**Amount Outlay (budget) project or programs wise**	**Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads**	**Cumulative Expenditure upto the Reporting Period**	**Amount Spent: Direct or through implementing agency**
1	Savera	i, ii	Escorts Heart and Super Speciality Hospital Limited	Pan India	-	-	2.00	Designated Special Purpose Vehicle
	TOTAL				**-**	**-**	**2.00**	

- **SRL Limited**

1	2	3	4	5	6	7	8	9
S. No	**CSR Project or activity identified**	**Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)**	**Contributing Entity**	**Projects or program Local Area or other Specify the State and District where projects and programs were undertaken**	**Amount Outlay (budget) project or programs wise**	**Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads**	**Cumulative Expenditure upto the Reporting Period**	**Amount Spent: Direct or through implementing agency**
1	Chhaya	i, ii	SRL Limited	Pan India	-	-	852.93	Designated Special Purpose Vehicle
2	COVID-19	viii	SRL Limited	Pan India	-	-	20.18	Prime Minister's National Relief Fund through SPV ie Fortis CSR Foundation
3	Research & Development of Project	ix (b)	SRL Limited	Pan India	221.00	221.00	221.00	Direct Payment to ICMR (The Indian Council of Medical Research)
	TOTAL				**221.00**	**221.00**	**1,094.11**	

- **SRL Diagnostics Private Limited**

1	2	3	4	5	6	7	8	9
S. No	**CSR Project or activity identified**	**Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)**	**Contributing Entity**	**Projects or program Local Area or other Specify the State and District where projects and programs were undertaken**	**Amount Outlay (budget) project or programs wise**	**Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads**	**Cumulative Expenditure upto the Reporting Period**	**Amount Spent: Direct or through implementing agency**
1	Chhaya	i, ii	SRL Diagnostics Private Limited	Pan India	-	-	124.71	Designated Special Purpose Vehicle
2	Research & Development of Project	ix (b)	SRL Diagnostics Private Limited	Pan India	74.45	74.45	74.45	Direct Payment to ICMR (The Indian Council of Medical Research)
	TOTAL				**74.45**	**74.45**	**199.16**	

(c) **Details of CSR amount spent against ongoing projects for the financial year:** NIL

(d) **Details of CSR amount spent against other than ongoing projects for the financial year:** NIL

(e) **Amount spent in Administrative Overheads:** NIL

(f) **Amount spent on Impact Assessment, if applicable:** NA

(g) **Total amount spent for the Financial Year (8b+8c+8d+8e):** NIL

(h) **Excess amount for set off, if any**

S. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135 (5)	5,09,42,137
(ii)	Total amount spent for the Financial Year	5,09,42,137
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** NIL

   (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** NIL

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** NIL

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).** - Not Applicable

By Order of the Board of Directors
For Fortis Healthcare Limited

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

Date: May 29, 2021
Place: Gurugram

Sd/-
Dr. Kelvin Loh Chi Keon
Chairperson of Corporate Social Responsibility Committee
DIN: 08515101

Date: May 29, 2021
Place: Singapore

ANNEXURE VI TO DIRECTORS' REPORT

FORM AOC-2

PARTICULARS OF CONTRACT / ARRANGEMENT MADE WITH RELATED PARTIES

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

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

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

There were no contracts or arrangement or transactions which are not at arms' length basis, except for continuing Memorandum of Understanding for offering discounts to the employees of SRL Limited and its subsidiaries on certain healthcare services.

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

The details of material contracts or arrangements or transactions (as per the Company's Policy on 'Materiality on Related Party Transactions') entered into during the year ended March 31, 2020, which are on arm's length basis:-

Name of Related Party	Nature of Relationship	Nature of Contract / arrangement / transaction	Duration of the Contract / arrangement / transaction	Salient terms of the Contract / arrangement / transaction including the value, if any	Date of approval by the Board, if any	Amount paid in advance
Fortis Hospitals limited	Subsidiary Company	Loan advanced	Till March 2022	An agreement of ₹ 1,500 crore @ 8.85% p.a	Approved by Audit and Risk Management Committee on June 20, 2018	NA
Fortis Hospitals limited	Subsidiary Company	Corporate guarantee	11 Years	Corporate guarantee given to Banks/Financial Institution for loan availed by Subsidiary Company Closing Balance ₹ 732.25 crore	Approved by Board of Directors on March 02, 2020	NA
Fortis Hospitals limited (FHsL)	Subsidiary Company	Corporate guarantee	10 Years	Corporate guarantee given to Fortis Hospotel Limited for loan availed by FHsL closing balance ₹ 486.24 crore	Approved by Board of Directors on August 4, 2016	NA
(i) Fortis Hospitals Limited, (ii) Escorts Heart Institute and Research Centre Limited, (iii) International Hospital Limited, (iv) Escorts Heart and Super Specialty Hospital Limited, and (v) Fortis Hospotel Limited	Subsidiary Company	Corporate guarantee	11 Years	Corporate guarantees given to Banks by Subsidiary Companies on behalf of Company to avail loan (Closing Balance ₹ 884.56 crore by each subsidiary company)	Approved by Board of Directors on March 02, 2020	NA
(i) Hospitalia Eastern Private Limited	Subsidiary Company	Corporate guarantee	11 Years	Corporate guarantees given to Banks by Subsidiary Company on behalf of Company to avail loan (Closing Balance ₹ 773.80 crore)		NA

REPORT ON CORPORATE GOVERNANCE

1. INTRODUCTION

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

2. COMPANY'S PHIOLOSPHY ON CORPORATE GOVERNANCE

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

3. BOARD OF DIRECTORS - COMPOSITION OF THE BOARD

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

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

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

As on March 31, 2021, the Board consisted of 12 (Twelve) Members, of which 1 (One) was an Executive Director (Managing Director and CEO) and rest all being Non-Executive Directors. Out of the 11 (Eleven) Non-executive Directors, 4 (Four) were Independent Directors including 2 (Two) Woman Independent Directors. The Non-Executive Directors bring an external and wider perspective in Board's deliberation and decisions.

The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the terms and conditions of such appointment is disclosed on the website of the Company.

The size and composition of the Board conforms to the requirements of Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations' in this report) and the Companies Act, 2013. Other details relating to the Directors as on March 31, 2021 are as follows:

Name of the Director	Position held in the Company	Directorship in other Companies@	Membership of the Committee in Companies #	Chairmanship of the Committee in Companies #
Dr. Ashutosh Raghuvanshi	Managing Director and CEO	2	1	1
Mr. Ravi Rajagopal	Non-Executive Chairman and Independent Director	3*	2	0
Mr. Shirish Moreshwar Apte	Non-Executive Vice Chairman	1	0	0
Dr. Kelvin Loh Chi Keon	Non-Executive Director	1	0	0
[1] Mr. Dilip Kadambi	Non-Executive Director	1	0	0
Dr. Farid Bin Mohamed Sani	Non-Executive Director	0	0	0
Mr. Heng Joo Joe Sim	Non-Executive Director	1	0	0
Mr. Indrajit Banerjee	Independent Director	2$	0	0
[2] Mr. Joerg Ayrle	Non-Executive Director	0	0	0
[3] Ms. Shailaja Chandra	Independent Director	3	0	0
Ms. Suvalaxmi Chakraborty	Independent Director	6	3	0
[4] Mr. Takeshi Saito	Non-Executive Director	0	0	0

@ Excluding Foreign Companies and Companies formed under Section 8 of Companies Act, 2013 and Fortis Healthcare Limited

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

** Also Independent Director in Fortis Malar Hospitals Limited.*

$ Also, Independent Director in Endurance Technologies Limited.

[1] Appointed as Non-Executive Director w.e.f. June 4, 2020.

[2] Appointed as Non- Executive Director w.e.f March 31, 2021.

[3] Appointed as Non-Executive Independent Director w.e.f. June 28, 2020. Further, she is an Independent Director of Fortis Malar Hospitals Limited and Birla Corporation Limited.

[4] Appointed as Non-Executive Director w.e.f. September 1, 2020.

None of the Independent Directors resigned during the FY 2020-21.

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

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

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

Core skills / Expertise	Dr. Ashutosh Raghuvanshi	Mr. Ravi Rajagopal	Mr. Shirish Moreshwar Apte	Dr. Kelvin Loh Chi Keon	Mr. Dilip Kadambi	Dr. Farid Bin Mohamed Sani	Mr. Heng Joo Joe Sim	Mr. Indrajit Banerjee	Mr. Joerg Ayrle	Ms. Suvalaxmi Chakraborty	Ms. Shailaja Chandra	Mr. Takeshi Saito
People of proven business capability, people of integrity and reputation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Experience in handling senior level responsibility (especially in large complex organisations) either business or otherwise	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ensure members are from diverse background that bring different perspective and experiences	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Exposure and understanding of corporate governance, systems and control	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Altleast some members to have capability and experience in healthcare industry	✓			✓	✓		✓				✓	
Background in finance, risk management and control		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓

Disclosure regarding appointment or re-appointment of Directors

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

During the FY 2020-21, the Board of Directors had on the recommendation of the Nomination and Remuneration Committee appointed Mr. Dilip Kadambi, Ms. Shailaja Chandra, Mr. Takeshi Saito and Mr. Joerg Ayrle on the Board of the Company. Mr. Low Soon Teck resigned during the year under review.

Complete details of changes of board members in given in Board Report.

Dr. Ashutosh Raghuvanshi was appointed as Managing Director (designated as 'Managing Director and Chief Executive Officer) of the Company with effect from March 19, 2019 for a period of three years and the same was also approved by the shareholders in Annual General meeting of the Company held on September 26, 2019. Based on the recommendation of the Nomination and Remuneration Committee and Board of Directors it is proposed to re-appoint Dr. Ashutosh Raghuvanshi as Managing Director (designated as 'Managing Director & Chief Executive Officer) for a period of three (3) years with effect from March 19, 2022. A proposal regarding re-appointment of Dr. Ashutosh Raghuvanshi as Managing Director (designated as Managing Director & Chief Executive Officer) is forming part of the notice convening this Annual General Meeting.

Dr. Kelvin Loh Chi-Keon and Mr. Heng Joo Joe Sim are liable to retire by rotation at the forthcoming Annual General Meeting of the Company. Further, Mr. Takeshi Saito and Mr. Joerg Ayrle who were appointed during the year as Additional Directors are proposed to be regularised at the forthcoming Annual General Meeting of the Company. Profile of the directors seeking appointment / re-appointment are provided in the Notice convening the ensuing Annual General Meeting.

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

Board Functioning and Procedure

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

The probable dates of the Board Meetings for the forthcoming year are decided in advance and published as part of the Annual Report. The Board meets at least once in a quarter to review the performance of the Company and approves, inter alia, the financial results. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. The Board oversees the process of disclosures and communication. Independent Directors are regularly updated on performance of the Company, business strategies and new initiatives being taken / proposed to be taken by the Company. The agenda for each Board / Committee Meeting along with background papers are circulated in advance to the Board Members to facilitate meaningful discussion at the meetings.

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

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

The provisions and procedures relating to performance evaluation of the Directors including independent Directors and Familiarisation Program forms part of Board Report. Further, in compliance with Listing Regulations, the Company has made familiarisation programs to familiarise Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The detail of such familiarisation programme is available at www.fortishealthcare.com

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

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

During the year under review, ten (10) Board Meetings were held on (i) April 30, 2020 (ii) May 26, 2020 (iii) June 17, 2020 (iv) August 14, 2020 (v) September 16, 2020 (vi) November 2, 2020 (vii) November 12, 2020 (viii) February 5, 2021 (ix) February 11, 2021 and (x) March 31, 2021. The gap between two meetings did not exceed one hundred and twenty days.

The following table gives the attendance record of the directors at the above said Board meetings and at the last Annual General Meeting, which was held on August 31, 2020.

Name of the Director	No. of Board Meetings attended	Attendance at last AGM
Dr. Ashutosh Raghuvanshi	10	Yes
Mr. Ravi Rajagopal	10	Yes
Mr. Shirish Moreshwar Apte	10	Yes
Dr. Kelvin Loh Chi Keon	10	Yes
[1] Mr. Dilip Kadambi	8	Yes
Dr. Farid Bin Mohamed Sani	8	Yes
Mr. Heng Joo Joe Sim	9	Yes
Mr. Indrajit Banerjee	10	Yes
[2] Mr. Joerg Ayrle	1	NA
[3] Mr. Soon Teck Low	2	NA
[4] Ms. Shailaja Chandra	7	Yes
Ms. Suvalaxmi Chakraborty	10	Yes
[5] Mr. Takeshi Saito	6	NA

[1] *Appointed as Non-Executive Director w.e.f. June 4, 2020.*

[2] *Appointed as Non- Executive Director w.e.f. March 31, 2021.*

[3] *Resigned w.e.f. June 4, 2020.*

[4] *Appointed as Non-Executive Independent Director w.e.f. June 28, 2020. Further, she is an Independent Director of Fortis Malar Hospitals Limited.*

[5] *Appointed as Non-Executive Director w.e.f. September 1, 2020.*

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

Statutory Compliances

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

Code of Conduct

The Board has prescribed a Code of Conduct ("the Code") for all employees of the Company including Senior Management and Board Members, which covers the ethics, transparency, behavioral conduct, a gender friendly workplace, legal compliance and protection of the Company's property and information. Further, in terms of Schedule IV of Companies Act, 2013, the Company has adopted an additional code of conduct for the Independent Directors. Both the codes are hosted on the website of the Company. In terms of Listing Regulations, the Senior Management and Board Members have confirmed the compliance with the Codes for the FY 2020-21. A declaration to this effect signed by the Managing Director and CEO of the Company, forms part of this Report.

4. COMMITTEES OF THE BOARD

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

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

A. Audit Committee*

*nomenclature changed from Audit and Risk Management Committee to Audit Committee with effect from October 15, 2020.

➢ **Composition**

As on March 31, 2021, Audit Committee comprised of the following members, namely:

(i) Ms. Suvalaxmi Chakraborty, Chairperson;

(ii) Mr. Indrajit Banerjee;

(iii) Mr. Ravi Rajagopal;

(iv) Mr. Dilip Kadambi; and

(v) Ms. Shailaja Chandra.

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

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

- To review, with the management, the financial statements and auditor's report thereon before submission to the board for approval;
- To review management discussion and analysis of financial condition and results of operations;
- To review the financial statements, in particular, the investments made by the unlisted subsidiary company(ies);
- To review and approve all related party transactions as reported by the Management or any subsequent modification thereof;
- To review, with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- To scrutinise the inter corporate loans and investments;
- To review valuation of undertakings or assets of the company, wherever it is necessary and appointment of valuer(s);
- To recommend appointment, remuneration and terms of appointment of auditors of the Company after taking into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as auditor;
- To review and oversee the Whistle Blower mechanism; and
- To approve appointment of CFO.

The detailed and exhaustive Mandate of the Audit Committee reflecting the terms of reference and responsibilities for the Committee is available on the website of the Company for reference at www.fortishealthcare.com

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

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

During the year under review, seven (7) Meetings of the Audit Committee were held on (i) June 16, 2020 (ii) August 13, 2020 (iii) September 3, 2020 (iv) September 16, 2020 (v) November 11, 2020 (vi) January 18, 2021 and (vii) February 4, 2021.

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

Sr. No.	Name of the Member	No. of meetings attended
1	*Ms. Suvalaxmi Chakraborty, Chairperson	7
2	Mr. Indrajit Banerjee	7
3	Mr. Ravi Rajagopal	7
4	#Mr. Dilip Kadambi	7
5	#Ms. Shailaja Chandra	5
6	^Mr. Low Soon Teck	0

** Appointed as Chairperson of the Committee w.e.f. August 14, 2020.*

 # Appointed as member w.e.f. August 14, 2020.

^ Resigned w.e.f. June 4, 2020.

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

B. Risk Management Committee*

*constituted as a separate Committee with effect from October 15, 2020.

➢ **Composition**

As on March 31, 2021, Risk Management Committee comprised of the following members, namely:

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

(ii) Dr. Ashutosh Raghuvanshi

(iii) Mr. Anil Vinayak

(iv) Dr. Bishnu Panigrahi; and

(v) Ms. Shailaja Chandra.

Mr. Sumit Goel, Company Secretary, acts as the Secretary of the Risk Management Committee.

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

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

The detailed and exhaustive Mandate of the Risk Management Committee reflecting the terms of reference and responsibilities for the Committee is available on the website of the Company for reference at www.fortishealthcare.com

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

During the year under review, one (1) Meeting of the Risk Management Committee was held on February 1, 2021.

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

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

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

C. Stakeholders Relationship Committee

➢ **Composition**

In order to expedite the process of share transfers and other investors related matters, the Board of the Company has delegated the power of share transfer to the Committee. As on March 31, 2021, the Stakeholders Relationship Committee comprised of the following members, namely:

(i) Ms. Suvalaxmi Chakraborty, Chairperson

(ii) Mr. Indrajit Banerjee,

(iii) Mr. Ravi Rajagopal, and

(iv) Ms. Shailaja Chandra.

Mr. Sumit Goel, Company Secretary, acts as the Secretary of the Stakeholders Relationship Committee and the Compliance Officer pursuant to Listing Regulations.

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

- To approve / refuse / reject registration of transfer / transmission of Shares in a timely manner;
- To authorise printing of Share Certificates;

REPORT ON CORPORATE GOVERNANCE (Contd.)

- To issue the Share Certificates under the seal of the Company, which shall be affixed in the presence of and signed by any two Directors (including Managing or Whole-time Director, if any), and Company Secretary / Authorised Signatory;
- To authorise affixation of the Common Seal of the Company on Share Certificates of the Company;
- To monitor redressal of stakeholder's complaints / grievances including relating to non-receipt of allotment / refund, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc; and
- To authorise to maintain, preserve and keep in its safe custody all books and documents relating to the issue of share certificates, including the blank forms of share certificates.

The detailed and exhaustive Mandate of the Stakeholders Relationship Committee reflecting the salient terms of reference and responsibilities is available for reference on the website of the Company at www.fortishealthcare.com

➢ **Meetings of Stakeholders Relationship Committee during the year**

Four (4) meetings of Stakeholders Relationship Committee were held during the year ended March 31, 2021 on (i) June 16, 2020 (ii) August 14, 2020 (iii) November 11, 2020 and (iv) February 4, 2021.

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

Sr. No.	Name of the Member	No. of meetings attended
1	Ms. Suvalaxmi Chakraborty	4
2	[1]Ms. Shailaja Chandra	3
3	Mr. Indrajit Banerjee	4
4	Mr. Ravi Rajagopal	4

[1] *Appointed w.e.f. August 14, 2020.*

➢ **Details of Investors' Grievances received during the year 2020-21:**

Nature of Complaints	Pending as on April 1, 2020	Received during the year	Resolved / attended during the year	Pending as on March 31, 2021	Complaints not solved to the satisfaction of shareholder
Non-receipt of Dividend warrants / non-receipt of Annual Reports / Non-receipt of Securities / Non-receipt of securities after transfer / clarification regarding shares / others etc.	0	22	22	0	0
Total	**0**	**22**	**22**	**0**	**0**

The Company gives utmost priority to the redressal of Investors' Grievances which is evident from the fact that all complaints received from the investors were resolved expeditiously, to the satisfaction of the investors. Mr. Sumit Goel is a Company Secretary and Compliance Officer.

D. Corporate Social Responsibility Committee

➢ **Composition**

As on March 31, 2021, Corporate Social Responsibility Committee comprised of the following members, namely:

(i) Mr. Indrajit Banerjee,

(ii) Dr. Kelvin Loh Chi Keon,

(iii) Mr. Ravi Rajagopal,

(iv) Ms. Suvalaxmi Chakraborty, and

(v) Ms. Shailaja Chandra.

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

Mr. Sumit Goel, Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.

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

- Reviewing and making recommendations, as appropriate, with regard to the Company's Corporate Social Responsibility (CSR) policy(ies) indicating the activities to be undertaken by the Company;
- Reviewing the various proposals of CSR programmes / projects as submitted by CSR department of the Company and if thought fit, approval thereof, provided that the same is within the framework of CSR Policy;
- Identification and appointment of various eligible agencies / entities for execution of CSR programmes or projects of the Company;
- Recommendation of the amount of expenditure to be incurred on the CSR activities as per the framework of CSR Policy; and
- Reviewing the annual budget for the Company's CSR activities to confirm that sufficient funding is provided for compliance with this mandate.

The detailed and exhaustive mandate of the Corporate Social Responsibility Committee reflecting the salient terms of reference and responsibilities for the Committee is available on the website of the Company for reference at www.fortishealthcare.com

➢ **Meetings of Corporate Social Responsibility Committee during the year**

1 (One) Meeting of Corporate Social Responsibility Committee was held during the year ended March 31, 2021 on June 16, 2020.

The Attendance of members of the Corporate Social Responsibility Committee at the said meeting was as under:

Sr. No.	Name of the Member	No. of meetings attended
1	Mr. Indrajit Banerjee	1
2	Mr. Ravi Rajagopal	1
3	Ms. Suvalaxmi Chakraborty	1
4	Dr. Kelvin Loh Chi-Keon	1
5	[1]Ms. Shailaja Chandra	NA

[1] *Appointed w.e.f. August 14, 2020.*

E. Nomination and Remuneration Committee

➢ **Composition**

As on March 31, 2021, the Nomination and Remuneration Committee comprised of the following members:

(i) Mr. Indrajit Banerjee, Chairperson

(ii) Ms. Suvalaxmi Chakraborty,

(iii) Mr. Shirish Moreshwar Apte, and

(iv) Dr. Farid Bin Mohamed Sani.

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

- Assist in identifying and finalizing suitable candidates as members of the Board and recommendation of compensations norms;
- Devising of remuneration policy and Board diversity policy for the Board Members;
- Monitor and Evaluation of Board Evaluation Framework;
- Identification of the persons who may be appointed in senior management, evaluation of performances of Key Managerial Personnel, monitoring their compensation packages, employment arrangements and remuneration policy;
- Review and approve succession and emergency preparedness plan for the Key Managerial Personnel and all senior Management personnel; and

- Review grant of stock options or pension rights to the employees under different ESOP Plans of the Company.

The detailed and exhaustive Mandate reflecting the salient terms of reference and responsibilities for the Nomination and Remuneration Committee is available on the website of the Company for reference at www.fortishealthcare.com

The Nomination and Remuneration Committee works with the Board on the succession planning and ensures contingency plans are in place to meet any exigencies. Mr. Sumit Goel, Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

➢ **Meetings of Nomination and Remuneration Committee during the year**

3 (Three) meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2021. These were held on (i) April 24, 2020 (ii) July 20, 2020 (iii) January 12, 2021.

The attendance of members of Nomination and Remuneration Committee at these meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1	Ms. Suvalaxmi Chakraborty	3
2	Mr. Indrajit Banerjee	3
3	Mr. Shirish Moreshwar Apte	3
4	Dr. Farid Bin Mohamed Sani	3

➢ **Remuneration policy & Criteria of making payments to Executive and Non-Executive Directors including Independent Directors**

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice.

The Directors' remuneration policy of the Company is in line with the provisions of the Companies Act, 2013. The remuneration paid / payable to the Executive Director(s) is, as recommended by the Nomination and Remuneration Committee, decided by the Board and approved by the Shareholders and Central Government, wherever required.

Presently, the Non-Executive Director(s) are being paid sitting fees for attending the Meetings of Board of Directors and various Committee(s) of Board viz. Audit Committee, Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Finance Committee and separate meeting of Independent Directors.

Non-Executive Independent Directors may be paid commission upto 1% of the Net Profits of the Company calculated in accordance with the provisions of Section 198 of Companies Act, 2013, as approved by the shareholders at their meeting held on August 31, 2020 (valid upto March 31, 2022). During the year under review, the following commission was paid to Independent Directors for FY 2019-20:

S. No.	Name of the Independent Director	Amount in ₹
1.	Mr. Ravi Rajagopal	51,80,000
2.	Mr. Indrajit Banerjee	39,00,000
3.	Ms. Suvalaxmi Chakraborty	25,00,000

The key components of the Company's Remuneration Policy for the Board Members are:

- Compensation will be based on credentials and the major driver of performance.
- Compensation will be competitive and benchmarked with industry practice.
- Compensation will be fully transparent and tax compliant.

The Governance Document for Board which inter alia includes the Remuneration Policy of the Company is made available on the weblink of the website of the Company at www.fortishealthcare.com

- **Remuneration to Directors**

a) Executive Director

Dr. Ashutosh Raghuvanshi was appointed as Managing Director and Chief Executive Officer w.e.f. March 19, 2019 for a period of 3 years, and the same was approved at the Annual General Meeting (AGM) of the Company held on September 26, 2019. He has been paid Gross salary of ₹ 6,22,78,727/- from April 1, 2020 to March 31,2021 as per terms of appointment

The details of his remuneration for the year 2020-21:

SI. No.	Particulars of Remuneration		(Amount in ₹)
1	$Gross salary		
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,42,40,619
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	80,38,108
	(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2	Stock Options (in Nos.)		Nil
3	Sweat Equity		Nil
4	Commission		Nil
5	Others		Nil
	Total		**6,22,78,727**

$Remuneration does not include Employer Contribution to Provident Fund as the same is not covered under Section 17(1) of the Income Tax Act, 1961.

Service contracts and notice period

Service Contract – for a period of 3 years

Notice Period – 3 months

As on date, he does not hold any shares in the Company nor has been granted any ESOPs.

b) Non-Executive Directors

During the period under review sitting fees paid to Non-Executive Directors and their shareholding as on March 31, 2021 is as follows:

S. No.	Name of the Director	Gross Sitting Fees (₹)	Shareholding in the Company as on March 31, 2021 or as on the date of resignation, whichever is earlier
1.	Mr. Ravi Rajagopal	23,00,000	Nil
2.	Mr. Shirish Moreshwar Apte	13,00,000	Nil
3.	Dr. Kelvin Loh Chi Keon	11,00,000	Nil
4.	[1] Mr. Dilip Kadambi	15,00,000	Nil
5.	Dr. Farid Bin Mohamed Sani	11,00,000	Nil
6.	Mr. Heng Joo Joe Sim	10,00,000	Nil
7.	Mr. Indrajit Banerjee	27,00,000	Nil
8.	[2] Mr. Joerg Ayrle	1,00,000	Nil
9.	[3] Mr. Low Soon Teck	3,00,000	Nil
10.	[4] Ms. Shailaja Chandra	17,00,000	Nil
11.	Ms. Suvalaxmi Chakraborty	27,00,000	Nil
12.	[5] Mr. Takeshi Saito	6,00,000	Nil

[1] Appointed as Non-Executive Director w.e.f. June 4, 2020.
[2] Appointed as Non- Executive Director w.e.f. March 31, 2021.
[3] Resigned w.e.f. June 4, 2020.
[4] Appointed as Non-Executive Independent Director w.e.f. June 28, 2020.
[5] Appointed as Non-Executive Director w.e.f. September 1, 2020.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Company has not granted any stock options to any of its Directors. Except as stated above and as disclosed elsewhere in this Annual Report including notes to Financial Statements, there was no other pecuniary relationship or transaction of the Non-Executive Director(s) vis-à-vis the Company, during the year under review. Further, none of the Non-Executive Directors are holding any convertible instrument of the Company.

F. Finance Committee (Dissolved w.e.f. August 14, 2020)

The Board at its meeting held on November 13, 2018, constituted a Treasury Committee of the Board of Directors (nomenclature changed to Finance Committee w.e.f. November 30, 2018) with limited mandate viz Opening, closure of bank accounts and change of banking signatories.

- **Meetings of Finance Committee during the year**

During the year ended March 31, 2021, 1 (One) meeting of Finance Committee was held on May 19, 2020.

The attendance of members of Finance Committee at the meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1	Mr. Low Soon Teck*	1
2	Mr. Dilip Kadambi*	1
3	Ms. Suvalaxmi Chakraborty	1
4	Mr. Indrajit Banerjee	1

**Resigned and appointed as Chairperson of the Committee with effect from June 4, 2020.*

Further, the Committee was dissolved with consent of the Board of Directors with effect from August 14, 2020.

G. Independent Directors

- **Meetings of Independent Director during the year**

One (1) Meeting of Independent Directors was held during the year ended March 31, 2021 on February 5, 2021. All the Independent Directors attended the same.

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

(a) review the performance of non-independent directors and the board of directors as a whole;

(b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;

(c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

5. SUBSIDIARY COMPANIES

As on April 1, 2021, Fortis Hospitals Limited (FHsL), International Hospital Limited (IHL), Fortis Hospotel Limited (FHTL) and SRL Limited (SRL) are considered as Material Subsidiaries and accordingly necessary compliances w.r.t. material subsidiaries have been duly carried out.

The Audit Committee of the Company reviews the financial statements and investment made by the subsidiary company(ies). The minutes of the Board Meeting(s) of subsidiaries as well as the statement of significant transactions and arrangement entered into by the subsidiaries, if any, are placed before the Board of Directors of the Company from time to time.

The policy for determining 'material' subsidiaries is available at www.fortishealthcare.com –Investors> Corporate Governance> Policies> Policy on Material Subsidiary.

6. CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Managing Director & CEO and CFO certification as stipulated in Regulation 17(8) of Listing Regulations was placed before the Board along with financial statement(s) for the year ended March 31, 2021. The board reviewed and took note of the same. The said certificate forms part of the Annual Report.

7. GENERAL BODY MEETING(S)

The location and time of the General Meetings held during the preceding three years are as follows:

FY	Date	Time (IST)	Venue	Special Resolution(s) passed
Annual General Meetings				
FY 2019-20	August 31, 2020	02.00 p.m.	Through Video Conferencing / Other Audio Visual Means	Payment of Commission to all Independent Directors of the Company with effect from April 1, 2019 for a period of 3 years.
FY 2018-19	September 26, 2019	12:00 p.m.	National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali, Punjab-160062	Appointment & Remuneration of Managing Director.
FY 2017-18	September 28, 2018	12:30 p.m.	National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali, Punjab-160062	None

There is no immediate proposal for passing any resolution through Postal Ballot as on the date of this report, except as per the details available in public domain.

Details of resolution passed by way of Postal Ballot.

Pursuant to Regulation 44 of Listing Regulations and Section 108, 110 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, the members of the Company have during the year under review, approved the following resolutions by way of postal ballot.

1. **Postal ballot Notice dated May 26, 2020 (result declared on June 29, 2020):**
   (a) Approval for entering into a Material Contract by Fortis Malar Hospitals Limited, a step-down subsidiary of the Company.
   (b) Approval for waive off service fee payable to BT entities and amendment in any of the terms and conditions of Hospital and Medical Services Agreement (HMSA), including termination thereof.
   (c) Approval of appointment of Ms. Shailaja Chandra (DIN: 03320688) as an Independent Director of the Company.
   (d) Approval for further investment in wholly owned subsidiary companies of the Company viz. Escorts Heart Institute and Research Centre Limited, Hiranandani Healthcare Private Limited and Fortis Hospitals Limited.

For conducting the aforementioned postal ballot / electronic voting exercise, Mr. Ramit Rastogi of Ramit Rastogi & Associates, Practicing Company Secretaries (C.P. No. 18465), was appointed as the Scrutiniser.

Summary of the results of aforementioned Postal Ballot / electronic voting process announced by Mr. Sumit Goel, Company Secretary of the Company on June 29, 2020:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Approval for entering into a Material Contract by Fortis Malar Hospitals Limited, a step-down subsidiary of the Company.	45,93,24,117	45,93,11,543 (99.9973%)	12,574 (0.0027%)
Approval for waive off service fee payable to BT entities and amendment in any of the terms and conditions of Hospital and Medical Services Agreement (HMSA), including termination thereof.	45,93,24,358	45,93,10,922 (99.9971%)	13,436 (0.0029%)
Approval of appointment of Ms. Shailaja Chandra (DIN: 03320688) as an Independent Director of the Company.	45,93,23,790	45,93,07,639 (99.9965%)	16,151 (0.0035%)
Approval for further investment in wholly owned subsidiary companies of the Company viz. Escorts Heart Institute and Research Centre Limited, Hiranandani Healthcare Private Limited and Fortis Hospitals Limited.	45,93,54,668	45,93,42,191 (99.9973%)	12,477 (0.0027%)

2. **Postal Ballot Notice dated November 12, 2020 (result declared on December 14, 2020):**
   a) To approve amendment in loan agreement between Fortis Healthcare Limited ('the Company') and Fortis Hospitals Limited ('FHsL'), a wholly owned material subsidiary of the Company and to enable issue of equity shares by FHsL to the Company pursuant to the conversion of said loan.
   b) To approve amendment in terms of intra group Compulsory Convertible Preference Shares ('CCPS') between Fortis Hospitals Limited and Escorts Heart Institute and Research Centre Limited, wholly owned subsidiaries of the Company.
   c) To consider amendment in loan agreement between Fortis Hospitals Limited ('FHsL') and Fortis C-Doc Healthcare Limited ('Fortis C-Doc'), subsidiaries of the Company and to enable issue of Optionally Convertible Redeemable Preference Shares (OCRPS) by Fortis C-Doc to FHsL pursuant to the conversion of loan.
   d) To approve further investment by SRL Limited into SRL Diagnostics FZ-LLC, a step-down subsidiary of the Company.

For conducting the aforementioned postal ballot / electronic voting exercise, Mr. Ramit Rastogi of Ramit Rastogi & Associates, Practicing Company Secretaries (C.P. No. 18465), was appointed as the Scrutiniser.

Summary of the results of aforementioned Postal Ballot / electronic voting process announced by Mr. Sumit Goel, Company Secretary of the Company on December 14, 2020:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
To approve amendment in loan agreement between Fortis Healthcare Limited ('the Company') and Fortis Hospitals Limited ('FHsL'), a wholly owned material subsidiary of the Company and to enable issue of equity shares by FHsL to the Company pursuant to the conversion of said loan.	47,50,96,208	47,50,75,336 (99.9956%)	20,872 (0.0044%)
To approve amendment in terms of intra group Compulsory Convertible Preference Shares ('CCPS') between Fortis Hospitals Limited and Escorts Heart Institute and Research Centre Limited, wholly owned subsidiaries of the Company.	47,50,96,203	47,50,75,625 (99.9957%)	20,578 (0.0043%)
To consider amendment in loan agreement between Fortis Hospitals Limited ('FHsL') and Fortis C-Doc Healthcare Limited ('Fortis C-Doc'), subsidiaries of the Company and to enable issue of Optionally Convertible Redeemable Preference Shares (OCRPS) by Fortis C-Doc to FHsL pursuant to the conversion of loan.	47,50,96,208	47,50,59,856 (99.9923%)	36,352 (0.0077%)
To approve further investment by SRL Limited into SRL Diagnostics FZ-LLC, a step-down subsidiary of the Company.	47,50,96,151	47,50,77,362 (99.9960%)	18,789 (0.0040%)

3. **Postal Ballot Notice dated February 11, 2021 (result declared on March 15, 2021):**

a) To approve acquisition of 2,50,000 equity shares of DDRC SRL Diagnostics Private Limited, a joint venture company by SRL Limited, a subsidiary Company.

b) To approve issuance of listed non - convertible debentures by SRL Limited, a subsidiary company on private placement basis.

c) To approve sale of immovable properties by Hiranandani Healthcare Private Limited, a wholly owned subsidiary company.

d) To (i) enter into an amendment to the existing Shareholders Agreement ("Amended SHA 2021") between SRL Limited ("SRL") and International Finance Corporation, Nylim Jacob Ballas India Fund III LLC, Resurgence PE Investments Limited (together referred as "PE Investors") and Fortis Healthcare Limited ("the Company") and (ii) terminate the exit agreement dated June 12, 2012 executed amongst the Company, SRL and the PE Investors.

e) To approve the conversion of export receivables due to SRL Limited, a material subsidiary of the Fortis Healthcare Limited ("Company"), from SRL Diagnostics FZ-LLC (SRL FZ-LLC) (a step-down subsidiary of the Company) into equity shares to be issued to SRL Limited.

For conducting the aforementioned postal ballot / electronic voting exercise, Mr. Ramit Rastogi of Ramit Rastogi & Associates, Practicing Company Secretaries (C.P. No. 18465), was appointed as the Scrutiniser.

Summary of the results of Postal Ballot / electronic voting process announced by Mr. Sumit Goel, Company Secretary of the Company on March 15, 2021:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
To approve acquisition of 2,50,000 equity shares of DDRC SRL Diagnostics Private Limited, a joint venture company by SRL Limited, a subsidiary Company.	44,55,45,354	44,14,16,438 (99.07%)	41,28,916 (0.9267%)
To approve issuance of listed non - convertible debentures by SRL Limited, a subsidiary company on private placement basis.	44,55,45,344	44,14,12,739 (99.0725%)	41,32,605 (0.9275%)
To approve sale of immovable properties by Hiranandani Healthcare Private Limited, a wholly owned subsidiary company.	44,55,45,309	44,14,14,756 (99.0729%)	41,30,553 (0.9271%)
To (i) enter into an amendment to the existing Shareholders Agreement ("Amended SHA 2021") between SRL Limited ("SRL") and International Finance Corporation, Nylim Jacob Ballas India Fund III LLC, Resurgence PE Investments Limited (together referred as "PE Investors") and Fortis Healthcare Limited ("the Company") and (ii) terminate the exit agreement dated June 12, 2012 executed amongst the Company, SRL and the PE Investors.	44,55,42,644	44,14,12,166 (99.0729%)	41,30,478 (0.9271%)
To approve the conversion of export receivables due to SRL Limited, a material subsidiary of the Fortis Healthcare Limited ("Company"), from SRL Diagnostics FZ-LLC (SRL FZ-LLC) (a step-down subsidiary of the Company) into equity shares to be issued to SRL Limited.	44,55,45,288	44,14,15,149 (99.0730)	41,30,139 (0.9270%)

Procedure for Voting by Postal Ballot and E-voting

In compliance with Regulation 44 of Listing Regulations and Section 108, 110 and other applicable provisions of Companies Act, 2013 read with Rules made thereunder, the Company provides e-voting Facility to the Members. The Notice of Postal Ballot along with the Explanatory Statement pertaining to the draft Resolution(s) explaining in detail, the material facts along with Postal Ballot form were sent to all the members, whose name appear on the register of members as on the cut-off date, under secured mode through e-mail. The members were given option to vote either through the Postal Ballot Forms or through e-voting facility. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013.

The members are required to carefully read the instructions printed in the Postal Ballot Form, fill up the Form, give their assent or dissent on the resolution(s) at the end of the Form and sign the same as per the specimen signature available with the Company or Depository Participant, as the case may be, and return the form duly completed form through email to reach the scrutiniser before the close of working hours of the last date fixed for the purpose or post their assent or dissent through e-voting module. Postal Ballot Form received after this date, is strictly treated as if the Form has not been received from the member.

Voting rights are reckoned on the basis of number of shares and paid-up value of shares registered in the name of the shareholders on the specified date. A resolution is deemed to have been passed as special resolution if the votes cast in favor are at least three times than the votes cast against and in case of ordinary resolution, the resolution is deemed to have been passed, if the votes cast in favor are more than the votes cast against.

For the members who opted for e-voting facility, they cast their votes via electronic platform (https://evoting.karvy.com) of M/s. KFIN Technologies Private Limited (previously known as Karvy Fintech Private Limited) (Karvy). Requisite notices were given to such members to e-vote / send their reply.

The scrutiniser appointed for the purpose scrutinises the postal ballots and e-votes received and submit his consolidated report to the Company. The results are also displayed on the website of the Company - www.fortishealthcare.com and the last date for receipt of duly completed postal ballot forms / e-voting is deemed to be the date of passing the resolution(s).

Till the date of signing of this report, no Special Resolution is proposed to be conducted through postal ballot, unless as disclosed by the Company.

Further, resolution(s), if required, shall be passed by Postal Ballot during the year ending on March 31, 2022, as per the prescribed procedure under the Companies Act, 2013 and Listing Regulations.

8. DISCLOUSRES

- **Related Parties Transactions**

The details of transactions with related parties as prescribed in the Listing Regulations, are placed before the Audit Committee periodically. Further, the details of all material transactions with related parties are also disclosed quarterly along with the compliance report on corporate governance.

In the cases of material transaction, the same are pursued under direct guidance of the Audit Committee with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, independent Advisory Committees are constituted and external expert opinion is sought for Board consideration. Further, in accordance with the Listing Regulations, the Company has adopted a Policy on 'Materiality on Related Party Transactions' and the same is viewed at www.fortishealthcare.com > Investors> Corporate Governance > Policies> Policy on 'Materiality on Related Party Transactions.

During the year under review, there have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the Management, their relatives or subsidiaries which may have potential conflict with the interest of Company at large except for those disclosed in the Board's Report. Detailed information on materially significant related party transactions is enclosed to the Board's Report.

- **Accounting Treatment**

While in the preparation of financial statements, the treatment that has been prescribed in the Accounting Standards has been followed to represent the facts in the financial statement in a true and fair manner.

- **Compliances by Company**

The Company has complied with the requirements of the Stock Exchange(s), Securities and Exchange Board of India or other authorities on any matter related to Capital Market during the last 3 (three) years, except, as disclosed from time to time.

There were no penalties levied by the Stock Exchanges during the FY 2020-21.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The details of penalty paid to the stock exchanges for the FY 2018-19, for non-compliances under Regulation 33 and Regulation 18(1) of Listing Regulations is as given below:

Name of the exchange	Particulars	Amount of penalty (in ₹ Lakhs) (rounded off)
BSE and NSE	Late submission of financial under Regulation 33 of SEBI (LODR) Regulations, 2015 for the quarter and FY ended March 31, 2018	63.44
BSE and NSE	Non-compliance with Regulation 18(1) of SEBI (LODR) Regulations, 2015	1.16

The details of penalty paid to the stock exchanges for the FY 2017-18, for non-compliances under Regulation 33 of Listing Regulations is as given below:

Name of the exchange	Particulars	Amount of penalty (in ₹ Lakhs) (rounded off)
BSE and NSE	Late / Non-submission of financial under Regulation 33 of SEBI (LODR) Regulations, 2015 for the period ended September 2017.	65.99

9. MANAGEMENT

During the period under review, no material, financial and commercial transaction has been entered by Senior Management Personnel, where they have any personal interest that may have potential conflict with the Company at large. The Company has obtained requisite declarations from all Senior Management Personnel in this regard and the same were duly placed before the Board of Directors on periodic basis.

10. WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company strongly supports and strives to provide a structured platform via Whistle Blower Policy / Vigil Mechanism for reporting of instances of alleged wrongful conduct or gross waste or misappropriation of funds including instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Through this Policy, the Company seeks to provide a procedure for all the employees, Directors and other stakeholders of the Company to report concerns about unethical and improper practice taking place in the Company and provide for adequate safeguards against victimisation of Director(s) / employee(s) / Stakeholder(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee, in exceptional cases. It protects employees, officers and Directors who in, good faith, raise a concern about irregularities within the Company. It is hereby confirmed that no personnel have been denied access to the Audit Committee. The Company has adopted a Whistle Blower Policy in line with the requirements laid down under Companies Act, 2013 and Listing Regulations. The same is available at www.fortishealthcare.com > Investors> Corporate Governance > Policies> Whistle Blower Policy.

Code of conduct for Prevention on Insider Trading

Code of Conduct for Prevention of Insider Trading of the Company, as approved by the Board of Directors, inter alia, lays down the procedure for dealing in securities of the Company by Directors, Designated Employees and other employees while in possession of unpublished price sensitive information in relation to the Company and its disclosure thereto. The same is available at www.fortishealthcare.com > Investors> Corporate Governance > Policies> Code of conduct for Prevention on Insider Trading.

11. MEANS OF COMMUNICATION

a) **Quarterly Results:** The Company's quarterly / half yearly / annual financial results are sent to the Stock Exchanges and generally published in Financial Express (English) or Business Standards (English) and Jagbani (Punjabi) or Rozana Spokesman (Punjabi).

b) **Website:** The financial results are posted on the Company's website viz. www.fortishealthcare.com.

c) **Press Release, Presentations:** The Company also makes a presentation to the institutional investors and analysts after taking on record the financial results of the Company. The press releases / official news, detailed presentation made to media, analysts, institutional investors etc. are displayed on the Company's website viz. www.fortishealthcare.com. Official Media Releases are also sent to the stock exchanges before dissemination to the media.

d) **Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges on all price sensitive information or such other matters which in its opinion are material and of relevance to the Investors.

e) **NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance and the Listing Centre:** NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others in accordance with the Listing Regulations are filed electronically.

f) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

g) **Designated Exclusive email-id:** The Company has designated the following email-id for investor servicing: secretarial@fortishealthcare.com. Investors can also mail their queries to Registrar and Transfer Agent at einward.ris@kfintech.com.

12. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date of AGM

The Annual General Meeting of the Company for the FY 2020-21 is proposed to be held on Friday, July 30, 2021 at 1400 Hours (IST) through Video Conferencing or other Audio-Visual means.

(i) **Financial Year of the Company** is starting from April 1 and ending on March 31 of next year.

(ii) **Dividend payment date:** NA

(iii) **FY 2021-22 (tentative & subject to change)**

S. No.	Tentative Schedule	Tentative Date (On or Before)
1	Financial Reporting for the quarter ended June 30, 2021	August 14, 2021
2	Financial Reporting for the quarter ending September 30, 2021	November 14, 2021
3	Financial Reporting for the quarter ending December 31, 2021	February 14, 2022
4	Financial Reporting for the quarter ending March 31, 2022	May 30, 2022
5	Annual General meeting for the year ending March 31, 2022	On or before September 30, 2022

(iv) **Listing on Stock Exchanges**

As on date, the Company's Equity Shares are listed on the following Stock Exchanges:

- National Stock Exchange of India Limited (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051
- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

The Company has paid listing fees to above stock exchanges for the FY 2020-21 and there are no outstanding payments as on date.

(v) **Stock code of Equity Shares**

Trade symbol at National Stock Exchange of India Limited is FORTIS.

Scrip Code at BSE Limited is 532843

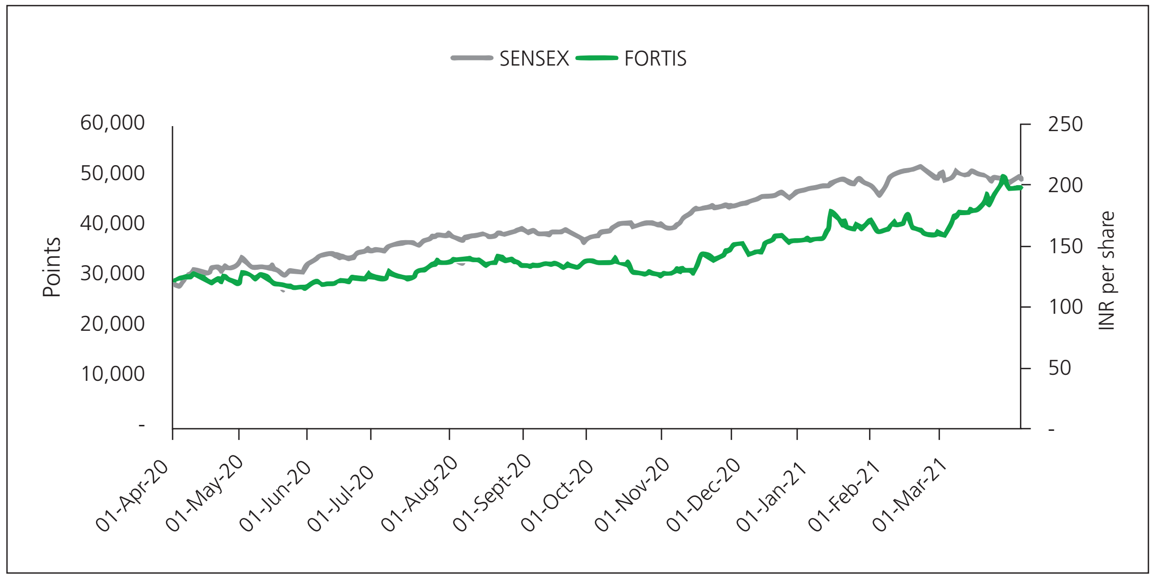
ISIN for equity is INE061F01013

(vi) **Stock market Data**

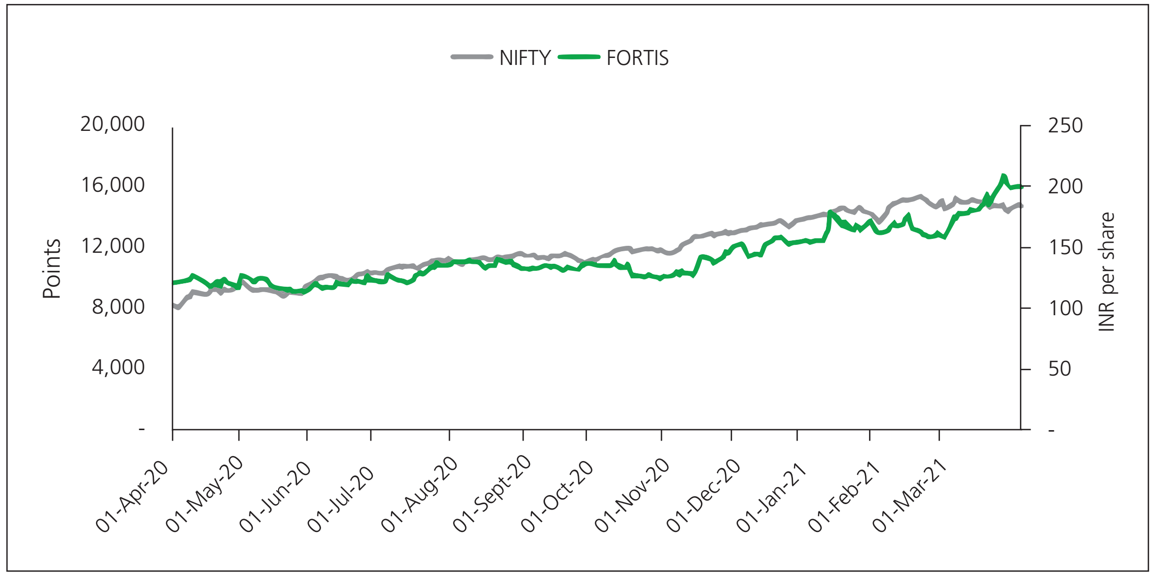
The Company's shares are among the actively traded shares on NSE & BSE. The Monthly high and low of share price of the Company during the Financial Year and comparisons with broad-based indices, viz. BSE Sensex and NSE Nifty is as follows:

Month	Share Price (in ₹) at BSE		Share Price (in ₹) at NSE	
	High	Low	High	Low
April 2020	132.50	115.75	127.95	115.60
May 2020	126.65	113.20	126.80	113.10
June 2020	130.50	114.50	130.65	114.55
July 2020	139.90	121.10	140.00	121.00
August 2020	142.95	129.40	142.80	129.25
September 2020	141.30	129.50	141.45	129.45
October 2020	142.50	123.30	142.70	123.20
November 2020	153.90	124.95	153.85	124.70
December 2020	161.80	141.15	162.00	141.10
January 2021	182.00	153.15	182.10	153.25
February 2021	179.95	156.00	180.00	156.00
March 2021	216.60	158.10	216.70	159.00

Based on closing data of BSE Sensex (Value) and FHL (₹ Per Share)



Based on closing data of NSE Nifty (Value) and FHL (₹ Per Share)



(vii) Registrar and Transfer Agent

M/s. KFIN Technologies Private Limited (previously known as Karvy Fintech Private Limited) is acting as Registrar and Transfer Agent (RTA) for handling the shares related matters both in physical as well as dematerialised mode. All work relating to equity shares are being handled by them. The Shareholders are therefore, advised to send all their correspondence directly to the RTA. The address for communication is:

M/s. KFIN Technologies Private Limited
Karvy Selenium, Tower B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally Mandal
Hyderabad - 500032
Toll Free No. - 18003454001
E-mail: einward.ris@kfintech.com

However, for the convenience of shareholders, correspondence relating to shares received by the Company is forwarded to the RTA for necessary action thereon.

(viii) Nomination Facility

The shareholders holding shares in physical form may, if they so want, send their nomination(s), as per Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, in form SH-13, which can be obtained from the Company's RTA. Those holding shares in dematerialised form may contact their respective Depository Participant (DP) to avail the nomination facility.

As on March 31, 2021 75,41,41,526 Equity shares representing 99.89 % of the paid-up Equity Share Capital of the Company have been dematerialised.

The shareholders holding shares in physical form are requested to get their shares dematerialised at the earliest, as the Company's Shares are required to be compulsorily traded at Stock Exchanges in dematerialised form only.

(ix) Elimination of Duplicate Mailing

The shareholders who are holding Shares in more than one folio in identical name or in joint holders' name in similar order, may send the share certificate(s) along with request for consolidation of holding in one folio to avoid mailing of multiple Annual Reports.

(x) Share Transfer System

The Company's share transfer authority has been delegated to the officials of the Company. The delegated authority(ies) attend the share transfer formalities to expedite all matters relating to transfer, transmission, transposition, split and re-materialisation of shares and take on record status of redressal of Investors' Grievance, etc., if any. Further in terms of Regulation 40 of Listing Regulations, the board of directors of a listed entity

REPORT ON CORPORATE GOVERNANCE (Contd.)

may delegate the power for certain activities to a committee or to compliance officer or to the registrar to an issue and / or share transfer agent(s). The Board Directors of the Company has authorised M/s. KFIN Technologies Private Limited (previously known as Karvy Fintech Private Limited), Registrar and Transfer Agent of the Company for approving certain activities on behalf of the Company upto a threshold limit. Further, any request beyond the specified limit is approved by the Stakeholders Relationship Committee and subsequently placed before the Board for its noting.

The share certificate received by the Company / RTA for registration of transfers, are processed by RTA and transferred expeditiously and the endorsed Share Certificate(s) are returned to the shareholder(s) by registered post. A summary of approved transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

As per the requirements of Regulation 7 of Listing Regulations the Company has obtained the half yearly certificates from Compliance Officer and authorised representative of share transfer agent for due compliance of share transfer formalities.

(xi) Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit as stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018) (erstwhile Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996) was carried out by a Practicing Company Secretary for each of the quarter in the FY 2020-21, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit Reports (the Audit report) confirm that the total issued / subscribed paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with the depositories. Such Audit Report for each quarter of the FY 2020-21, has been filed with Stock Exchanges within one month of end of the respective quarter.

(xii) Details of Demat Suspense Account

The Company had opened a Demat Suspense Account- "Fortis Healthcare Limited IPO Suspense Account".

i. Aggregate Number of the Shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2020: 48 shareholders and 4,677 shares.

ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year: NIL

iii. Number of shareholders to whom shares were transferred from the suspense account during the year: NIL

iv. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2021: 48 shareholders and 4,677 shares.

It is also confirmed that that the voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

(xiii) Share Dematerialisation System and Liquidity

The requests for dematerialisation of shares are processed by RTA expeditiously and the confirmation in respect of dematerialisation is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialisation of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

Further, w.e.f. April 1, 2019, as per the circular issued by SEBI, no transfer can be affected in physical form.

(xiv) Details on Outstanding Securities as on March 31, 2021 and details of commodity price risk, foreign exchange risk & hedging activity

As on March 31, 2021, the Company has not issued any GDRs, ADRs, Warrants or any other convertible instruments. No FCCBs stand outstanding in the Books of the Company as on date.

Details of commodity price risk, foreign exchange risk & hedging activity (commodity or otherwise), as applicable, during the financial year under review are provided in notes to accounts which forms part of the Annual Report. It is hereby confirmed that the Company is not involved in commodity and / or derivative market.

(xv) Distribution of Shareholding as on March 31, 2021

Number of equity share held	No. of Shareholders	% of Share Holders	% of Total Paid up share Capital
1 to 5,000	94,793	86.26	1.38
5,001 to 10,000	7,456	6.79	0.80
10,001 to 20,000	3,430	3.12	0.69
20,001 to 30,000	1,165	1.06	0.40
30,001 to 40,000	598	0.54	0.29
40,001 to 50,000	526	0.48	0.33
50,001 to 1,00,000	825	0.75	0.84
1,00,001 and above	1,096	1.00	95.27
Total	**1,09,889**	**100.00**	**100.00**

(xvi) Shareholding pattern as on March 31, 2021

S No	Category	No. of Shareholders	Number of Shares Held	% of Shareholding
1	Mutual Funds	11	9,24,68,105	12.25
2	Foreign Portfolio - Corp	167	25,98,39,447	34.42
3	Trusts	7	50,837	0.01
4	Alternative Investment Fund	6	10,14,925	0.13
5	Resident Individuals	1,03,652	10,18,22,024	13.49
6	Employees	31	4,79,796	0.06
7	Non Resident Indians	1,182	17,37,565	0.23
8	Clearing Members	205	14,98,936	0.20
9	Indian Financial Institutions	1	20	0.00
10	Foreign Promoters	1	23,52,94,117	31.17
11	Foreign Portfolio Investors	1	3,636	0.00
12	Banks	2	90,00,015	1.19
13	Qualified Institutional Buyer	5	1,13,15,346	1.50
14	Foreign Collaborators	1	6,70,194	0.09
15	Non Resident Indian Non Repatriable	675	6,35,917	0.08
16	Bodies Corporates	950	3,59,95,121	4.77
17	Nbfc	6	34,557	0.00
18	H U F	2,985	30,94,590	0.41
19	Foreign Nationals	1	3,000	0.00
	Total	**1,09,889**	**75,49,58,148**	**100.00**

(xvii) Lock-in of Equity Shares

As on March 31, 2020, of 23,52,94,117 Equity Shares of the Company, held by Northern TK Ventures Pte Ltd, Promoter, 15,09,90,390 Equity Shares are under lock-in upto January 4, 2022 in terms of the regulatory requirements

(xviii) Employee Stock Option

Detailed information relating on Employee Stock Option, has been mentioned in the Board's Report.

(xix) Hospitals / Unit(s) / Location(s)

Fortis Healthcare Limited along with its subsidiaries provide healthcare services in Delhi-NCR, Chennai, Bangalore, Punjab, Jaipur and other cities. The locations of the hospital units managed by the Company are as follows:

Fortis Hospital, Mohali

Sector-62, Phase-VIII, SAS Nagar, Mohali,
Punjab - 160062

Fortis Hospital

Arcot Road, Vadapalani, Chennai, 600026

Fortis Hospital

A Block, Shalimar Bagh, Near Kela Godown,
New Delhi - 110088

Fortis-Escorts Hospital

2nd Floor, Coronation Hospital, Curzon Road,
Dehradun - 248001

(xx) Shareholders Communication – Address for correspondence

The Company understands the significance of two-way communication with the shareholders. The Company's website is constantly updated with the latest disclosures / information as the shareholders may require from time to time. In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, Annual Report, Quarterly / Annual financial results along with the applicable policies of the Company. The Company's official press releases and presentations made to the institutional investors and analysts are also available on the Company's website (www.fortishealthcare.com).

For Share transfer / dematerialisation of shares / payment of dividend and any other query relating to shares, the shareholders may contact at the below address:

M/s. KFIN Technologies Private Limited
Karvy Selenium, Tower B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally Mandal
Hyderabad - 500032
Toll Free No. - 18003454001
E-mail: einward.ris@kfintech.com

For Investor Assistance

The Company Secretary,
Fortis Healthcare Limited
Sector-62, Phase-VIII, SAS Nagar, Mohali,
Punjab - 160062
Telephone No.: 0172-5096001
Fax No.: 0172-5096221
Email: secretarial@fortishealthcare.com
Website: www.fortishealthcare.com

(xxi) Details of Credit Ratings

List of all credit ratings obtained by the entity and its subsidiaries along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad is as given below:

Entity	Credit Rating Agency	Type of Rating	Rating as on March 31,2020	Movement December 2020	Rating as on March 31,2021
Fortis Healthcare Limited	ICRA	Long Term- Fund Based Limits	ICRA A-	-	Withdrawn
Fortis Healthcare Limited	ICRA	Long Term - Term Loans	ICRA A-	-	Withdrawn
Fortis Healthcare Limited	CRISIL	Long Term / Short Term- Fund Based Limits	CRISIL A	-	CRISIL A
Fortis Healthcare Limited	CRISIL	Long Term / Short Term- Non Fund Based Limits	CRISIL A1	-	CRISIL A1

Entity	Credit Rating Agency	Type of Rating	Rating as on March 31,2020	Movement December 2020	Rating as on March 31,2021
Fortis Hospitals Limited	ICRA	Long Term - Fund Based Limits	ICRA A-	-	Withdrawn
Fortis Hospitals Limited	ICRA	Long Term - Term Loans	ICRA A-	-	Withdrawn
Fortis Hospitals Limited	CRISIL	Long Term / Short Term- Fund Based Limits	CRISIL A	-	CRISIL A
Fortis Hospitals Limited	CRISIL	Long Term / Short Term- Non Fund Based Limits	CRISIL A1	-	CRISIL A1
Escorts Heart Institute and Research Centre Limited	ICRA	Long Term - Fund Based Limits	ICRA A-	-	Withdrawn
Escorts Heart Institute and Research Centre Limited	ICRA	Long Term - Term Loans	ICRA A-	-	Withdrawn
Escorts Heart Institute and Research Centre Limited	CRISIL	Long Term / Short Term - Fund Based Limits	-	CRISIL A	CRISIL A
Escorts Heart Institute and Research Centre Limited	CRISIL	Long Term / Short Term - Non Fund Based Limits	-	CRISIL A1	CRISIL A1
International Hospital Limited	CRISIL	Long Term / Short Term - Fund Based Limits	CRISIL A	-	CRISIL A
International Hospital Limited	CRISIL	Long Term / Short Term - Non Fund Based Limits	CRISIL A1	-	CRISIL A1
Fortis Hospotel Limited	CRISIL	Long Term / Short Term - Fund Based Limits	-	CRISIL A	CRISIL A
Fortis Hospotel Limited	CRISIL	Long Term / Short Term - Non Fund Based Limits	-	CRISIL A1	CRISIL A1

Note: Please note all the ratings are under Credit Watch

(xxii) Details of Utilisation of funds raised through preferential allotment

The details of utilisation of funds raised through preferential allotment forms part of Notes to Financial Statement which forms part of this Annual Report.

(xxiii) Certificate from Practicing Company Secretary

The Company is in receipt of a certificate from M/s Mukesh Agarwal & Co., Practicing Company Secretaries confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. A copy of the certificate is enclosed.

(xxiv) Payments to statutory auditors

Particulars of total fees for all services paid by the listed entity and its subsidiaries (including indirect taxes), on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part is given below: -

(₹ in Lakhs)

Particulars	Amount*
Statutory Audit	469.80
Tax Audit	28.34
Limited Reviews	262.18
Other services	36.73
Out of pocket expenses	33.09
Total	**830.14**

*On accrual basis

(xxv) Disclosure(s) in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in the Board's Report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

(xxvi) It is confirmed that there was no instance during FY 2020-21 when the Board had not accepted any recommendation of any committee of the Board.

13. MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance i.e. Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations except elsewhere mentioned in this report.

M/s. Sanjay Grover & Associates, Practicing Company Secretaries has audited the compliances of Corporate Governance and after being satisfied on the same, issued a certificate on compliance to the Company, which forms part of this report.

14. DISCRETIONARY REQUIREMENT UNDER PART E TO SCHEDULE II TO THE LISTING REGULATIONS

A. Separate posts of Chairman and CEO

The Company has appointed separate persons to the post of Chairman and Managing Director / CEO, as and when applicable.

B. Reporting of Internal Auditor

The Head- Risk and Internal Audit reports directly to the Audit Committee.

C. Modified Opinion(s) in Audit Report

The Company endeavors to move towards a regime of financial statements with unmodified audit opinion.

15. GO GREEN INITIATIVE

(a) The shareholders having shares in physical form are requested to register their e-mail ids with us or our RTA, at the address given in this report, to enable us to serve any document, notice, communication, annual report, etc. through e-mail.

(b) The shareholders holding shares in Demat form are requested to register their e-mail id with their respective Depository Participant for the above purpose.

Declaration as required under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Fortis Code of Conduct for the Financial Year ended March 31, 2021.

For & on behalf of Board of Directors

Sd/-

Date: May 27, 2021
Place: Gurugram

Dr. Ashutosh Raghuvanshi
Managing Director & CEO

CERTIFICATE

[As per Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members

Audit Committee/Board of Directors

Fortis Healthcare Limited

Dear Sir(s)/ Madam(s),

We, Dr. Ashutosh Raghuvanshi, Managing Director & Chief Executive Officer and Vivek Kumar Goyal, Chief Financial Officer of the Company, certify that:

(a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no other transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee that:

(1) There have been no significant changes in internal control over financial reporting during the year under review;

(2) There have been no significant changes in accounting policies during the year except to the extent already disclosed in the notes to the financial statement(s); and

(3) There are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Fortis Healthcare Limited

Sd/-

Vivek Kumar Goyal
Chief Financial Officer

Sd/-

Dr. Ashutosh Raghuvanshi
Managing Director & CEO

Place : Gurugram
Date : May 27, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members

FORTIS HEALTHCARE LIMITED("the Company")

Fortis Hospital Sector-62 Phase-VIII, Mohali Mohali PB 160062 IN

We, Mukesh Agarwal & Co., have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Fortis Healthcare Limited,having CIN L85110PB1996PLC045933and having registered office at Fortis Hospital, Sector-62, Phase-VIII, Mohali -160062, (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name Of Director	DIN	Date of Appointment in Company
1.	Mr. Ravi Rajagopal	00067073	April27, 2018
2.	Ms. Suvalaxmi Chakraborty	00106054	April 27, 2018
3.	Mr. Indrajit Banerjee	01365405	April 27, 2018
4.	Mr. Dilip Kadambi	02148022	June 04, 2020
5.	Mr. Ashutosh Raghuvanshi	02775637	March 19, 2019
6.	Ms. Shailaja Chandra	03320688	June 28, 2020
7.	Mr. Shirish Moreshwar Apte	06556481	December31, 2018
8.	Mr. Heng Joo Joe Sim	08033111	November 26, 2019
9.	Dr. Kelvin Loh Chi Keon	08515101	September 28, 2019
10.	Dr. Farid Bin Mohamed Sani	08646785	December 30, 2019
11.	Mr. Takeshi Saito	08823345	September 01, 2020
12.	Mr. Joerg Ayrle	09128449	March 31, 2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
For Mukesh Agarwal & Company
Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN: F005991C000360829

Place: Delhi
Date: May 24, 2021

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Particulars		Details
1.	Corporate Identity Number (CIN) of the Company		L85110PB1996PLC045933
2.	Name of the Company		Fortis Healthcare Limited
3.	Registered Address		Fortis Hospital, Sector 62, Phase VIII, Mohali - 160062, Punjab
4.	Website		www.fortishealthcare.com
5.	E-mail id		secretarial@fortishealthcare.com
6.	Financial Year reported		2020-21
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)		Healthcare
8.	List three Key products / services that the Company manufactures / provides (as in balance sheet)		IPD, OPD, Medical & Clinical Services
9.	Total number of locations where business activity is undertaken by the Company and its subsidiaries:		Healthcare Services through 27 locations. Diagnostic Services through approx. 425+ labs, and 2,250+ customer touch points.
	(a)	Number of International Locations (provide details of major five).	The Company through its subsidiaries has minority stake in The Lanka Hospitals Corporation Plc, Sri Lanka. The Company through its step down subsidiaries / joint ventures operates diagnostic labs in Nepal (2), Dubai (1) and Kabul (1).
	(b)	Number of National Locations	Healthcare Services – 27 locations Diagnostic Services - ~2,250+ locations (includes labs and customers touch points)
10.	Markets served by the Company – Local / State / National / International		Primary National

SECTION B. FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Details
1.	Paid up Capital	₹ 7,54,95,81,480
2.	Total Turnover (₹ in Lakhs)	63,287.35
3.	Total profit after taxes (₹ in Lakhs)	419.75
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	509.42
5.	List of activities in which expenditure in 4 above has been incurred	For details on CSR Programmes, please refer to Annexure on CSR which also forms part of Annual Report

SECTION C. OTHER DETAILS

S. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company / Companies?	Yes
2.	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? if yes, then indicate the number of such subsidiary company(s)	Yes. The details of number of subsidiaries forms part of the Directors Report.
3.	Do any other entity / entities (e.g suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	The Company does not mandate its suppliers / distributors to participate in the Company's Business Responsibility ("BR") initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business.

SECTION D. BR INFORMATION

S. No.	Particular		Details	
1.	Details of Director / Directors responsible for BR		The Board of Directors and the Management are collectively responsible for implementation of BR policies.	
	(a)	Details of the Board of Directors / Director responsible for implementation of the BR policy / policies		
		DIN Number	Name	Designation
	1.	00067073	Ravi Rajagopal	Chairman- Independent Director
	2.	06556481	Shirish Moreshwar Apte	Vice Chairman-Non-Executive Director
	3.	02775637	Dr. Ashutosh Raghuvanshi	Managing Director & CEO
	4.	02148022	Dilip Kadambi	Non-Executive Director
	5.	08646785	Farid Bin Mohamed Sani	Non-Executive Director
	6.	08033111	Heng Joo Joe Sim	Non-Executive Director
	7.	01365405	Indrajit Banerjee	Independent Director
	8.	09128449	Joerg Ayrle	Non-Executive Director
	9.	08515101	Dr. Kelvin Loh Chi Keon	Non-Executive Director
	10.	03320688	Shailaja Chandra	Independent Director
	11.	00106054	Suvalaxmi Chakraborty	Independent Director
	12.	08823345	Takeshi Saito	Non-Executive Director
	(b)	Details of the BR head		
	1.	DIN Number (if applicable)	02775637	
	2.	Name	Dr. Ashutosh Raghuvanshi	
	3.	Designation	Managing Director & CEO	
	4.	Telephone Number	0124-4921021	
	5.	E-mail id	secretarial@fortishealthcare.com	

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for ...	Y	**Y	Y	Y	Y	Y	N	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	-
3.	Does the policy conform to any national / international standards? If yes specify in 50 words	Y*	Y	Y*	Y*	Y*	Y*	-	Y	-
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / OWNER / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	-
5.	Does the Company have a specified committee of the Board / Directors / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	-
6.	Indicate the link for the policy to be viewed online?	https://www.fortishealthcare.com/investors - Corporate Governance/ Policies/Codes/ FHL Policy on Prevention of Insider Trading	http://www.myfortishealthcare.com/ StartLogin.aspx? returnurl= http%3a%2f%2f www.myfortishealthcare.com %2fIntranet%2f StartIntranet.spx%3 freturnUrl %3d%26GoToUrl% 3d&gotourl=	https://www.fortishealthcare.com/investors - Corporate Governance/ Policies/Codes/ Policy for Prevention Prohibition and Redressal of Sexual Harassment	https://www.fortishealthcare.com/investors - Corporate Governance/ Policies/Codes/ Corporate Social Responsibility policy	https://www.fortishealthcare.com/investors - Corporate Governance/ Policies/Codes/ Code of Conduct	http://www.myfortishealthcare.com/ StartLogin.aspx? returnurl= http%3a%2f%2fwww.myfortishealthcare.com%2fIntranet% 2fStartIntranet.aspx%3freturnUrl% 3d%26GoTo Url%3d &gotourl=	-	https://www.fortishealthcare.com/investors - Corporate Governance/ Policies/Codes/ Code of Conduct	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	-
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	-
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	N	Y	Y	Y	N	-	Y	-
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	-

* Please refer respective Code / Policy for relevant details

**Governed by our Internal Standard Operating Procedures

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles		✓				✓			
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)							Note 1	Note 2	Note 3

Note 1: The Company does not have a specific Policy as such, however, the Company from Healthcare Industry perspective adheres to specific protocols which are consistent with its principles and core elements, while influencing trade chambers or associations. The Company is in the process of formalising these principles and would form a definitive policy in due course of time.

Note 2: While FHL does not have any policy around community connect activities however the Company do have guidelines and frameworks around the same. The guidelines help the units understand the way the activities have to be carried across various communities while the framework helps them choose the kind of activities they want to do, the partners they would like to work with, the teams responsible at the unit to carry out the activity etc.

Note 3: While regular branding and marketing activities are carried out by the marketing team at the hospital, regions and the support office, there has been no need to create a policy around the same. The marketing activities are also governed by a set of guideline and framework created with the inputs from all stakeholders. These guidelines and framework govern almost all activities that fall under the branding and marketing umbrella like media buying, Campaign creation, digital marketing to name a few. During the year 2020-21, no new marketing and branding initiatives were undertaken due to COVID pandemic.

3.	Governance related to BR		
	(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than one year.	Annually
	(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, and it forms part of annual report. The same is hosted on the website of the Company at www.fortishealthcare.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1:

Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?** Yes

   Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? No

   The **Consequence Management Policy** is applicable to all fulltime employees of Fortis Healthcare Limited and its subsidiaries and / or entities under its direct or indirect control. Also we have a guiding framework called the Code of Conduct to which each employee should adhere to. The Consequence Management Policy is an internal policy document and is hosted on Company Intranet.

   Additionally, Whistleblower policy of Audit and Risk function also covers aspects of the above principle in greater details.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   Ninety-Five ('95') employees have been terminated under "Disciplinary / Misconduct / Integrity" and these complaints have been resolved with appropriate action taken and hence no complaint remains pending as on March 31, 2021.

Principle 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Fortis through its various enterprise level initiatives fosters to build sustainable environment for a healthy lifestyle and promotes measurement of healthcare system performance.

Since 2010 all Hospitals that have been commissioned by Fortis are Green certified facilities. As enterprise mandate, all new Greenfield Projects of Fortis shall be certified Green Hospitals. Fortis is committed to minimise the effect of its business activities on the Environment and use Sustainable Design practices for all its new Projects. This helps to reduce Carbon Foot Prints as most of the materials used will adhere to Green Building norms.

Process for award of Contracts. Fortis follows a transparent standard operating process for tendering and award of Contracts. The whole process is conducted by competitive bidding process which is based on ethical practices and professionalism.

Risk Management. Fortis follows a transparent risk management policy for forecasting and mitigating the potential risks. There is always an endeavor to introduce latest technologies which would help in reducing carbon foot prints. Risk identification and mitigation, and Patient Safety are an integral part of accreditations like NABH and JCI; Fortis is one of the most accredited healthcare organisations of the country with more than 100 accreditations to its credit.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

   Healthcare is a long term business that maps profitability with public good. For this to be sustainable, there is a need to constantly rebalance the imperatives of growth and self-improvement. Fortis understands that being compliant with quality & audit systems, and an emphasis on academics, research & training are the benchmarks for being socially & environmentally responsible.

   Following key initiatives from Fortis have had a huge impact socially:

   a) **Living with COVID' Campaign:** Last year in April, when the COVID pandemic had just started, it surprised majority of the population. There was no concrete and trusted source of information that most people could follow. Being the country's leading healthcare service provider, Fortis took it upon itself to educate the public at large on how to safely carry out daily routine activities like buying groceries etc. A total of 15 such advisories were circulated reaching 2.19 Million users across the country. Additionally, Facebook post and doctor video bytes on precautions to be taken during COVID reached a total of 32 Million individuals. All of this resulted in increase in online brand mention from 10K to avg. 30K during campaign duration.

   b) **School mental health program:** Under the Mental Health program around 1,500 workshops were conducted for creating awareness on Mental Health, over 7000 schools were reached in 300+ cities, more than 50,000 students did summer Internship from 300+ schools. The 24*7 stress helpline launched under the program received close to 300 plus calls per day. Through these, and many other initiatives taken by the Fortis Mental Health team, over 10 Million lives were touched. Also Psych-ED, the only

   National level psychology quiz in India saw its 4th year where 15,000 students participated. The mental health team also did 600 corporate workshops and released two e-books 'Don't Worry: Here's How to Keep Your Mind Fit During a Pandemic' and 'How to Engage Your Kid While Working from Home: 21 Tips for 21 Days.

   c) **Environmental awareness related campaigns:** A total of 3 campaigns were done under the umbrella of environment awareness. There were Earth Day awareness that had a reach of 0.7 Million individuals. We did 3 posts on pollution around Diwali reaching a total of 1.5 Million individuals and finally world population day awareness campaign that reached 1 Million individuals on social media.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.)**

   A. **Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain**

      a) As part of design standard, for all new upcoming projects, Fortis is providing hot water generation system with solar panels and heat pumps as secondary source.

      b) Fortis continues to explore avenues to employ renewable source of energy like Solar power & wind power.

   B. **Reduction during usage by consumers (energy, water) has been achieved since the previous year**

   Fortis thrives to continuously monitor and improve energy scores across hospitals by switching to LED light fixtures, installing VFDs, BMS, low flow plumbing & sanitary fixtures. The chart below captures the reduction in energy consumption achieved by various Fortis Hospitals across India.

Sr.	Hospital	Units consumed (kWH) in Lakhs	
		Year 2019-20 (A)	Year 2020-21 (B)
1	Noida	51.85	49.46
2	Mulund	62.15	59.09
3	Mohali	55.91	51.04
4	BG Road	71.18	69.07
5	Vasant Kunj	35.25	30.01
6	Nagarbhavi	6.70	5.22
7	CG Road	19.27	16.04
8	Jaipur	50.26	41.09
9	Anandpur	56.37	53.09
10	Kalyan	8.85	8.75
11	Okhla Road	91.55	81.39
12	Rajaji Nagar	4.11	3.24
13	Vashi	29.97	26.78
14	Adyar	30.62	26.14
15	Amritsar	37.68	34.76
16	Gurugram	100.72	87.07
17	Ludhiana	32.36	29.91
18	Shalimar Bagh	51.85	49.62

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

   Yes. Sustainable sourcing is the key focus area for Fortis and is built around ethical and environmental sourcing principles to mitigate sourcing risks, stronger supplier relationships for trustworthy business conduct. To ensure the medical efficacy of goods, suppliers are asked to adhere to the guidelines as defined in Drugs and Cosmetics Act, 1947 including GMP for every manufacturer supplier. Most of the products are procured through local distribution channels of suppliers to reduce risk involved in transport and reduction in carbon footprint. Suppliers are asked to commit to Non-Conflict of Interest and are encouraged to raise ethical concerns if any while dealing with Fortis management at any level. Employees dealing with suppliers are covered through Fortis employee code of conduct.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   To ensure effective and efficient healthcare delivery, we need to ensure the availability of quality product and services in our hospitals. Without compromising on quality, many pharma and medical consumables are sourced from local suppliers as well. The specifications, basis both international and Indian standards, as approved by our esteemed doctors and committees are defined to ensure quality product is procured and patient safety is ensured. Local suppliers develop these products which are assessed on Quality, Safety, Delivery and Morals by respective stakeholders and feedback is provided for further improvements, if required. This helps suppliers to produce quality products and develop robust supply chain so as to compete with established suppliers. Similar process is also followed while procuring non-medical goods and services from local suppliers. Periodic suppliers meeting and reviews are conducted to drive continuous improvement in quality of goods and services.

5. **Does the Company have a mechanism to recycle products and waste**

   Bio Medical Waste / Solid Waste Management:

   Fortis has a documented SOP for biomedical waste management in place which provides guidelines to ensure correct sorting, labeling, handling, storage, transporting and disposal of solid and liquid waste and, thus, prevention of infection and contamination of personnel and equipment. Accordingly, all the hazardous waste viz. mercury, residuals from wastewater treatment, etc. and general health care wastes are sent to the authorised central municipal, biomedical and hazardous waste treatment facilities as stipulated by local regulations. Fortis also verifies the chain of custody documentation for the authorised waste management contractors (which will be as per individual hospital requirements) from time to time.

   Fortis also employs paper recycling practice across all its units.

   i. **If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

      Bio Medical waste is handed over to a Government approved vendor as specified under Bio Medical Waste Management Rules, 2016. The Company has aligned its Bio Medical Waste SOP as per the regulatory norms.

Principle 3:

Businesses should promote the wellbeing of all employees

1. **Please indicate the total number of employees:** Total number of employees including subsidiaries as on March 31, 2021 was 21,711 (including Company and its subsidiaries)

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 5,874 employees were hired on a contractual basis

3. **Please indicate the number of permanent women employees:** Total number of permanent women employees as on March 31, 2021 was 9,582.

4. **Please indicate the number of permanent employees with disabilities:** Five ('5')- On the basis of self-declaration

5. **Do you have an employee association that is recognised by management?** Yes

6. **What percentage of your permanent employees is members of this recognised employee association?** 0.69% (104 employees are in Union as on March 31, 2021).

   *(All Escorts Union Faridabad – 23, Malar Hospital Union – 81), SL Raheja Mumbai is an O&M and has additional 248 employees in Unionised cadre).

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.** During FY 2020-21, FHL and its subsidiaries received 21 complaints on sexual harassment. 17 complaints have been resolved with appropriate action taken and 4 complaint remains pending as on March 31, 2021.

8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

   - Permanent Employees
   - Permanent Women Employees
   - Casual / Temporary / Contractual Employees
   - Employees with Disabilities

- In line with our continued focus on enhancing technical/ functional, leadership, behavioral capabilities of employees across segments & demographics, we have in FY 2020-21 run numerous programs to augment the skill sets of our employees. Over 6,00,000 hours were invested in professional & personal capability development of clinician & non clinician employees (including women & employees with disability) across FHL, this includes organisation wide functional capability development (5,61,000+ hours) including 28,000 plus training hours of safety / environment related training modules such as disaster management, fire safety, radiation safety, waste management, HAZMAT (Hazardous Material), laboratory safety, employee safety & over 10,806 hours of infection control & COVID 19 prevention & protocol training programs for our frontline healthcare workers . Self-Care Strategies / Managing Stress during COVID for Health Care Workers conducted for 1,646 frontline HCW in collaboration with Fortis Mental Health Department. Service capability development (47,000+ hours) to further augment skills of providing patient centric behaviors were conducted for employees. Additional 6,000 plus training hours on customer centric behaviours were provided to contractual workers across Fortis.

- To ensure continuous upskilling & learning in times of physical distancing, we pivoted to digital capability building for the entire organisation. Leveraging various digital learning platforms curated & contextualised digital solutions, virtual / online training programs addressing the emerging skill requirements were deployed with 18,000 participants in online programs entailing 31,000 training hours. A comprehensive e-learning curriculum helped widen & deepen learning across the organisation providing 'point of need', learner led learnings on Self-care strategies of HCW, COVID prevention & protocols, medical domain, patient safety, Information Security Awareness amongst other topics.

Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. **Has the Company mapped its internal and external stakeholders?**

   Yes, these details are available in respect of shareholders / investors, vendors, bankers, employees (full time employees and those on contract), contractors, business partners, patients

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

   Disadvantaged, vulnerable, marginalised and BPL patients are tracked and served as per Company's policy.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof:**

   Yes, these are governed either under the Government regulations (for BPL category) or else under the Company's CSR programmes.

Principle 5:

Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   The policy is applicable to Fortis Healthcare Limited and its subsidiaries. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'Fortis Code of Conduct', adopted by the Company. All employees are sensitised to human rights as part of their orientation programme.

2. **How many stakeholder complaints have been received in the past financial year and what % was satisfactorily resolved by the management?**

   The Company has not received any complaint or concern with respect to violation of human rights.

Principle 6:

Business should respect, protect, and make efforts to restore the environment

The Company respects, protects and makes efforts to restore the environment. For instance, all emissions/waste generated at various Fortis hospitals are within permissible limits. These are continuously monitored, reviewed internally and reported to the CPCB / SPCB as per the requirement.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.**

   Fortis' environmental, health and safety (EHS) policies and standard operating procedures at Group level is applicable to all the business units/subsidiaries.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.**

   Yes, Fortis is committed to continuous energy consumption monitoring, system efficiency enhancement and identification of opportunities for energy optimisation.

   Some of the key design elements incorporated in Fortis Hospitals are:

   - Admission of natural day light through building design to reduce HVAC energy consumption.
   - Building Management System (BMS) has been installed for efficient monitoring and modulations of HVAC, lighting & electrical operations.
   - Provide hermetically sealed doors for OTs to plug air leakage.
   - Streamlining of Sewerage Treatment Plant (STP) and Irrigation System for effective utilisation of wastewater, resulting in water conservation.

3. **Does the Company identify and assess potential environmental risks?**

   Yes, Company has in place elaborate Environmental & Social Assessment policies.

   All Fortis units strictly adhere to established SOPs and protocols for

   - Bio-medical waste management
   - Waste water management
   - Environmental risk assurance
   - Collection and safe disposal of unused drugs
   - Waste disposal policies for Hazardous waste, Radiation waste, E-waste etc.
   - Personnel protection equipment policy for staff who handles waste

   A comprehensive and thorough assessment is undertaken for potential new projects (acquisition or Greenfield development) covering legal, business, technical and E&S aspects. Fortis is 100% compliant in obtaining mandatory environmental clearances, Consent to establish and Consent to operate before commissioning new Hospitals.

   Fortis applies for Environmental Impact Assessment (EIA) clearance for all Greenfield projects. Design and development are done strictly in accordance with requirements defined by the National Building Code of India 2016 (NBC) – as well as Company's corporate policies - such as Green Building certification and Sustainable construction material usage.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?**

   No

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.**

   Following actions have been taken to reduce energy consumption:

   i. Optimisation of AHUs (VFDs automation)

   ii. Automation by installing Timer Control for AHUs, Timer on Exhaust Fans, Timers for parking / street lighting

   iii. Replacement of non-LED Lights

   iv. Monitoring, targeting and automation

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

   Yes. All emissions/waste generated at various Fortis hospitals are within permissible limits. These are

   continuously monitored, reviewed internally and reported to the CPCB / SPCB as per the requirement.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   A. HHPL Vashi: Notice No. MPCB/PSO/BMW/B-210407FTS0014 dated 07.04.2021 from Maharashtra Pollution Control Board: Show Cause Notice for refusal under the provision of Water (P & C P) Act, 1974 and Air (P & CP), 1981 for refusal of consent & BMW authorization. Reply has been submitted.

   B. FEHI, Okhla: Show Cause Notice dated 30.07.2020 was received on 07.08.2020 from Delhi Pollution Control Committee (DPCC). Reply has been submitted.

   C. Fortis Hospital, Amritsar: Show Cause Notice dated 18.03.2021 was received from Punjab Pollution Control Board (PPCB). Reply has been submitted.

Principle 7:

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association?**

   Yes, the Company is member of several Industry associations.

2. **If Yes, Name only those major ones that your business deals with**

   Some of the major ones include the Healthcare Federation of India, CII and FICCI

3. **Have you advocated / lobbied through above associations for the advancement or improvement of public good?**

   Yes

   If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   We have advocated, through the Industry associations, for improvement in the areas of Healthcare reforms and public healthcare arena.

Principle 8:

Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof:**

   a. We advocate public private partnerships to deliver larger social good; and currently operate 2 PPPs.

   b. We subscribe to Sustainable development in all our hospital projects.

   c. Our CSR programmes are focused towards Sustainable Development Goals (SDG) on 'Good health and Wellbeing'

2. **Are the programmes / projects undertaken through in-house team?** Largely by In-House teams.

3. **Have you done any impact assessment of your initiative?** We measure the outcome and impact of our work.

4. **What is your company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken?**

   The community connect activities carried out last year (FY 2020-21) are as follows:

   (A) Due to the ongoing pandemic during FY 2019-20, the primary focus had been to serve the community by managing the healthcare need arising due to sudden surge of infections across the country. Some of the steps taken to cater the community needs during the pandemic are as below

   a. Approx. 1,600 beds were reserved for COVID patients.

   b. Around 23 hospitals were designated as vaccination center.

   c. Almost 23,000 COVID patients were successfully treated and discharged.

   d. Tentatively 67,000 vaccines were administered.

   (B) In addition to the above, approx. 833 community connect activities were carried out last year (FY 2020-21). The nature of activities are as follows:

   - Maintaining parks and public spaces around the hospital.
   - School outreach activities under the aegis of School Mental Health Program.
   - Health talks and health camps in RWAs, Jogger's parks, malls, markets and corporates.
   - BLS trainings and blood donation camps

   The amount of spent would be close to ₹ 36 lakh.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? If yes, please explain?**

   During the onset of the pandemic, onsite activities were not possible, hence health talks were organised on social media channels. Communication or dissemination of information and panning out instructions regarding COVID management were effective during this time. Once the Government of India started the reopening or unlocking process, outdoor community connect activities were resumed. The community connect team / representative at the hospital ensured that the activities such as health talks, health camps are regularly carried out in the community. Further the community volunteers and RWA office bearers were also invited for various trainings.

Principle 9:

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year.**

   On a daily basis, Fortis serves patients through its network of hospitals. Patients' complaints are redressed through trained patient service coordinators and counsellors. They are escalated as may be necessary to Departmental Heads, Medical Superintendents, Facility Directors depending on their gravity and the exigencies of the situation. Most of them end up being resolved amicably resulting in many satisfied patients that bring goodwill. Fortis has Medical Grievance Committee at each Hospital which carefully studies complaints and takes prompt corrective action as may be required. In exceptional and rare instances, the aggrieved seek available legal recourse, wherein Fortis represent and defend the case through legal department and often utilise the services of specific domain legal experts to stand for what we believe is correct, in the best interest of the Company and our stakeholders. As on March 31, 2021, 281 consumer cases were pending in various courts/forums and during FY 2020-21, 30 consumer cases were disposed of.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   Not Applicable

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anticompetitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof:**

   Not Applicable

4. **Did your company carry out any consumer survey / consumer satisfaction trends?**

   Due to COVID pandemic all non-essential activities including some marketing projects were on hold.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SECTION I – THE INDIAN HEALTHCARE ENVIRONMENT

THE NOVEL CORONOVIRUS (COVID – 19) OUTBREAK AND ROLE OF THE HEALTHCARE INDUSTRY

The year gone by has witnessed perhaps the worst global healthcare crisis in over a decade. The unexpected outbreak of COVID-19 has severely impacted countries across both the developed and the developing world and has challenged healthcare systems at a never seen before scale. The loss of human lives and the suffering of people have been overwhelming and deeply saddening. Lockdowns being witnessed in country after country and travel bans to break the chain of transmission of the virus impacted economies and industries forcing further economic hardships and turmoil. The pandemics rapid spread and the limited understanding of the virus and its various strains has altered the ways of both social and personal interactions as well as revised professional working styles.

Governments across the globe and their respective healthcare systems have worked in tandem with healthcare institutions such as the World Health Organisation (WHO) to mitigate this unfortunate human calamity.

Our country too has borne the brunt of the pandemic in FY 2020-21 and witnessed a second wave in early FY 2021-22 that has had a far worse impact in terms of COVID cases and resultant deaths. The pandemic in India, has seen ~29.4 Million patients being infected with the virus, the second largest number after the United States and ~3.9 Lakhs deaths *(Source : Government : Arogya Setu App, data as on June 30, 2021).* While challenges in healthcare infrastructure and lack of medical resources have been a severe constraint in controlling the pandemic, our healthcare institutions both public and private have acted on a war footing to scale up infrastructure across the healthcare value chain be it in terms of beds, isolation centers, medical equipment, medicines or testing capabilities. Clinicians, nurses and paramedics have and continue to work dedicatedly to ensure the best available care for COVID patients.

Some of the key measures undertaken to mitigate the pandemic were as follows:

- Ensuring accessibility and availability of beds and medical resources for COVID patients by the government and the private healthcare industry.
- Effective checks and regulations for making the treatment and related tests for COVID more affordable.
- Roll out of safety and isolation protocols, medical treatment nuances and infrastructure regulations in order to provide a standard set of practices governing COVID related matters.
- Leveraging information technology enablers such as mobile and COVID related apps, online test reporting and websites for information dissemination.
- New avenues to provide healthcare services in a faster and efficient manner such as mobile testing vans, home collection of samples, home healthcare and drive thru testing centers.

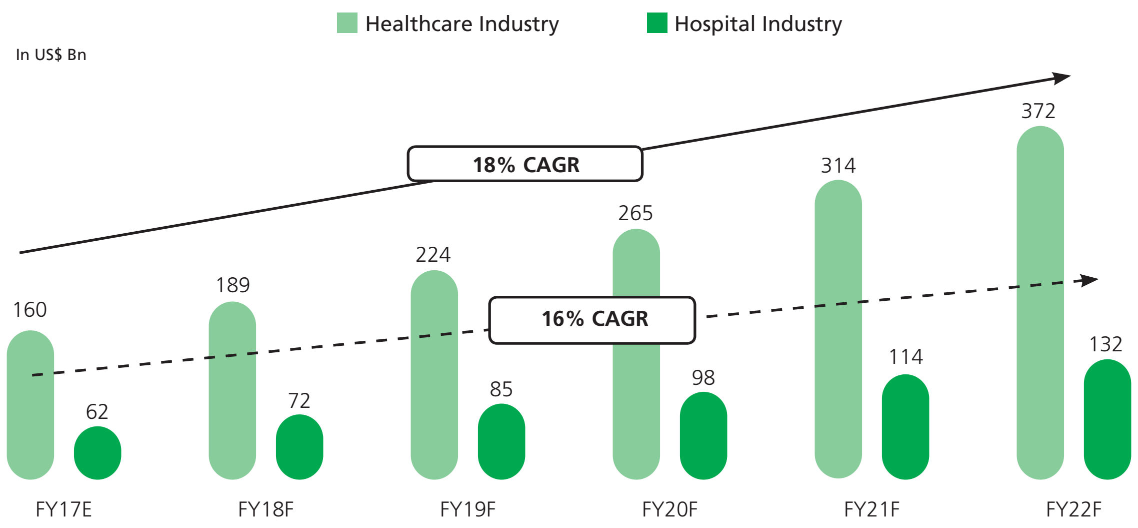
In the aftermath of the second wave seen in early FY 2021-22, the government and healthcare institutions in the country have scaled up their resource capabilities to be better prepared for the future were such a crisis to happen again. At the same time collective efforts are underway to accelerate the manufacturing of vaccines and ensuring that vaccination programs cover the entire population of the country as quickly as possible. This would go a long way in helping people see a relatively lesser impact due to COVID and protect lives and livelihood. As of June 22, 2021, 289 million doses of COVID vaccines have been administered across the country *(Source: WHO India Situation Report, COVID – 19 dated June 23, 2021)* and both government and private healthcare setups are further being scaled up to increase coverage.The government has earmarked a significant investment outlay for vaccination and allied resources required to mitigate the pandemic.

(A) Snapshot of The Indian Healthcare and Hospital Industry

India's healthcare sector is one of the largest sectors both in terms of revenue as well as employment. Healthcare comprises hospitals, medical devices, pharmaceutical, clinical trials, telemedicine, medical tourism, health insurance and diagnostics. The size of the overall Indian Healthcare market was estimated at US$ 265 Billion in 2020. The hospital and the diagnostics segment forms a relatively large portion of the overall healthcare market and is estimated to contribute approximately 40-45% share in the overall healthcare market segment. Both the hospital and the diagnostics segment are highly fragmented with a majority of facilities being in the unorganised segment and only handful of hospital and diagnostics players forming the organised market. The Government i.e. public healthcare system comprises secondary and tertiary care hospitals in key cities and primary healthcare centres (PHCs) in rural areas. The private sector provides secondary, tertiary and quaternary care hospital facilities with a major concentration in metros, tier I and tier II cities. The hospital industry in India is also characterised by an unequitable balance between public and private hospital infrastructure in select major cities like New Delhi wherein public infrastructure outweighs private healthcare availability *(Source: CDDEP - Centre for Disease Dynamics Economics* *and Policy)*; also providing a further potential for private healthcare to expand and grow in such locations.

The overall Indian healthcare sector is expected to record a three-fold rise, at a CAGR of 18% during 2017-2022 to reach US $372 Billion in 2022 from US$ 160 Billion in 2017 *(Source: IBEF.org)*. India's hospital industry stood at US$ 62 Billion in FY 2016-17 and is expected to grow at a CAGR of 16% to reach US$ 132 Billion by FY 2021-22.

Size of the Indian Healthcare and Hospital Industry



Source: IBEF, Frost and Sullivan, LSI Financial Services, Deloitte, TechSci Research

(i) Characteristics of the Industry

- Growing health awareness and changing attitude towards preventive healthcare
- Low cost and better value driven outcomes driving the country's medical tourism segment.
- Rising income levels and a higher per capita income resulting in increasing affordability and demand for quality healthcare services
- The pandemic catalysing long-term changes in attitudes towards personal health and hygiene, health insurance, fitness and nutrition.
- The relative lack of public healthcare infrastructure offering tertiary and quaternary healthcare services in a majority of states in the country as compared to private healthcare.

(ii) Government Initiatives

The Government of India has been taking a holistic approach to Health and is focusing on strengthening three areas: Preventive, Curative, and Wellbeing. Select key initiatives taken by the government to promote Indian Healthcare industry are as under.

a. Launch of the PM AtmaNirbhar Swasth Bharat Yojana, with an outlay of about ₹ 64,180 Crores over 6 years. This will enable developing capacities of primary, secondary, and tertiary care health systems, strengthen existing national institutions, and create new healthcare institutions. This will be in addition to the National Health Mission.

b. To strengthen nutritional content, delivery, outreach, and outcome, the government plans to merge the Supplementary Nutrition Programme and the Poshan Abhiyan and launch the Mission Poshan 2.0. An intensified strategy to be adopted to improve nutritional outcomes across 112 Aspirational Districts.

c. Plans to increase the number of research and COVID-19 RT-PCR labs to strengthen COVID-19 testing services.

d. Providing an amount of ₹ 35,000 Crores for COVID-19 vaccination program for FY 2021-22.

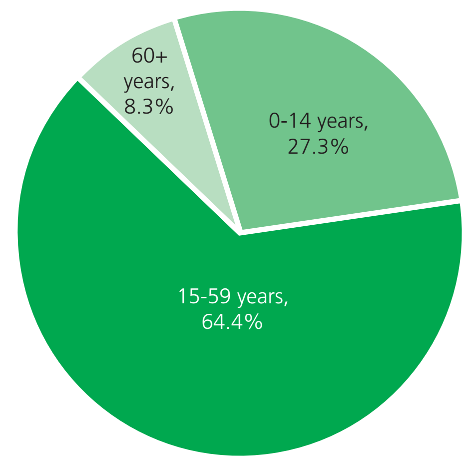
The government has outlaid a budget of ₹ 2,23,846 Crores for Health and Wellbeing in FY 2021-22 as against previous year's budget of ₹ 94,452 Crores, an increase of 137%. *(Source: Budget 2021-22, Government of India)*. Furthermore, as per the Union Health Ministry, the Government of India aims to increase the public healthcare expenditure to 2.5% of the Gross Domestic Product (GDP) by 2025.

(iii) Key Growth Drivers

The demand for healthcare services in India is likely to remain robust in the foreseeable future. The current pandemic will also see the need for healthcare services as being one of paramount importance in terms of coverage, preparedness and accessibility, providing a further impetus to growth and longer-term opportunity for the sector. Some of the key factors that are expected to drive demand for healthcare services are graphically depicted as follows.

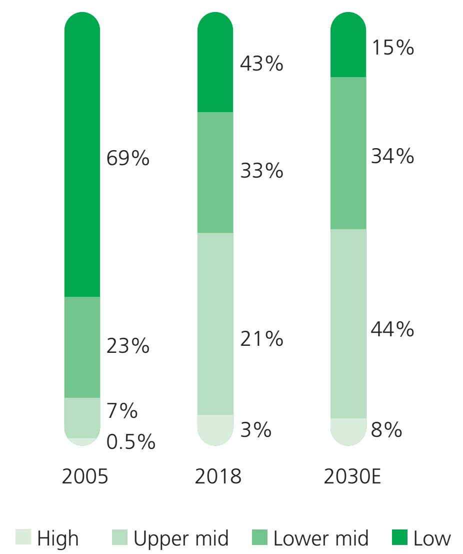
Favorable demographics of India

India's Demographic Dividend, 2015



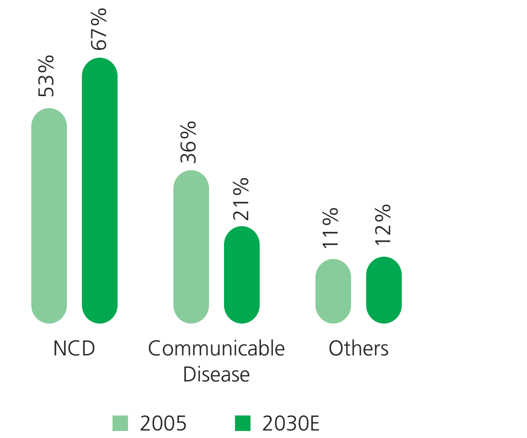
Changing income profile of Indian Population – shall increase the demand for quality healthcare services

Income profiles in India



Source: Jefferies Healthcare Sector report

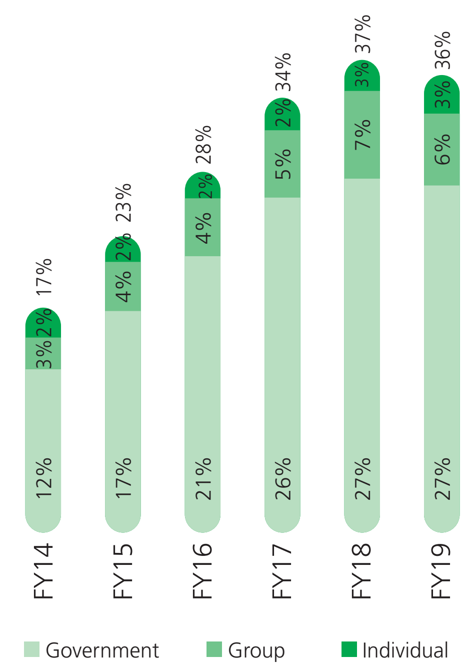
Changing disease profile of India's population – Increasing burden of Non communicable diseases



Source: Jefferies Healthcare Sector Report

Increasing Insurance penetration making healthcare more accessible

Health insurance penetration



Source: Goldman Sachs

(iv) Impact on healthcare sector due to COVID-19 during FY 2020-21

The pandemic has placed an enormous strain on the global healthcare sector's workforce, infrastructure and supply chain. COVID-19 is also accelerating change across the ecosystem and forcing public and private health systems to adapt and innovate in a short period of time.

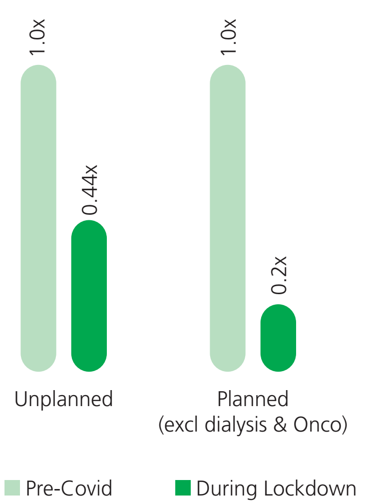
India also faced a similar impact wherein almost all the sectors, including healthcare, were significantly impacted due to the nationwide lockdown. However, private Indian healthcare players have and continue to steadfastly provide all support that the government needs in terms of testing, isolation beds, medical staff and equipment, home healthcare support and other measures in order to control the impact of the pandemic.

The healthcare industry, along with the central and state governments, set up dedicated COVID-19 hospitals, isolation centres and tech-enabled mapping of resources. To effectively manage the outbreak, the Indian government also leveraged technology and developed various applications both at the central and state-levels. The Aarogya Setu mobile app which assisted in mapping, contact tracing and self-assessment was widely used throughout the country.

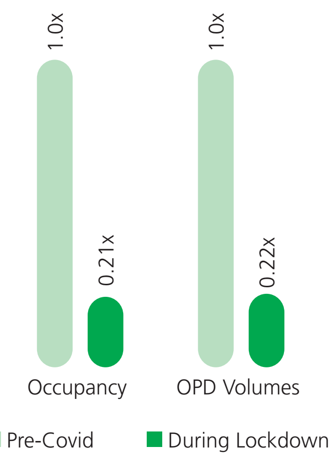
COVID-19 Impact on the healthcare organisations during FY 2020-21:

- Restriction on movement and fear of contagion led to a significant decline in OPD volumes as well as bed occupancy which fell sharply during the lockdown.
- Restriction on global travels substantially impacted medical tourism segment as the flow of visiting patients from various neighbouring countries halted.

Planned procedures witnessed higher decline



Significant drop in OPD & Occupancy during lockdown



Source: PwC report – Impact of Covid-19 on Med Tech Industry in India

- Post Unlock 1, occupancy across the healthcare facilities witnessed traction primarily due to high occupancy related to COVID-19 beds and a marginal recovery in non-COVID occupancy. Specialties such as Oncology and Dialysis did not see any significant decline. Other specialties have been witnessing recovery but at a slow pace.
- The government continues to monitor and implement price control on COVID treatments in select geographies and price caps on COVID tests.
- Private healthcare players incurred significant capital expenditure in setting up isolation wards and quarantine centres, new equipment, separate patient flow areas and temporary structures to screen staff / patients, converting their premises into hybrid facilities for COVID-19 and non-COVID-19 treatment.
- Hospitals witnessed increase in their operational costs due to adoption of infection control measures for healthcare workers and patient (for example disposables usage, staff training, shift management, technology deployment, staff insurance coverage, disinfection procedures, lodging and transport of staff etc.).
- As a result of the lower footfalls and incremental pandemic related expenses the private healthcare industry witnessed a sharp decline in revenue and profitability.

Key Trends being observed in the Hospital business

a) Hospital recovery likely to be gradual

- While Q1 faced the maximum impact on occupancy, hospitals witnessed higher occupancy in Q2 & Q3 of FY 2020-21 with the ramp up primarily due to higher occupancy in COVID beds. A slow recovery was also observed in Non COVID bed occupancy which gained traction towards end Q3 and in Q4.
- Hospitals witnessed varied recovery rate across various specialties beginning September 2020. Some of the trends being observed in medical specialties are enumerated below:
  - o Non-surgical revenue saw a faster recovery than the surgical segment.
  - o Oncology and Dialysis did not witness any significant decline.
  - o Under the surgical segment, Cardiac and Neuro surgeries recovered faster than other segments while elective surgeries (orthopaeidcs) took longer to reach normal levels.
- Given the intense second wave in early FY 2021-22, non-COVID occupancy declined once again in early Q1 of FY 2021-22 with a significant rise in COVID occupancy. From mid-May FY 2021-22, early and encouraging signs of declining COVID cases are being seen; traction is also being witnessed in non-COVID occupancy. With the same trend expected to continue, hospital occupancy could reach normal levels in the short to medium term.

b) Emerging Trends in the hospital and diagnostics space

- **Home healthcare and Teleconsultations**
  - o Home healthcare is likely to witness significant traction mainly driven by the geriatric population. Many private healthcare players are partnering with home healthcare firms or setting up a separate vertical to cater to this segment
  - o Most of the hospitals encouraged teleconsultations and even launched digital platforms to provide various healthcare services (telemedicine, digital test reports, etc) which can be offered through the virtual medium.
  - o Diagnostic players increased their focus on the home collection segment
- **Patient and Staff Safety**
  - o Various initiatives have been taken to ensure the patient and staff safety such as screening at entry, separate patient flow as well as setting up a separate wing for COVID patients, altering the visiting hours, etc
  - o Rapid recovery protocols have been formed as most patients prefer home care over-staying at the hospital
  - o New medical protocols have been setup for surgical procedures
  - o Mandatory COVID tests for patients who will be undergoing any surgical procedure

(B) Indian Diagnostic Industry

Diagnosis is the first step to disease management. Globally ~80% of physician diagnoses are a result of laboratory tests. There are mainly 3 types of tests - (1) Routine tests: Common tests like sugar, cholesterol, HIV, pap, pregnancy, etc; (2) Clinical lab tests to monitor diseases and drug treatments and (3) Specialty tests: Genetics, immunology, oncology, endocrinology and other critical segments.

Market for diagnostic services has been growing in India over the past couple of years at a rate of approx. 15-20% and is estimated at ~ US$ 9 Billion in market size (₹ 675 Billion) *(Source: Edelweiss Research)*. Pathology accounted for nearly 80% of the market while Radiology accounted for the remaining 20%. Future growth is likely to be driven by improving healthcare facilities, medical diagnostic and pathological laboratories, private-public projects and enhanced penetration of the health insurance sector.

Impact of COVID-19 on the diagnostic Industry

Though COVID-19 had a significant impact initially on the diagnostics sector with a steep fall in patient volumes, private labs ramped up COVID testing capacities and increased their focus on home collection services. With the gradual opening up of the economy along with new initiatives such as mobile testing vans and drive through sites / centers for conducting routine tests as well as COVID tests; a faster recovery was witnessed in the second half of the fiscal.

At present, almost all major organised players have witnessed a sharp rise in their revenues and profitability, benefiting from increased demand for COVID-19 testing as well as other tests related to COVID-19. The non-COVID business has achieved near normalcy and incrementally COVID tests contributed over 25%-30% of

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

revenue during the year. Anticipating more workload in quarters to come, more COVID testing facilities are being created all over the country, to meet the demand that may rise due to prolonged pandemic.

COVID-19 has demonstrated how important it is to have access to fast, reliable tests. Technology-led diagnostics, home collection, on-line reports and the like shall play a critical role to improve customer experience. There is also a requirement to adopt a more analytical approach towards gathering health data to monitor public health and establish trends which can be made possible through digital means and advanced technologies like machine learning and Artificial Intelligence (AI).

(C) Outlook on Healthcare Sector

The COVID pandemic has exposed the inadequacy of the Indian healthcare sector, for both public as well as private organisations. It has showcased the requirement to significantly strengthen the sector to withstand such pandemics in the future. The Government would have to substantially improve upon its funding for healthcare infrastructure. Shortage of manpower in the sector needs to be addressed in an efficient manner which should also target the healthcare related vocational trainings. Given the existing high prevalence of non-communicable diseases and chronic ailments such as cardiovascular diseases, diabetes, respiratory ailments, mental health and neurological disorders, oncology related disorders, and musculoskeletal and urological disorders; the demand for preventive health care is expected to grow. Proliferation of life style diseases is already high in select states such as Punjab, Tamil Nadu, Kerala, Andhra Pradesh and Karnataka *(Source: India: Health of the Nation's States, The India State-Level Disease Burden Initiative: Disease Burden Trends in the States of India 1990 to 2016)*. In addition to the above, the pandemic is also expected to result in the shifting of healthcare focus from curative care to preventive care, bringing about changes in hygiene and social etiquettes and further adding to the demand for preventive healthcare.

Given the acute shortages of medical resources witnessed during the pandemic; opportunities for large private healthcare organisations to provide consultancy to smaller and medium scale hospitals and healthcare providers in tier – II cities could also emerge. Expertise and experience of large private healthcare players enabling smaller healthcare providers to ramp up facilities in terms of ICU's, ventilators and the like and respond to sudden epidemics in smaller cities could help mitigate the impact of such outbreaks to a considerable extent. Advance tie-ups and JVs between healthcare providers keeping overall feasibility in mind appear to be clear opportunities which could be explored.

Healthcare delivery is expected to witness a significant transition going forward with an emphasis on technology, digitisation and information systems. Virtual consultations by healthcare professionals could become the mainstream care delivery model post-pandemic. Home healthcare services have picked up during the last one year and expected to continue to gain traction given the current environment. In the diagnostics space, preventive care and the wellbeing testing segment is expected to grow at a higher pace compared to the industry growth rate. Integrated health tracking mobile applications, government initiatives, and online services such as booking appointment online for preventive healthcare check-ups, obtaining reports online, home collection of samples will further augment future growth in this industry.

While all these pose a challenge in the short to medium term, over the longer term these would result in a more robust and structured healthcare environment in terms of quality, affordability and accessibility.

SECTION II – THE COMPANY

COVID – 19 – Dedicated to serve responsibly.

Fortis, as amongst the largest healthcare organisations in the country, has spared no efforts to ensure the availability of hospital beds / ICU beds and other medical resources for its patients despite the challenging environment. It's doctors, nurses and para medic workforce have and continue to be at the forefront of the battle against the pandemic undertaking personal risks at the cost of saving lives. Fortis has been consistently working with various Central and State governments to ensure that treatment protocols, hospital beds / ICU beds and other medical resources are available for treating COVID patients. It has treated ~38,000 patients (as of June 3, 2021) in its network of hospitals while its diagnostics arm i.e., SRL has undertaken 6.4 Million COVID and COVID related tests till May 31, 2021. Given its expanse, Fortis is also accelerating its efforts towards vaccination at both onsite and offsite locations including doing corporate tie ups and arrangements with residential condominiums and colonies. Fortis reserved more than 40 percent of its total

operational bed capacity for COVID patients in the first wave in FY 2020-21.

The Company has undertaken a series of measures to create the COVID necessary infrastructure for the safety of all its patient and staff including being amongst the first to establish Flu clinics for screening and management of patients. The Company, to safeguard its employees and to provide assistance in the case of any unfortunate incident in the line of duty, also increased the insurance cover for all its frontline workers both for life and medical insurance coverage. Fortis ensured that medical protocols and up-to-date new treatment and tests in COVID related aspects were quickly rolled out across its network. Safety guidelines for staff and patients, work from home measures and the like were also initiated to ensure a smooth and safe patient and hospital workflow environment.

(A) Fortis Healthcare

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India providing secondary, tertiary and quaternary care. The healthcare verticals of the Company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the Company has 27 hospitals including JVs and O&M facilities. The Company network comprises over 4,100 operational beds as of 31 March 2021.

(i) Fortis - The Year Gone By for the Hospital business

In the wake of COVID-19 pandemic, FY 2020-21 started as a challenging year as the organisation had to ensure that it is well prepared to deal with the healthcare need arising due to sudden surge of infections across the country. Sustainability of operations, balance sheet focus in terms of cash generation and liquidity and continuing to build on the fundamental strengths of patient care and clinical excellence enabled the Company in building back business to near normal levels by end of FY 2020-21. The organisation rapidly re-prioritised some of the key strategic areas it had earlier defined in the beginning of the year. The entire focus of the management was on effective handling of COVID-19 crisis while at the same time sustaining operations that had taken a major hit especially during the first 2 quarters. A brief quarter on quarter progress of the business is provided below.

Q1 FY 2020-21 was severely impacted with the nationwide lockdown and travel restrictions resulting in a drastic fall in elective surgeries and occupancy reaching 37%. From the middle of Q2 FY 2020-21 as restrictions were eased, a gradual up-move was seen in elective procedures with COVID cases declining and patients starting to return for elective surgeries. Hospital OPDs were fully functional in Q2 and all efforts were made to ensure that patients coming to hospitals felt safe and secure in the environment. COVID areas, beds, ICUs, emergencies were separately earmarked. All necessary hygiene etiquettes and protocols were strictly adhered too including the use of PPE kits, masks and sanitisers. Tele and video consults also witnessed a surge as patients preferred doctor consultations remotely for both COVID and non-COVID related ailments. Q3 witnessed a further uptick in non-COVID cases with non-COVID occupancy increasing from 38% in Q2 to 46% in Q3. The trend continued in Q4 with the business returning to near normal levels and non-COVID occupancy reaching 57%. Nearly all specialties witnessed growth as compared to pre-COVID levels over the corresponding previous period as a result of which surgical contribution to revenues also increased to 55% in Q4 versus 44% and 48% in Q2 and Q3 respectively.

On the COVID front, ~33,000 patients were successfully treated and discharged during FY 2020-21. More than 1.1 Lakhs patients were treated in flu clinics, which were dedicated out-patient service areas designed to attend to suspected COVID patients across the Company's network hospitals. At the peak of this pandemic in FY 2020-21, the Company reserved ~1,600 beds for COVID patients. Fortis is also proactively partnering with the government in its vaccination drive across the country with 23 of its hospitals being designated as vaccination centers and having administered more than 67,000 doses so far.

In order to support its employees, the organisation ensured additional life insurance coverage for its doctors, nurses and paramedics and provided additional medical insurance coverage of ₹ 2 Lakhs free of cost for employees covered under the ESI scheme. Other employee incentives included additional incentives for frontline staff working for COVID patients and introduction of Work From Home rosters.

The cost transformation program that was started last year gained significance during the pandemic. The Company undertook an organisation-wide cost optimisation program to reduce fixed costs with initiatives comprising voluntary salary deduction by senior management and senior clinicians, headcount rationalisation, optimizing outsourcing contracts (medical services and hospital services), reduction in sales and marketing spend and procurement costs optimisation in supply chain and IT.

With the pandemic easing in H2 FY 2020-21, the Company also re-initiated its growth and expansion plans. The Company launched its new hospital at Vadapalani in Chennai, with an initial operational capacity of ~35 beds. The same was inaugurated by the former chief minister of Tamil Nadu Shri. Edappadi K. Palaniswami.

For FY 2020-21, the Company incurred a total capital expenditure across its hospitals to the tune of ₹ 180 Crores. The Capex incurred was largely for routine maintenance and growth purposes (capacity expansion and new medical equipment).

(ii) Business Strategy

While having successfully navigated the challenges in FY 2020-21, as the organisation enters into FY 2021-22, its focus would be on building back topline by undertaking several revenue growth initiatives including building upcountry market, enhancing engagement with key corporate clients, further strengthening its community connect in neighborhood areas, optimally leveraging its digital marketing to expand to a larger market and re-gaining international business with an emphasis on building direct business.

On Clinical front, the plan is to further strengthen the focused key specialties by adding and upgrading technology and onboarding clinicians of repute. As the business returns to normalisation, the focus would be on re-gaining lost business due to the pandemic in our two major specialties – Cardiac Sciences and Orthopedics – and at the same time continue to invest in and build strong talent in high growth specialties such as Oncology, Neurosciences, Gastro Sciences and Renal to improve margins.

The Company plans to add approximately 270 beds in FY 2021-22, with a significant ramp up planned for our new Vadapalani facility in Chennai. All the other new beds will be added in our facilities in our key geographic clusters – NCR, Mumbai and Bengaluru. The bed additions will largely be brownfield expansion in the existing facilities of the Company allowing for faster operationalisation of beds and relatively lower start-up costs as compared to greenfield beds.

The focus on cost transformation will continue with our endeavor being to retain and carry forward the efficiencies we brought about in the cost structure during COVID-19. Efforts are also underway to rationalise drugs and consumables cost, bring in efficiencies in capex process and optimise indirect spend.

Taking forward our portfolio strategy, we will continue to invest in our high performing facilities and at the same time put all efforts to transform and turn-around a few under-performing but high potential facilities.

While the country witnessed a severe second wave in early FY 2021-22, the higher number of COVID cases has led the Company to allocate almost 50% of its operational bed capacity for COVID treatment at the peak of the second wave in mid-April / early May FY 2021-22. The challenges and learnings of the past year during the first wave have also helped the Company managing the current COVID case load more effectively. While infrastructure challenges were severe this time round, the Company undertook all efforts to provide the best possible care to its patients. With standardisation in treatments, tests and improvisation in clinical care along with a much higher COVID bed occupancy, the second wave has had a relatively less impact on the Company's performance as compared to the first wave witnessed in FY 2021-21. With well-established and standardised protocols for safety, screening and isolation and the availability of faster avenues of reaching and treating patients such as mobile apps, vaccination outreach programs, tele / video consults, home healthcare, home collection of samples and capabilities for faster ramp up of medical resources; the Company expects to be relatively better placed to treat COVID patients going forward.

(iii) Digital Transformation

FY 2020-21 witnessed the Company achieving some key milestones in its journey to become a digital-first organisation.

- Resulting from the situation presented by spread of the pandemic across the country, the organisation put in significant amount of efforts to launch telemedicine and video-based consults quite rapidly across its network. During its peak, tele/video consults were at ~15% of total consults – one of the highest across the country.
- The roll-out of in-house, custom developed, Hospital Information System (HIS) platform – OneFortis was completed this year. All Fortis hospitals are now using a single platform with uniform processes and data definitions enabling a seamless experience for patients, employees, vendors and other stakeholders across the network.
- The Company is also focusing on creating a unified platform for customer lifecycle management – MyFortis. The solution will offer one stop shop for patients to book appointments for consultations/diagnostics, store and view medical records, conduct tele/ video consults, medicine delivery, etc. This will be fully integrated with other Fortis digital systems including HIS, Oracle and the feedback management system.
- Data analytics through a new Business Intelligence platform was rolled out during the year. The Company will continue to build the platform and launch several modules related to financial statements, clinical KPIs, SCM and operations in FY 2021-22.

Through all these key initiatives and several others in pipeline, the Company has embarked upon a journey to build an organisation that is technologically future ready and is able to meet the continuously increasing demands of 21st century patients, clinicians, employees and all other stakeholders.

(iv) Medical Strategy and Operations

The organisation constantly strives towards adopting a patient centric approach in all aspects of healthcare service delivery with stringent medical processes and protocols which are instrumental in achieving high standards in patient care and superior clinical outcomes. Our systems-based approach is continuously monitored, evaluated, and improved upon, enabling greater transparency and clinical success.

I. COVID-19 Pandemic Management

Fortis was among the first institutes in India to establish Flu clinics at its hospitals towards screening and management of patients. India's first COVID-19 case was reported on January 29, 2020. Since then, prevention and management of the pandemic has been foremost priority for all healthcare service providers.

a) Clinical / Medical protocols

In strict adherence to Government/ Institutional (MoHFW, ICMR, NCDC and WHO) protocols, Fortis guidelines were released periodically to establish hospital and patient workflows, thereby ensuring safety of healthcare workers and patients.

During the pandemic, over 30 Fortis Medical SOPs / guidelines / protocols were released for implementation at units which identify and emphasise on COVID-19 specifications and modalities. Few notable amongst them have been (1) Guidelines for PPE (2) COVID Testing Protocol (3) Chemoprophylaxis for Healthcare Workers (4) Post COVID rehabilitation and (5) Guidelines for Liver Transplantation, Hemodialysis; Oncology; OBG and Radiological Investigations.

b) Contactless delivery of services

To further enhance the safety of our staff and patients, Fortis Hospital, Bannerghatta Road, introduced Mitra robot for COVID-19 screening of patients, attendants and hospital staff entering the hospital. The robot used facial and speech recognition for screening visitors for COVID-19 symptoms i.e. fever, cough and cold. Basis the success or failure of the screening test, the person is able to enter hospital premises or is directed to the Flu clinic for further examination. This limits human interactions leading to a significant reduction in transmission of the virus.

c) **Fortis Vaccination Plan**

In anticipation and preparedness for the COVID-19 vaccine in India, the Fortis Vaccination Plan (based on the MoHFW, COVID-19 Vaccine Operational Guidelines) were released in January 2021. Focus areas included: Infrastructure, Workflow, Logistics, Manpower, Handling of Adverse Events Following Immunisation (AEFIs) & process for preventing misuse of Vaccines.

d) **Improvising Clinical care during Pandemic comprised initiatives such as :**

- Use of High-flow Nasal Cannula (HFNC) - A novel technique of oxygen therapy that delivers heated and humidified oxygen via special devices at a rate of up to 70 L/min, improving oxygenation and carbon dioxide clearance providing better clinical efficacy together with easier application and better patient tolerance in critically ill.
- Use of Helmet Non-invasive Ventilator - Although Helmet NIV is used extensively in parts of Europe especially Italy, its use in India is rare. It can be used to deliver airway pressure up to 40 cm H2O without leakage. Studies have shown that helmet as an interface is more comfortable for long term ventilation and has low chances of viral transmission and low intubation rates and complication rates.

II. **Continuous pursuit of Clinical Excellence - Quality and Patient Safety**

At Fortis, patient safety continues to remain the cornerstone of high-quality health care. While quality would "conform our services to requirements", patient safety practices lead to "prevention of harm".

i) Clinical Excellence Scorecard (CESC) – Quality and Patient safety indicators

Fortis has been tracking Quality and Patient safety indicators across its network hospitals since 2013 through centrally designed Clinical Excellence Scorecard (CESC). The indicators have been chosen based on the following criteria of:

- Importance
- Scientific acceptability
- Feasibility
- Usability
- Minimal overlap with other quality indicators

Subsequently, as the process evolved, focus expanded to process analysis and identification of critical factors impacting quality and patient safety.

Fortis hospitals continue to perform well against the indicators, reiterating the high level of patient care standards. As a result of rigorous data collection over years, Fortis has been able to create Internal Benchmarks for 14 key CESC parameters, namely:

Catheter Associated Urinary Tract Infection (CAUTI)	*Venous Thromboembolism (VTE)*	*Return to ICU within 48 hours*
Central Line Associated Bloodstream Infection (CLABSI)	*Return to Emergency Room*	*SSI Superficial*
Ventilator Associated Pneumonia (VAP)	*Sharps Injury (Needle Stick Injury)*	*SSI Deep (30 days)*
Unplanned Return to OT within 48 hours	*Medication errors*	*SSI Deep (90 days)*
Hospital Associated Pressure Ulcers (HAPU)	*Patient Falls*	-

Accreditation and Certifications

Accreditation	No. of Hospitals
JCI	4
NABH HCO / SHCO	21
NABH Entry Level	2
NABH Blood Bank	10
NABH Emergency	1
NABH Nursing Excellence	21
NABL	14
Green OT	1
Abott/ Bureau veritas Pharmacy	4
Total Accreditations / Certifications	**78**

ii) *Clinical Outcomes*

We were among the first private healthcare service delivery chains to measure and report outcomes for various clinical procedures.

As part of the steering committee at International Consortium for Health Outcomes Monitoring (ICHOM) for designing the Coronary Artery Disease (CAD) Standard Set, Fortis has been instrumental in promoting the evidence-based medicine. The Company is the first healthcare chain in India to publish its ICHOM CAD outcomes data on its website.

At present, 20 of our hospitals utilise the VitalHealth portal for reporting and tracking clinical outcomes for 11 procedures including Coronary Artery Disease ([Coronary Artery Bypass Graft (CABG), Percutaneous Coronary Interventions (PCI)], Transplant outcomes (Kidney, Heart and Liver), Total Knee Replacement (TKR), ERCP, Radiation oncology, Obstetrics and Gynecology (Hysterectomy, Cesarean section), Mental health (Depression and Anxiety).

Website link for clinical outcomes: **http://www.fortishealthcare.com/clinical-outcomes**

III. **Medical Equipment**

Despite economic challenges and social disruption, the Company continued to upgrade and expand its infrastructure. Significant investments were made in installing state-of-the-art equipment with latest technology such as Cath-labs, LINACs, MRIs, CT Scan machines etc. Amongst the noticeable additions to our medical equipment, the Company commissioned Central Mumbai's first Tesla Advanced Biomatrix MRI. A Dual Source Dual Energy Somatom Drive CT scanner was also launched in Kolkata. Our medical offerings expanded to include a new endoscopy unit in BG road, Bengaluru and a pediatric solid tumour clinic in FMRI, Gurugram.

Post installation, the Medical Operations team continuously monitors the utilisation rates of the medical equipment to identify areas of sub-optimal performance and suggest appropriate remedy.

(iv) **Launch of New Medical Programs and Clinical Services during the year**

- **FMRI, Gurugram** in association with Healthcare at Home, launched a Home Isolation Support Programme for COVID -19 positive patients who are asymptomatic / with mild symptoms.
- **Fortis Hospital, Noida**, launched a first-of-its-kind drive-in clinic that helps patients to do all the necessary activities such as doctor consultation, providing samples, collecting medication etc. without entering hospital building.
- **Fortis Anandapur, Kolkata**, launched the city's only Dual Source Dual Energy Somatom Drive CT scanner, which is 24 times faster than any other CT scan machine, making it a fast and clinically superior means of diagnosis for geriatric, pediatric and trauma patients.
- **Fortis Hospital, Mulund**, introduced Central Mumbai's first Tesla Advanced Biomatrix MRI to ramp up the Radiology offerings. The machine offers a combination of powerful magnet and advanced features, resulting in high resolution scanning at maximum speed.
- **Fortis Hospital, BG Road, Bengaluru** installed an advance Biplane Cath Lab on the occasion of world stroke day on October 29, 2020. This is the first state of the art Biplane Cath lab in the state of Karnataka. The facility will provide advanced care for neurovascular disorder.

(v) **Update on the IHH Open Offer**

Post the preferential allotment to IHH Healthcare Berhad of 31.1% equity stake for an investment consideration of ₹ 4,000 Crores in November 2018, IHH made an open offer to the public shareholders of the Company to acquire upto 26% shareholding at a price of ₹ 170 per share. The matter is currently sub-judice due to a Supreme Court order and hence the open offer stands in abeyance. Legal hearings by the court have concluded in May 2021 and the order stands reserved. Further details are mentioned in the Directors Report under the sub-heading of 'Significant Matters during the year under review.'

(B) SRL (Fortis's diagnostics business subsidiary)

Overview and the impact of the COVID-19 pandemic

The COVID-19 pandemic in 2020 created massive societal, economic and healthcare challenges. SRL Diagnostics took a number of initiatives to protect its customers, ensure business continuity and meet the needs and interests of its healthcare partners and stakeholders. These actions enabled SRL to navigate the pandemic and paved the way for future growth. The business was supported primarily through digital platforms also benefitting from increased demand and rising COVID cases. To support the high demand for COVID testing, SRL increased production capacity by opening 15 new RT PCR labs across the country in FY 2020-21.

As the nation underwent a lockdown in mid-March, the diagnostic industry faced multiple changes and developments. The industry faced a massive decline in the B2C business as the footfall of walk-ins fell drastically and combined with restrictions on elective and OPD services at hospitals and clinics, B2B business was also majorly affected in Q1. SRL was able to gain gradual momentum in Q2. Business recovered to 90% of pre-COVID levels towards beginning Q3 with a strong recovery witnessed in the non-COVID business which continued in the last quarter of the fiscal as well. SRL has weathered well the last year with a relatively stronger performance led by a faster than expected recovery in non-COVID business and incremental contribution from the huge demand of COVID and COVID related tests.

With operations returning to normal in Q4 of FY 2020-21 and the improving fundamentals of the business over the past year, SRL accelerated its growth and expansion initiatives. It undertook a significant and strategic step of acquiring the balance 50% stake in the existing DDRC-SRL Diagnostics Private Limited JV (DDRC-SRL JV).

Balance 50% acquisition in the existing DDRC- SRL JV by SRL Limited

In April 2021, SRL completed this acquisition for a total purchase consideration of ₹ 350 Crores inclusive of the ownership of the DDRC brand. DDRC-SRL is an existing 50:50 JV in Kerala between the DDRC group and SRL Diagnostics Private Limited (a wholly owned subsidiary of SRL Limited). The JV has a string of diagnostic laboratories in the state of Kerala and commands the majority market share in the organised diagnostics segment in the state. The acquisition provides SRL Limited an opportunity to consolidate its leadership position in Kerala. It further complements its strategy of growing the B2C business segment and expanding the product portfolio comprising lifestyle diseases tests, specialised tests and preventive packages. The JV from Q1 FY 2021-22 would be entirely consolidated with SRL as against being shown as Share in Associate in FY 2020-21 and previously for SRL's 50% stake.

As we look forward, three key trends will define the rules of the Diagnostics Industry.

(1) Movement towards molecular pathology and genetic-based test. Molecular diagnostics enables understanding of diseases at a much earlier stage and facilitates understanding of gene pattern and detection of cell behaviour.

(2) Increasing digitisation in diagnostics across the value chain. Data analytics and artificial intelligence via machine learning helped in reducing the diagnosis time significantly in certain areas like cytogenetic, histopathology and radiology. Telepathology along other new technologies such as AI and data analytics will enable us to further improve testing and reach a wider patient base.

(3) Increasing accessibility in terms of both consumer touchpoints and technology. Consumers now have the convenience to use mobile apps and web platforms to book their tests, as well as the opportunity to get the samples collected at home via Home Collection. Similarly, on the technology front, POCT devices will play a crucial role in making diagnostics accessible in time crunch situations with better and affordable technologies. From Smart/ synoptic reports to the use of chatbot to reduce waiting time to the use of QR codes in reports to prevent fake reporting, numerous efforts are underway to make the customer journey smooth and hassle-free.

Retail Network Expansion: Continuing to leverage the B2C model, SRL is consistently expanding its footprints across India with over 425+ labs servicing over 2250+ customer touch points providing a wide bandwidth and reach. In FY 2020-21, SRL has added 498 Collection Centers.

Quality & Compliance: In FY 2020-21, SRL worked towards the continuation of all current accreditation status - NABL (42 Labs & 240 Collection Centre), CAP (3 Labs National / International), and NABH (1) as per their cycle of assessment. SRL performed annual quality audits (Onsite / Virtual) of all laboratories (SRL / SRL Reach & SRLD), Radiology, Wellness Centre (184), and Collection Centres (Nos. 1252).

COVID-19 presented SRL an opportunity to introduce more tests. New tests like NIPS (Non-Invasive Prenatal Screening), CMA (Chromosomal Microarray), eFTS (Enhanced First Trimester Screening), COVID-19 by RTPCR, COVID-19 Antigen, COVID-19 Antibody IgG and Total, High-Resolution HLA, ABPA, Biofire based tests continued gained recognition from clinicians. SRL successfully launched new Panels- Hep Screen, PCOS Advance, Myositis Panel, Thrombotic Risk Screen, RTI Panels, Infection Recovery Package, CCC Package and preventive panel like Immunity check panel in FY 2020-21.

SRL, conducted more than 4500 health camps, in which approximately 1.7 Lakhs consumers / patients were screened for various lifestyle disorders. As part of ethical marketing, to disseminate information about new diagnostic modalities and algorithms, SRL engaged with over 5,300 specialists and super-specialist doctors in 106 CMEs (Continuous Medical Education) / RTMs(Round Table Meets) through Webinars and over 2,500 clinicians through 62 e-Maitri meets.

Information Technology: The last year has seen several initiatives being undertaken. Amongst the noticeable ones, the launch of a completely new mobile app (B2C) with not only a new and better UI, but also new features including Upload Prescription, Customer Receipt, Repeat Order, and Vitals Tracker. In addition to the above, WhatsApp for Business was also launched wherein customer reports are now sent on WhatsApp (other than email and link in SMS).

(C) Financial and Operational Performance of the Company – Consolidated Performance, Hospitals and Diagnostics business

The financial and operational performance of the Company was impacted during the FY 2020-21 due to the COVID-19 pandemic which started in February 2020 and the subsequent countrywide lockdown which started on March 24, 2020 for over two months. Further, the slow recovery of the overall business during the rest of the year also impacted the performance of the Company when compared with the previous financial year.

For FY 2020-21, the Company reported a consolidated net revenue from operations of ₹ 4,030 Crores compared to ₹ 4,632 Crores reported for the FY 2019-20. Revenue from Hospital business stood at ₹ 3,124 Crores compared to ₹ 3,753 Crores reported during the corresponding year. SRL Limited, the diagnostic business of the Company, reported gross revenues of ₹ 1,035 Crores compared to ₹ 1,016 Crores in the previous financial year. The business witnessed an uptick in H2FY21 as the non-COVID business saw a significant recovery and the COVID business saw a declining trend. Considering elimination of inter-Company revenue, net revenue of SRL Limited was at ₹ 906 Crores compared to ₹ 879 Crores in 2019-20.

Revenue (₹ Crores)	FY 2019-20	FY 2020-21	% Change
Total Consolidated Income*	4,685	4,077	(12.9%)
Revenues from operations	4,632	4,030	(13.0%)
Hospital Business	3,753	3,124	(16.8%)
Diagnostic Business (Gross)	1,016	1,035	1.8%
Diagnostic Business (Net)	879	906	3.1%

*(*Total consolidated income is net of inter-co elimination and includes other income of ₹ 46.5 Crores in FY 2020-21 and ₹ 52.6 Crores in FY 2019-20)*

The consolidated EBITDA of the Company stood at ₹ 451 Crores compared to ₹ 662 Crores for the previous corresponding year. EBITDA margin of the Company stood at 11.2% in FY 2020-21 versus 14.3% reported in FY 2019-20. The hospital business EBITDA for the fiscal year 2020-21 was at ₹ 281 Crores compared to ₹ 476 Crores reported for the fiscal year 2019-20. EBITDA margin of the hospital business stood at 9.0% in FY 2020-21 versus 12.7% in FY 2019-20. Excluding one off expenses during the year, the EBITDA margin of the hospital business stood at 9.8% for the year 2020-21.

International patient revenues were impacted significantly during the year due to COVID-19 pandemic and countrywide lockdown. For the hospital business, international business for the year stood at ₹ 131 Crores representing 4.2% of overall hospital business revenue, compared to ₹ 398 Crores (10.6% of overall hospital business revenue) reported in the previous financial year.

The diagnostic business of the Company witnessed gross revenues of ₹ 1,035 Crores compared to ₹ 1,016 Crores The business reported an EBITDA of ₹ 200 Crores compared to ₹ 197 Crores reported in the previous corresponding year. EBITDA margin of the diagnostic business stood at 19.3% (basis gross revenue) for the year FY 2020-21 compared to 19.4% in FY 2019-20. Considering the inter-Company elimination, diagnostic business net EBITDA was at ₹ 188 Crores (20.7% margin) versus ₹ 187 Crores (21.3% margin) reported in FY 2019-20. The diagnostic business which was impacted by COVID-19 pandemic during the first half of the financial year, however, witnessed significant recovery in the second half due to increase in demand for Non COVID tests as well as COVID and COVID related tests.

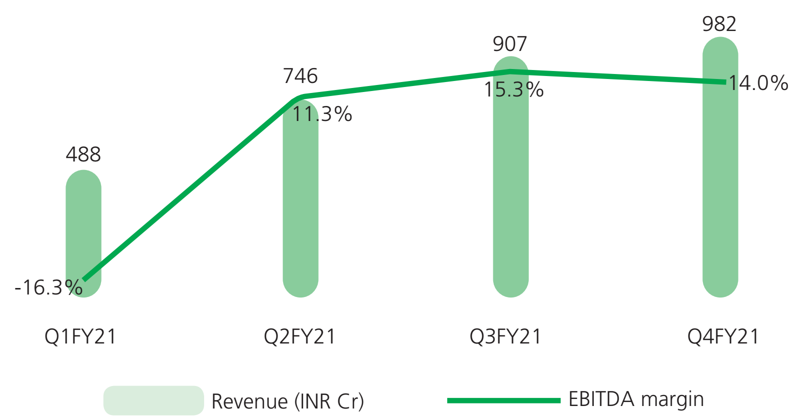
The consolidated EBITDA for the Company at ₹ 451 Crores in FY 2020-21 also accounts for the operational and finance / forex costs related to certain non-operational international entities.

EBITDA (₹ Crores)	FY 2019-20	FY 2020-21	% Change
Group EBITDA	662	451	(31.9%)
EBITDA Margin	14.3%	11.2%	
Hospital Business	476	281	(41.0 %)
EBITDA Margin	12.7%	9.0%	
Diagnostic Business	197	200	1.5%
EBITDA Margin (basis gross revenue)	19.4%	19.3%	

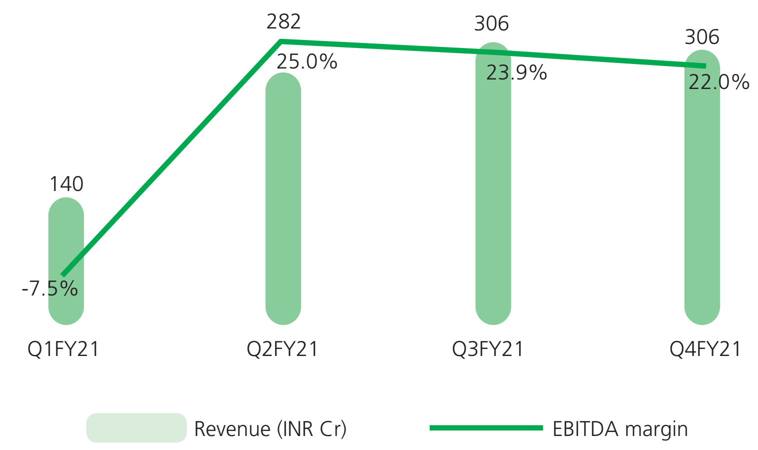
Key Performance Indicators (Hospital Business)	FY 2019-20	FY 2020-21
Occupancy	68%	55%
Average revenue per occupied bed (₹ Crores)	1.59	1.58
Average length of stay (days)	3.23	3.61
OPD Footfalls (in Million)	2.54	1.74
IPD Discharges (in Million)	0.30	0.23

Key Performance Indicators (Diagnostics Business)	FY 2019-20	FY 2020-21
Lab med revenue contribution	93.3%	93.9%
No of Accessions (in Million)	12.69	11.03
Average real. per accession (₹)	796	933
Tests performed (in Million)	30.38	23.53
Average real. per test (₹)	333	437

Hospital Business ramp-up during FY 2020-21



Diagnostic Business ramp-up during FY 2020-21



The Company's depreciation and amortisation charges for the year stood at ₹ 291 Crores similar to FY 2019-20. Interest and Finance Charges witnessed a decline of 19% to ₹ 166 Crores for the year as a result of lower borrowing costs in the COVID environment as well as due to reduction of debt.

At the consolidated level, the Company reported PBT (before exceptional items) of ₹ 42 Crores versus PBT of ₹ 178 Crores in the previous corresponding FY 2019-20.

Profit after tax for FY 2020-21 stood at a loss of ₹ 56 Crores compared to a profit of ₹ 91 Crores in the previous financial year.

With respect to the Balance Sheet as on March 31, 2021, the Company maintained a comfortable liquidity position with a net debt of ₹ 849 Crores as on March 31, 2021 versus ₹ 1,004 Crores as of March 31, 2020 (net debt to equity of 0.13x vs 0.14x, respectively). Gross debt of the Company stood at ₹ 1,271 Crores as on March 31, 2021 versus ₹ 1,354 Crores as of March 31, 2020. The Company's Net Debt / EBITDA (annualised) stood at healthy 1.04x in Q4 FY 2020-21, down from 1.52x in FY 2019-20.

During FY 2020-21, the Company entered into an amendment agreement with the existing Private Equity investors in SRL Limited (holding 31.2%). As a result of the amendment agreement entered into, the cash exit option liability of the Company which was also a part of the original agreement will be in abeyance for a period of 3 years during which the Company will make efforts to provide an exit to the private equity investors as per the mechanisms defined in the agreement. Consequent to this, the cash exit option liability of the Company which was previously reflected as short-term liability has been reclassified as a long-term liability further strengthening the Balance Sheet of the Company.

(D) Human Resources

2020-21 was a year of global solidarity against COVID-19 pandemic. Our Company adopted a holistic approach, to manage not only the patients but our employees and their families.

The following aspects were institutionalised in quick succession to ensure safety for our employees.

Putting People First: We continued to hold our commitment to job security despite industry and world at large seeing resource optimisation. A number of special schemes were initiated for the vulnerable groups, with key ones being –

a) Additional medical insurance coverage of INR 2 lakhs for around 5,000 employees otherwise covered under ESI scheme.

b) Introduction of addition Term Life coverage for frontline Doctors, Nurses & Paramedic on Covid duty

c) Introduction of 'Work From Home' rosters, including providing tools to work from home

d) Hardship incentive to frontline health staff on Covid duty

e) Establishing family connect with relatives of employees admitted in our hospitals

f) Taking care of hospitalization expenses over and above Mediclaim limits for our employees

g) free covid vaccination for our employees

h) Wellbeing programs by "Mental health" experts

Training on COVID medical protocols

MSOG led the extensive training / awareness programs on each aspect of COVID management protocols set by the Government of India. Additional best practices were researched and adopted at across all hospitals.

Leveraging various digital learning platforms curated & contextualised digital solutions, virtual / online training programs addressing the emerging skill requirements such as working remotely, tele sales, handling calls during COVID-19, enhancing productivity & professional skills were deployed.

In collaboration with Fortis Mental Health Department, self-care strategies & managing stress virtual training programs were conducted for frontline health care workers a cross Fortis, reinforced by self-care micro learning modules and online courses.

Cost Optimisation: HR led a voluntary salary reduction scheme which was subscribed by senior members of all employee groups especially clinicians and senior executives.

While the above COVID related activities were being managed, the other HR initiatives continued in a slightly scaled down manner. Hiring of critical resources, working on ongoing critical projects like Project Fusion, manpower norms, productivity benchmarks, HR functional audit, wage code impact analysis were some of the key things undertaken during last year. To strengthen culture of performance, the Balance Score Card framework has been deployed across units, translating in better integration of qualitative aspects in addition to financial parameters as organisation strategic intent.

As on March 31, 2021, the Company had a total employee base in the hospitals & the diagnostics business of approximately 21,700 employees.

(E) Internal Control Systems and their Adequacy

The internal control system has been designed to commensurate with the nature of business, size and complexity of operations and is monitored by the management to provide reasonable assurance on the achievement of objectives, effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Company has institutionalised a robust process and internal control system commensurate with its size and operations.

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and through its observations provides an input to the management to support continuous improvement program. The internal audit program is managed by an Internal Audit function directly reporting to the Audit Committee of the Board.

FORWARD LOOKING STATEMENT

Except for the historical information contained herein, statements in this discussion which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy, future business plans, our growth and expansion in business, the impact of any acquisitions, our financial capabilities, technological implementation and changes, the actual growth in demand for our products and services, cash flow projections, our exposure to market risks as well as other general risks applicable to the business or industry. The Company undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof, except as may be required by law. These discussions and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

References

- *Impact of COVID-19 on the Medtech Industry by PwC*
- *India's Budget 2021-22*
- *FICCI Re-engineering-Indian-Healthcare-2.0*
- *An Assessment of India's Laboratory Diagnostic Industry – NATHEALTH*
- *IBEF, Healthcare Update, November 2020*
- *Goldman Sachs – India: Healthcare Services (Seeking the Specialist)*
- *Jefferies Equity Research*
- *Market Research, Equity and Other Reports, Web Articles, Press & Media Reports and Others*

INDEPENDENT AUDITORS' REPORT

To the Members of Fortis Healthcare Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the standalone financial statements of Fortis Healthcare Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects, if any, of the matter described in the "Basis for Qualified Opinion" paragraph of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, of its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note 32 of the standalone financial statements, which explains that due to a significant amount of dividend received during the previous year ended March 31, 2020 from a wholly owned overseas subsidiary, the 'income from financial assets' of the Company was more than 50 percent of the gross income for the year then ended. Further, in view of the investments in subsidiaries and financing provided to them, the Company's financial assets as at that date are also more than 50 percent of its total assets. Consequently, the Company technically meets the "principal business test" criteria for classification as a Non-Banking Financial Company (NBFC) as per press release by Reserve Bank of India (RBI) vide No. 1998-99/1269 dated 8 April 1999 as at April 1, 2020 and is required to obtain a certificate of registration as a NBFC. As per the Company, such dividend is non-recurring in nature and does not represent income from ordinary activities of the Company and the Company does not intend to carry on the business as a NBFC. Accordingly, the Company, vide its letter dated November 8, 2019, had made a representation to the RBI that keeping in view the objective behind the principal business test criteria, its registration as a NBFC should not be required. Subsequent to the completion of audit of the standalone financial statements of the Company for the year ended March 31, 2020, we, as statutory auditors, have 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, in September 2020, the Company has written another letter to RBI with a request to confirm that no such registration as a NBFC is required. RBI advised the Company to submit to it the financial results for the quarters ended June 30, 2020, September 30, 2020 and December 31, 2020 which were duly submitted by the Company.

Pending resolution of the matter with RBI, we are unable to comment on the impact thereof, if any, on the standalone financial statements for the year ended March 31, 2021.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone financial statements.

Emphasis of Matter

(i) We draw attention to Note 27 and 28 of the standalone financial statements 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 ("the Company") and its subsidiaries ("the Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 (including matters relating to remuneration paid to managerial personnel) and SEBI laws and regulations. These transactions and non-compliances relate to or originated prior to take over of control by present board of directors in the year ended March 31, 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 March 31, 2018. The Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Group. Further, based on management's detailed analysis and consultation with external legal counsel, a further provision has been made and recognised in the current 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) We draw attention to Note 26 of the standalone financial statements relating to the order dated November 15, 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 December 14, 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 standalone financial statements.

(iii) As explained in Note 12 of the standalone financial statements, a Civil Suit claiming ₹ 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 26 of the standalone financial statements, 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) We draw attention to Note 20 in the standalone financial statements, 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 opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "Basis for Qualified Opinion" paragraph, we have determined that the following are the key audit matters:

The key audit matter	How the matter was addressed in our audit
Legal matters	
The Company is involved in several legal proceedings. In some of these cases, the Company has counter claims against the other party. Management judgement is involved in assessing the accounting for claims, and in particular in considering the probability of a claim being successful. The risk related to the claims is mainly associated with the adequacy of disclosure, and the completeness of the provisions in the standalone financial statements. Accordingly, we have designated this as key audit matter.	Our audit procedures included, on all significant legal cases, assessment of correspondence with the Company's legal counsel (internal and / or external) accompanied by discussions and formal confirmations from that legal counsel. We read the minutes of the board meetings and inspected the Company's legal expenses. We also assessed whether the Company's disclosures in note 11, 12, 26, 27 and 28 of the standalone financial statements detailing significant legal proceedings adequately disclose the potential liabilities of the Company. Also refer note 2(j) of the standalone financial statements for the related accounting policy.
Impairment of Goodwill and Investments	
The Company is required to annually test the amount of goodwill for impairment. Investments in subsidiary companies, associates and joint ventures are tested for impairment in case an indicator of potential impairment is identified. There are inherent uncertainties involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability. Accordingly, this is one of the key judgmental areas in our audit.	In this area our audit procedures included testing of the Company's budgeting procedures upon which the forecasts are based; and the principles and integrity of the Company's discounted cashflow model. We used our valuation specialist to assist us in evaluating the assumptions and methodologies used by the Company. In particular this included those relating to the forecast revenue growth, profit margins and discount rates. We compared the Company's assumptions to externally derived data as well as our own assessment in relation to key inputs such as projected economic growth, cost inflation and discount rates. We also performed sensitivity analysis of the key assumptions. We also assessed the adequacy of related disclosures in note 5(ii), 5(iv) and note 5(v) of standalone financial statements and sensitivities of key assumptions. Also refer note 2(e)(ii) and 2(g) of the standalone financial statements for the related accounting policy.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion paragraph above, pending resolution of the matter with RBI of registration as a NBFC, we are unable to comment on the impact thereof, if any, on the standalone financial statements for the year ended March 31, 2021. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matter specified in paragraphs 3 and 4 of the Order, which is subject to the effects/ possible effects of the matter described in the "Basis for Qualified Opinion" paragraph of our Audit Report.
2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and, except for the matter described in the "Basis for Qualified Opinion" paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) Except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) Except for possible effects of the matter described in the "Basis for Qualified Opinion" paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) The matter described in the "Basis for Qualified Opinion" paragraph and the "Emphasis of Matter" paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion" paragraph above.

   h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 11, 12, 26, 27 and 28 to the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended March 31, 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sd/-
Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAABM4859

Place: Gurugram
Date: May 29, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF FORTIS HEALTHCARE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our Audit Report of even date and except for the effects/possible effects of the matter described in the "Basis for Qualified Opinion" paragraph of our Audit Report)

(i) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, plant and equipment).

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed and lease deed of immovable properties are held in the name of the Company.

(ii) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans, secured or unsecured, to companies, covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been as per stipulations.

(c) There is no amount overdue for more than 90 days in respect of above mentioned loans.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are of the opinion that the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been slight delay in few cases of deposit of Goods and Services tax.

We are informed that the operations of the Company during the period did not give rise to any liability for Duty of Excise, Sales tax, Value added tax and Service tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Duty of customs, Goods and Services Tax, Cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following dues of Income-tax, Value added tax and Service tax have not been deposited by the Company with the appropriate authorities on account of disputes:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rupees in lacs)	Amount paid under protest (Rupees in lacs)
Income Tax Act, 1961	Income Tax and Interest thereon	Income Tax Appellate Tribunal, Delhi	AY 2016-17 and AY 2017-18	1,183.00	-
Income Tax Act, 1961	Income Tax and Interest thereon	Commissioner of Income Tax (Appeals)	AY 2012-13	2,641.41	2,487.61
Income Tax Act, 1961	Income Tax and Interest thereon	Commissioner of Income Tax (Appeals)	AY 2013-14 and AY 2014-15	505.17	-
Income Tax Act, 1961	Income Tax and Interest thereon	Commissioner of Income Tax (Appeals)	AY 2018-19	146.00	146.00
Central Excise Act, 1944	Value Added Tax	Supreme Court	FY 2009-10	1,412.35	-
Central Excise Act, 1944	Value Added Tax	Supreme Court	FY 2010-11	2,208.82	-
Finance Tax, 1994	Service Tax and penalty	Custom Excise & Service Tax Appellate Tribunal	FY 2012-13	50.00	-
Finance Tax, 1994	Service Tax and penalty	Custom Excise & Service Tax Appellate Tribunal	FY 2008-09 to FY 2012-13	294.00	-
Finance Tax, 1994	Service Tax and penalty	Custom Excise & Service Tax Appellate Tribunal	FY 2015-16 to FY 17-18	193.00	13.26

We are informed that there are no dues in respect of Duty of Customs, Duty of Excise, Sales tax and Goods and Services tax as at March 31, 2021 which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to banks and financial institutions. The Company has neither taken any loans or borrowings from government, nor has it issued any debentures during the year

(ix) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion and according to the information and explanations given to us, the term loans taken by the Company during the year have been applied for the purpose for which they were raised.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

(x) As explained in Note 27 and 28 of the standalone financial statements:

a) The investigation and additional procedures / inquiries carried out by the Company noted certain findings in relation to past transactions concerning Fortis Healthcare Limited and its subsidiaries with companies whose current and/ or past promoters/ directors were known to/ connected with the erstwhile promoters. All such identified transactions emanating out of the investigation and additional procedures/ enquiries had been previously provided for or expensed in the financial statements of the Company or its subsidiaries. Refer Note 27 (C) of the standalone financial statements for the key findings.

b) SEBI has issued a show cause notice to various entities including the Company, inter-alia alleging that the consolidated financials of Fortis Healthcare Limited for certain period were untrue and misleading for the shareholders and the Company has circumvented certain provisions of the SEBI Act, Securities Contracts (Regulation) Act, 1956, and certain SEBI regulations. Further, as stated in the said note, SEBI has also alleged misuse and/or diversion of funds from the Company and its subsidiaries. Various other regulatory authorities including Serious Fraud Investigation Office ('SFIO') are also undertaking their own investigations which are currently ongoing.

According to the information and explanations given to us, no other fraud by the Company and on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, and based on our examination of the records of the Company, managerial remuneration has been paid / provided by the company during the current year in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) As described in the "Basis for Qualified Opinion" section, that due to a significant amount of dividend received during the previous year ended March 31, 2020 from a wholly owned overseas subsidiary, the 'income from financial assets' of the Company was more than 50 percent of the gross income for the year then ended. Further, in view of the investments in subsidiaries and financing provided to them, the Company's financial assets as at that date are also more than 50 percent of its total assets. Consequently, the Company technically meets the "principal business test" criteria for classification as a Non-Banking Financial Company (NBFC) as per press release by Reserve Bank of India (RBI) vide No. 1998-99/1269 dated April 8, 1999 as at 1 April 2020 and is required to obtain a certificate of registration as a NBFC. As per the Company, such dividend is non-recurring in nature and does not represent income from ordinary activities of the Company and the Company does not intend to carry on the business as a NBFC. Accordingly, the Company, vide its letter dated November 8, 2019, had made a representation to the RBI that keeping in view the objective behind the principal business test criteria, its registration as a NBFC should not be required. Subsequent to the completion of audit of the standalone financial statements of the Company for the year ended March 31, 2020, we, as statutory auditors, have 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 previous quarter the Company has written another letter to RBI with a request to confirm that no such registration as a NBFC is required. 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 were duly submitted by the Company. Pending resolution of the matter with RBI, we are unable to comment on the impact thereof, if any. Also refer to note 32 of the standalone financial statements.

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

Sd/-
Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAABM4859

Place: Gurugram
Date: May 29, 2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF FORTIS HEALTHCARE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2)(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Fortis Healthcare Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sd/-
Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAABM4859

Place: Gurugram
Date: May 29, 2021

STANDALONE BALANCE SHEET
AS AT MARCH 31, 2021

Particulars	Notes	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	5(i)(a)	28,686.94	27,282.71
(b) Capital work-in-progress	5(i)(b)	632.38	2,918.02
(c) Right-of-use assets	7(a)	52,562.01	59,827.04
(d) Goodwill	5(ii)	2,721.77	2,721.77
(e) Other intangible assets	5(iii)(a)	1,312.70	788.63
(f) Intangible assets under development	5(iii)(b)	41.59	364.37
(g) Financial assets			
(i) Investments in associates	5(iv)	-	-
(ii) Investments in subsidiaries	5(v)	889,847.25	815,311.19
(iii) Loans	5(vii)	30,972.64	99,132.47
(iv) Other financial assets	5(viii)	103.04	115.17
(h) Deferred tax assets (net)	5(ix)	6,664.71	7,453.14
(i) Non-current tax assets (net)	5(x)	6,043.57	6,192.13
(j) Other non-current assets	5(xi)	81.66	107.32
Total non-current assets (A)		**1,019,670.26**	**1,022,213.96**
B. Current assets			
(a) Inventories	5(xii)	879.20	1,017.71
(b) Financial assets			
(i) Trade receivables	5(vi)	6,343.31	8,134.86
(ii) Cash and cash equivalents	5(xiii)(a)	319.66	333.73
(iii) Bank balances other than (ii) above	5(xiii)(b)	31.05	60.99
(iv) Loans	5(vii)	1,355.80	1,800.38
(v) Other financial assets	5(viii)	28,600.75	23,571.52
(c) Other current assets	5(xi)	1,014.42	952.76
Total current assets (B)		**38,544.19**	**35,871.95**
Total assets (A+B)		**1,058,214.45**	**1,058,085.91**
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	5(xiv)	75,495.81	75,495.81
(b) Other equity		812,657.28	812,151.15
Total equity (A)		**888,153.09**	**887,646.96**
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	5(xvi)	66,378.45	62,134.77
(ii) Lease liabilities	7(a)	54,832.67	59,768.38
(iii) Other financial liabilities	5(xvii)	206.96	289.22
(b) Provisions	5(xviii)	1,392.43	1,395.14
Total non-current liabilities (B)		**122,810.51**	**123,587.51**
C. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	5(xix)	8,535.45	8,375.57
(ii) Trade payables	5(xx)		
-Total outstanding dues of micro enterprises and small enterprises		1,392.29	1,372.91
-Total outstanding dues other than micro enterprises and small enterprises		20,052.42	19,835.71
(iii) Lease liabilities	7(a)	5,139.21	4,367.27
(iv) Other financial liabilities	5(xvii)	7,386.21	9,635.54
(b) Provisions	5(xviii)	2,995.43	1,453.08
(c) Current tax liabilities (Net)		152.21	-
(d) Other current liabilities	5(xxi)	1,597.63	1,811.36
Total current liabilities (C)		**47,250.85**	**46,851.44**
Total liabilities (B+C)		**170,061.36**	**170,438.95**
Total equity and liabilities (A+B+C)		**1,058,214.45**	**1,058,085.91**
See accompanying notes forming integral part of the standalone financial statements	1-35		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 29, 2021

Place : Gurugram
Date : May 29, 2021

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Notes	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
I Revenue from operations	5(xxii)	63,287.35	70,184.56
II Other income	5(xxiii)	19,198.06	93,834.24
III Total income (I+II)		**82,485.41**	**164,018.80**
IV Expenses			
i) Purchase of medical consumable and drugs		14,919.29	15,166.73
ii) Changes in inventories of medical consumable and drugs	5(xxiv)	138.51	(419.24)
iii) Employee benefits expense	5(xxv)	14,765.25	15,544.10
iv) Finance costs	5(xxvi)	14,144.64	16,016.80
v) Depreciation and amortisation expense	5(xxvii)	11,077.05	9,681.29
vi) Other expenses	5(xxviii)	30,673.35	33,099.00
Total expenses (IV)		**85,718.09**	**89,088.68**
V (Loss)/Profit before exceptional and tax item (III-IV)		**(3,232.68)**	**74,930.12**
VI Exceptional Gain/(Loss)	5(xxix)	5,645.75	(12,862.57)
VII Profit before tax (V-VI)		**2,413.07**	**62,067.55**
VIII Tax expense	5(xxx)		
i) Current tax		1,251.24	12,714.96
ii) Deferred tax (net)		742.08	(1,980.31)
Total tax expense (VIII)		**1,993.32**	**10,734.65**
IX Profit for the year (VII-VIII)		**419.75**	**51,332.90**
Other comprehensive income			
i) Items that will not be subsequently reclassified to profit or loss			
(a) Remeasurements of the defined benefit liablities		132.72	(22.13)
(b) Income tax relating to items that will not be reclassified to profit or loss		(46.34)	9.78
X Total other comprehensive income/(loss) for the year (net of tax)		**86.38**	**(12.35)**
XI Total comprehensive income for the year (IX+X)		**506.13**	**51,320.55**
Earnings per equity share of ₹ 10 each :			
i) Basic (in ₹)	5(xxxi)	0.06	6.80
ii) Diluted (in ₹)	5(xxxi)	0.06	6.80
See accompanying notes forming part of the standalone financial statements	**1-35**		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

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

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 29, 2021

Place : Gurugram
Date : May 29, 2021

STANDALONE STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Notes	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,413.07	62,067.55
Adjustments for:			
Exceptional items		(5,645.75)	12,862.57
Finance cost		14,144.64	16,016.80
(Profit)/Loss on sale of property, plant and equipment (net)		(41.50)	79.92
Allowance for doubtful trade receivables		805.63	101.39
Allowance for doubtful advances		21.10	23.91
Provision for contingencies		1,461.70	47.65
Depreciation and amortisation expense		11,077.05	9,681.29
Provision / liability no longer required written back		(256.05)	(376.02)
Interest income		(18,903.47)	(22,412.47)
Financial guarantee income		(203.17)	(890.26)
Dividend income		-	(70,455.88)
Operating profit before changes in following assets and liabilities		**4,873.25**	**6,746.45**
CHANGE IN OPERATING ASSETS AND LIABILITIES			
Decrease in trade receivables		985.92	129.34
Decrease / (Increase) in inventories		138.51	(419.24)
(Increase) / Decrease in loans, other financial assets and other assets		(1,204.69)	621.69
(Decrease) / Increase in other financial liabilities, provisions, other liabilities and trade payables		(648.18)	4,020.55
Cash generated by operations		**4,144.81**	**11,098.79**
Income taxes paid (net)		(950.46)	(1,106.64)
Net cash generated by operating activities		**3,194.35**	**9,992.15**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on non-convertible bonds		3,733.84	3,165.11
Investment in subsidiaries		(28,849.71)	-
Purchase of property, plant and equipment and intangible asset		(5,632.93)	(2,440.50)
Proceeds on sale of property, plant and equipment		116.17	1,003.43
Maturity of bank deposits (net)		43.14	1,998.49
Interest received		5,105.44	18,706.93
Loans/ advances given to subsdiaries		(6,195.00)	(28,896.28)
Loans/ advances received from subsidiaries		34,519.53	29,320.61
Dividend received*		-	58,145.83
Net cash generated by investing activities		**2,840.48**	**81,003.62**

Particulars	Notes	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
CASH FLOWS FROM FINANCING ACTIVITIES (REFER NOTE 5(XV))			
Proceeds from issue of equity instruments of the Company		-	2.46
Proceeds from non-current borrowings		9,207.71	64,551.29
Proceeds from/ (Repayment of) short-term borrowing (net)		6,800.00	(107,000.00)
Repayment of non-current borrowings		(3,308.06)	(34,934.09)
Finance cost paid**		(10,542.17)	(16,384.42)
Payment of lease liability		(1,566.26)	(3,387.95)
Net cash generated by / (used in) financing activities		**591.22**	**(97,152.71)**
Net increase / (decrease) in cash and cash equivalents		**6,626.05**	**(6,156.94)**
Cash and cash equivalents at the beginning of the year		(8,041.84)	(1,884.90)
Cash and cash equivalents at the end of the year	5(xiii)(a)	**(1,415.79)**	**(8,041.84)**

*Net of tax ₹ 12,310.05 Lakhs for the year ended March 31, 2020.

**Including interest on lease liability ₹ 6,618.42 Lakhs and ₹ 7,344.18 Lakhs for the year ended March 31, 2021 and March 31, 2020 respectively.

Notes:

(a) The standalone statement of cash flow has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash flows"

(b) The Company has paid ₹ 509.42 Lakhs for the year ended March 31, 2021 and ₹ 37.53 Lakhs for the year ended March 31, 2020 towards Corporate Social Responsibility (CSR) expenditure.

See accompanying notes forming part of the standalone financial statements 1-35

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 29, 2021

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 29, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. Equity share capital

	No. in Lakhs	₹ in Lakhs
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 1, 2019	7,549.55	75,495.49
Issue of share capital (Exercise of stock options) [refer note 5(xiv) and 13]	0.03	0.32
At March 31, 2020	**7,549.58**	**75,495.81**
Issue of share capital [refer note 5(xiv) and 13]	-	-
At March 31, 2021	**7,549.58**	**75,495.81**

B. Other equity

Particular	Notes	Other equity					
		Reserves and Surplus					
		Securities premium*	Share options outstanding account ****	Retained earnings	Amalgamation reserve **	General Reserve ***	Total other equity
Balance at April 1, 2019		725,089.94	2,637.87	26,791.88	156.00	6,152.77	760,828.46
Profit for the year		-	-	51,332.90	-	-	51,332.90
Other comprehensive income for the year (net of income tax)		-	-	(12.35)	-	-	(12.35)
Total comprehensive income for the year		**-**	**-**	**51,320.55**	**-**	**-**	**51,320.55**
Exercise of stock options during the year [refer note 5(xiv) and 13]		2.14	(2.14)	-	-	2.14	2.14
Stock options lapsed/cancelled during the year (refer note 13)		-	(2,545.67)	-	-	2,545.67	-
Balance at March 31, 2020		**725,092.08**	**90.06**	**78,112.43**	**156.00**	**8,700.58**	**812,151.15**
Profit for the year		-	-	419.75	-	-	419.75
Other comprehensive income for the year (net of income tax)		-	-	86.38	-	-	86.38
Total comprehensive income for the year		**-**	**-**	**506.13**	**-**	**-**	**506.13**
Stock options lapsed/cancelled during the year (refer note 13)		-	(90.06)	-	-	90.06	-
Balance at March 31, 2021		**725,092.08**	**-**	**78,618.56**	**156.00**	**8,790.64**	**812,657.28**

* The unutilised accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

** Amalgamation reserve represents the unutilised accumulated surplus created at the time of amalgamation of another Company with the Company. This reserve is not available for distribution of dividend and is expected to remain invested permanently.

*** This represents appropriation of profit by the Company and is available for distribution of dividend.

**** The fair value of the equity settled share based payment transactions with employees is recognised in the Standalone Statement of Profit and Loss with corresponding credit to share options outstanding account.

See accompanying notes forming part of the standalone financial statements 1-35

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 29, 2021

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 29, 2021

NOTES

FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Fortis Healthcare Limited (the 'Company' or 'FHL'), a public limited Company, was incorporated on February 28, 1996. Its equity shares are listed on BSE Limited and National Stock Exchange of India Limited. Its registered office is located at Fortis Hospital Sector-62 Phase-VIII, Mohali 160062, Punjab and the corporate office of the Company is located at Tower A, Unitech Business Park, Block - F South City - 1, Sector-41, Gurugram 122001, Haryana.

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider. The Company is primarily engaged in the business of healthcare services. The Company also holds interests in its subsidiaries, associates and joint ventures which manage and operate a network of multi-specialty hospitals and diagnostics centres.

On November 13, 2018, IHH Healthcare Berhad, Malaysia acquired 31.10% stake in the Company and appointed majority of board of directors, thereby, becoming the controlling shareholder of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements ('financial statements'). The accounting policies adopted are consistent with those of the previous financial year.

(a) Basis of preparation

(i) Statement of compliance

These Standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in lacs of Indian ₹ and are rounded off to two decimals, except per share data.

The financial statements have been authorised for issue by the Company's Board of Directors on May 29, 2021.

(ii) Functional and presentation currency

These financial statements are presented in Indian ₹, which is also the Company's functional currency.

(iii) Historical cost convention

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

(c) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(e) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalised finance costs, less accumulated depreciation and any accumulated impairment loss. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Goodwill and Intangible assets

- For measurement of goodwill that arises from business combination. Subsequent measurement is at cost less any accumulated impairment losses.
- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
  - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of profit and loss as incurred.
  - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.
- Intangible assets that are acquired (including goodwill recognised for business combinations) are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated August 29, 2014 of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management. The details of useful life are as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Plant and machinery	3-15 years	15 years
Medical equipment	2-13 years	13 years
Computers	3 years	3 years
Furniture and fittings	4-10 years	10 years
Office equipment	5 years	5 years
Vehicles	4-8 years	8 years

Freehold land is not depreciated.

Depreciation on leasehold assets is provided over the lease term or expected useful life of the asset, whichever is lower.

Goodwill is not amortised and is tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Estimated useful lives of the intangible assets are as follows:

Category of assets	Management estimate of Useful Life
Computer software	3-6 years

Depreciation and amortisation on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

Property, plant and equipment and intangible assets are derecognised on disposal or when no future economic benefits are expected from their use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(f) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the

marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

Equity investments in subsidiaries, jointly controlled entities and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in such entities, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

All other equity investments which are in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments in scope of Ind AS 109, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Dividend income from investments is recognised in statement of profit and loss on the date that the right to receive payment is established.

Impairment of financial assets

The Company recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement' and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Write off of financial assets

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms

of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation by the Holding Company, the fair values are accounted for as a deemed equity contribution (under the head 'Investment in subsidiaries') in the books of Holding Company and as a part of 'Other Equity' in the books of subsidiary.

Where guarantees in relation to loans or other payables of the Holding Company are provided by subsidiary for no compensation, the fair values are accounted for as a distribution and recognised under the head 'Other Equity' in the books of subsidiary and credited to statement of profit and loss in the books of holding Company.

(h) Inventories

Inventories are valued at lower of cost and net realisable value except scrap, which is valued at net estimated realisable value.

The Company uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost and other direct costs incurred. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

(j) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(l) Revenue recognition

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services and also includes sale of medical and non-medical items. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Company assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Company expects to receive in exchange for those products or services and is net of tax collected from customers and remitted to government authorities such as sales tax, excise duty, value added tax and applicable discounts and allowances including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognised as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Excess of revenue earned over billings on contracts is recognised as unbilled revenue. Unbilled revenue is classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

Other operating revenue comprises revenue from various ancillary revenue generating activities like operations and maintenance agreements, satellite centers, sponsorship arrangements and academic services. The revenue in respect of such arrangements is recognised as and when services are performed.

Income from 'Service Export from India Scheme' (SEIS), included in other operating revenue, is recognised on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis to the extent it is certain that economic benefits will flow to the Company.

(m) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary.

b) Superannuation

Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan during the year is charged to statement of profit and loss.

c) Provident fund

The Company makes contribution to the recognised provident fund - " Fortis Healthcare Limited Provident Fund Trust " for most of its employees in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

The Company's contribution to the provident fund is charged to statement of profit and loss.

Other long-term employee benefits:

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans and other long-term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long-term benefits are recognised in the statement of profit and loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the statement of profit and loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(n) Share-based payments

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognised as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share-based payment transaction is presented as a separate component in equity under "share option outstanding account". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of share-based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

(o) Income tax

Income tax comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are

offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
– temporary differences related to investments in subsidiaries, associates or joint arrangements, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(p) Leases

(i) As a lessee

The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

(ii) As a lessor

The Company accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(q) Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(r) Statement of Cash flow

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(s) Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

The Company is primarily engaged in the business of healthcare services which is the only reportable segment.

NOTES
FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit/ (loss) attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Leasing arrangement (classification) – Note 7
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 11, 12, 27 and 28
- Recognition and estimation of tax expense including deferred tax– Note 5(xxx) and 5(ix)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2021 is included in the following notes:

- Leasing arrangement (accounting) – Note 7
- Financial instruments - Note 15
- Fair value measurement – Note 16
- Estimated impairment of financial assets and non-financial assets – Note 5(xxix), 5(iv), 5(v), 5(vii), 5(viii)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 11, 12, 27 and 28
- Recognition and estimation of tax expense including deferred tax– Note 5(xxx) and 5(ix)
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(e)(iii)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 14
- Share-based payments – Note 13

4. RECENT PRONOUNCEMENTS BUT NOT YET EFFECTIVE

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

5(i)(a) Property, plant and equipment

(₹ in Lakhs)

Particulars	Freehold Land	Building (on Leasehold Land)	Leasehold improvements	Plant & machinery	Medical equipment	Furniture & fittings	Computers	Office equipment	Vehicles	Total
Gross carrying amount										
As at April 01, 2019	**10.09**	**-**	**91.64**	**713.64**	**19,642.67**	**514.26**	**504.53**	**217.20**	**595.35**	**22,289.38**
Additions	-	11,011.31	-	1,285.22	2,984.90	190.22	177.24	115.67	78.24	15,842.80
Disposals	-	-	-	(64.34)	(1,342.18)	(1.37)	(18.97)	(2.96)	(165.80)	(1,595.62)
As at March 31, 2020	**10.09**	**11,011.31**	**91.64**	**1,934.52**	**21,285.39**	**703.11**	**662.80**	**329.91**	**507.79**	**36,536.56**
Additions	-	-	-	85.12	4,143.26	43.83	96.61	126.35	171.34	4,666.51
Disposals	-	-	-	(11.36)	(91.56)	(2.76)	(32.74)	(0.27)	(173.45)	(312.14)
As at March 31, 2021	**10.09**	**11,011.31**	**91.64**	**2,008.28**	**25,337.09**	**744.18**	**726.67**	**455.99**	**505.68**	**40,890.93**
Accumulated depreciation										
As at April 01, 2019	**-**	**-**	**67.45**	**313.69**	**5,874.08**	**244.50**	**420.31**	**149.64**	**423.53**	**7,493.20**
Charge for the year	-	42.11	14.72	89.92	1,844.07	63.61	75.42	32.79	110.46	2,273.10
Disposals	-	-	-	(0.63)	(327.34)	(0.81)	(17.10)	(2.96)	(163.61)	(512.45)
As at March 31, 2020	**-**	**42.11**	**82.17**	**402.98**	**7,390.81**	**307.30**	**478.63**	**179.47**	**370.38**	**9,253.85**
Charge for the year	-	555.83	9.47	202.27	2,091.50	97.83	100.10	71.29	59.32	3,187.61
Disposals	-	-	-	(5.79)	(37.07)	(2.53)	(32.72)	(0.20)	(159.16)	(237.47)
As at March 31, 2021	**-**	**597.94**	**91.64**	**599.46**	**9,445.24**	**402.60**	**546.01**	**250.56**	**270.54**	**12,203.99**
Carrying value (As at March 31, 2020)	**10.09**	**10,969.20**	**9.47**	**1,531.54**	**13,894.58**	**395.81**	**184.17**	**150.44**	**137.41**	**27,282.71**
Carrying value (As at March 31, 2021)	**10.09**	**10,413.37**	**-**	**1,408.82**	**15,891.85**	**341.58**	**180.66**	**205.43**	**235.14**	**28,686.94**

Notes:

(a) Certain assets included under Property, plant and equipment are held as pledge against loans taken by the Company [refer note 8(i)].

5(i)(b) Capital work-in-progress

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening balance	2,918.02	15,778.16
Additions during the year*	2,380.87	2,982.66
Less : Amount capitalised during the year*	4,666.51	15,842.80
Closing Balance (net of provision for impairment of ₹ 2,569.90 Lakhs [refer note 25])*	632.38	2,918.02

*The Company accounts for all capitalisation of property, plant and equipment through capital work in progress and therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted for additions to property, plant and equipment.

5(ii) Goodwill

(₹ in Lakhs)

Particulars	Goodwill
Gross carrying amount	
As at April 1, 2019	**3,292.57**
As at March 31, 2020	**3,292.57**
As at March 31, 2021	**3,292.57**
Impairment	
As at April 1, 2019	**(570.80)**
Impairment during the year	-
As at March 31, 2020	**(570.80)**
Impairment during the year	-
As at March 31, 2021	**(570.80)**
Carrying Value	
As at March 31, 2020	**2,721.77**
As at March 31, 2021	**2,721.77**

At cash generating unit (CGUs) level, the goodwill is tested for impairment annually at the year-end or more frequently if there are indications that goodwill might be impaired. The entire goodwill balance is allocated to Fortis Hospitals Shalimar Bagh.

The Company made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management. Cash flow projections were developed covering a seven-year period as at March 31, 2021 and March 31, 2020 which reflects a more appropriate indication/trend of future track of business of the Company. Cash flows beyond the seven-year period were extrapolated using estimate rates stated below.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Key assumptions used for value in use calculations are as follows:

Particulars	As at March 31, 2021 (p.a.)	As at March 31, 2020 (p.a.)
Compound average net sales growth rate for seven-year period	10% - 21%	10% - 21%
Growth rate used for extrapolation of cash flow projections beyond seven-year period (refer note below)	4.00%	4.00%
Discount rate	12.70%	12.70%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using post-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

5(iii)(a) Other intangible assets

(₹ in Lakhs)

Particulars	Computer Software
Gross carrying amount	
As at April 1, 2019	**2,304.21**
Additions	598.81
As at March 31, 2020	**2,903.02**
Additions	966.65
As at March 31, 2021	**3,869.67**
Accumulated amortisation	
As at April 1, 2019	**1,820.84**
Charge for the year	293.55
As at March 31, 2020	**2,114.39**
Charge for the year	442.58
As at March 31, 2021	**2,556.97**
Carrying value	
As at March 31, 2020	**788.63**
As at March 31, 2021	**1,312.70**

5(iii)(b) Intangible assets under development

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening balance	364.37	707.95
Additions during the year*	643.87	255.23
Less : Amount capitalised during the year*	966.65	598.81
Closing Balance*	41.59	364.37

*The Company accounts for all capitalisation of intangible assets through intangible assets under development and therefore the movement in intangible assets under development is the difference between closing and opening balance of intangible assets under development as adjusted for additions to intangible assets.

5(iv) Investments in associates

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Unquoted investments (fully paid)		
(a) Investments in equity instruments - at cost		
i) Sunrise Medicare Private Limited	0.31	0.31
[(3,126 (3,126 as at March 31, 2020) Equity shares of ₹ 10 each)]		
Less: Impairment of investment	(0.31)	(0.31)
Aggregate unquoted investments in associates	**-**	**-**
Aggregate carrying value of unquoted investments in associates	**-**	**-**
Aggregate amount of impairment in value of investments in associates	**0.31**	**0.31**

5(v) Investments in subsidiaries

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Non-current		
Unquoted investments (fully paid)		
(a) Investments in equity instruments - at cost		
i) Escorts Heart Institute and Research Centre Limited*	76,919.72	71,919.75
(2,161,117 (2,000,310 as at March 31, 2020) Equity Shares of ₹ 10 each)		
[Of the above, 50 (50 as at March 31, 2020) equity shares are held by nominee share holders)		
ii) Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited)	5.00	5.00
[(50,000 (50,000 as at March 31, 2020) Equity Shares of ₹ 10 each)]		
[(Of the above, 6 shares (6 shares as at March 31, 2020) are held jointly with individual share holders)]		
iii) Fortis Healthcare International Limited, Mauritius*	15,105.47	15,105.47
[(98,560,000 (98,560,000 as at March 31, 2020) Equity Shares of US$ 0.32 each]		
iv) Fortis Hospitals Limited *	110,995.27	40,880.47
[(47,925,434 (40,300,577 as at March 31, 2020) Equity Shares of ₹ 10 each)]		
[Of the above, 6 shares (6 as at March 31, 2020) are held jointly with individual share holders)		
v) Hiranandani Healthcare Private Limited *	13,021.28	9,171.55
[(5,613,300 (4,000,000 as at March 31, 2020) Equity Shares of ₹ 10 each)]		
[(Of the above, 3 shares (3 as at March 31, 2020) are held jointly with individual share holders)]		
vi) SRL Limited ('SRL')	90,905.48	90,905.48
[(45,236,779 (45,236,779 as at March 31, 2020) Equity Shares of ₹ 10 each)]		
vii) Fortis Hospotel Limited	243,016.88	243,016.88
(417,222,782 (417,222,782 as at March 31, 2020) Equity Shares of ₹ 10 each)		
[of the above, 6 shares (6 as at March 31, 2020) are held by nominee shareholders)]		
viii) Fortis CSR Foundation	5.00	5.00
[(50,000 (50,000 as at March 31, 2020) Equity Shares of ₹ 10 each)]		
[(Of the above, 6 shares (6 as at March 31, 2020) are held with nominee share holders)]		
ix) Fortis Health Management Limited	856.60	856.60
(1,300,000 (1,300,000 as at March 31, 2020) Equity Shares of ₹ 10 each)		
x) International Hospital Limited	207,657.21	207,657.21
(26,627,304 (26,627,304 as at March 31, 2020) Equity Shares of ₹ 100 each)		
xi) Escorts Heart and Super Speciality Hospital Limited	40,625.51	40,625.51
(16,480,000 (16,480,000 as at March 31, 2020) Equity Shares of ₹ 10 each)		
Less: Impairment of investment :		
- Fortis La Femme Limited	(5.00)	(5.00)
- Escorts Heart Institute and Research Centre Limited	(10,348.67)	(10,348.67)
- Fortis Healthcare International Limited, Mauritius	(3,202.50)	(2,507.90)
	785,557.25	**707,287.35**
(b) Investments in debt instrument - at amortised cost		
i) Escorts Heart and Super Speciality Hospital Limited	46,323.15	46,733.99
3,130,400 (3,130,400 as at March 31, 2020) 14.80% Non-Convertible Bonds of face value of ₹ 1,000 each.		
ii) Fortis Health Management Limited	1,191.96	1,191.96
116,000 (116,000 as at March 31, 2020) 14.30 % Non-Convertible Bonds of face value of ₹ 1,000 each.		
iii) Hospitalia Eastern Private Limited	7,172.50	7,172.50
700,000 (700,000 as at March 31, 2020) 13.15 % Non-Convertible Bonds of face value of ₹ 1,000 each.		
iv) International Hospital Limited	13,164.01	16,487.01
1,205,000 (1,205,000 as at March 31, 2020) 14.30 % Non-Convertible Bonds of face value of ₹ 1,000 each.		
v) International Hospital Limited	16,884.39	16,884.39
1,296,000 (1,296,000 as at March 31, 2020) 14.20 % Non-Convertible Bonds of face value of ₹ 1,000 each.		
vi) International Hospital Limited	19,553.99	19,553.99
1,700,000 (1,700,000 as at March 31, 2020) 13.15 % Non-Convertible Bonds of face value of ₹ 1,000 each.		
	104,290.00	**108,023.84**
Aggregate carrying value of unquoted non-current investments in subsidiaries	**889,847.25**	**815,311.19**
Aggregate gross value of unquoted investments in subsidiaries	**903,403.42**	**828,172.76**
Aggregate amount of impairment in value of investments in subsidiaries	**13,556.17**	**12,861.57**

*The Company has determined the fair value of guarantee given to banks on behalf of the subsidiary companies and debited the cumulative amount to investment. Refer below for the break up of cumulative fair value of financial guarantee attributable to subsidiaries:

Name of the subsdiary Company	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
i) Escorts Heart Institute and Research Centre Limited	24.96	24.96
ii) Fortis Healthcare International Limited, Mauritius	360.98	360.98
iii) Fortis Hospitals Limited	784.69	669.89
iv) Hiranandani Healthcare Private Limited	31.55	31.55
	1,202.18	**1,087.38**

5(vi) Trade receivables

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Current		
(a) Considered good		
- From Others	6,341.62	8,133.40
- From Related Parties	1.69	1.46
(b) Credit impaired		
- From Others	1,484.10	1,154.08
- From Related Parties	1.00	10.00
Less: Loss allowance	(1,485.10)	(1,164.08)
	6,343.31	**8,134.86**
Break-up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	6,343.31	8,134.86
Credit impaired - Unsecured	1,485.10	1,164.08
Less: Loss allowance	(1,485.10)	(1,164.08)
Total trade receivables	**6,343.31**	**8,134.86**

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward- looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Particulars	Expected credit allowance %	
	As at March 31, 2021	As at March 31, 2020
Ageing		
0 - 1 year	0% - 36%	0% - 35%
1 - 2 year	2% - 73%	1% - 99%
2 - 3 year	9% - 91%	5% - 100%
More than 3 years	100%	100%

The movement in Expected Credit Loss during the year is as follows :

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Balance at the beginning of the year	1,164.08	6,126.03
Creation of the allowance for expected credit loss [refer note 5(xxviii)]	805.63	101.39
Utilisation of the allowance for expected credit loss (written off)	(484.61)	(5,063.34)
Balance at the end of the year	**1,485.10**	**1,164.08**

The Company does not have any significant concentration of exposures to specific category of customer.

Note : Current assets are held as pledge against loans taken by the Company [refer note 8(i)].

5(vii) Loans (unsecured)

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Non-current - at amortised cost		
Considered good		
(a) Loans to subsidiaries (refer note 22)	30,815.57	99,014.20
(b) Security deposits	157.07	118.27
Credit impaired		
(a) Security deposits [refer note 25]	378.00	378.00
Less: Loss allowance	(378.00)	(378.00)
Total	**30,972.64**	**99,132.47**
Current - at amortised cost		
Considered good		
(a) Security deposits	19.14	23.65
(b) Intercompany current account	1,336.66	1,776.73
	1,355.80	**1,800.38**
Credit impaired		
(a) Loans to others	362.34	362.34
(b) Loans to subsidiaries [refer note 22 and 18(a)]	63.73	63.73
	426.07	**426.07**
Less: Loss allowance	(426.07)	(426.07)
	(426.07)	**(426.07)**
	1,355.80	**1,800.38**
Break-up of security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	32,328.44	100,932.85
Loans considered doubtful - Unsecured	-	-
Credit impaired - Unsecured	804.07	804.07
Less: Loss allowance	(804.07)	(804.07)
Total Loans	**32,328.44**	**100,932.85**

5(viii) Other financial assets (unsecured)

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Non current		
Considered good		
(a) Deposit accounts with bank	96.31	109.51
(b) Interest accrued on fixed deposits	6.73	5.66
	103.04	**115.17**
Current		
Considered good		
(a) Interest accrued and due on loans and deposits	27,084.78	22,973.65
(b) Unbilled revenue	1,079.59	451.79
(c) Others	436.38	146.08
	28,600.75	**23,571.52**
Credit impaired		
(a) Advances recoverable in cash [refer note 25]	1,795.57	1,795.57
(b) Amount recoverable for salary and reimbursement of expenses [refer note 27(C)(vi)]	2,002.39	2,002.39
(c) Others	446.46	425.36
	4,244.42	**4,223.32**
Less: Loss allowance	(4,244.42)	(4,223.32)
	(4,244.42)	**(4,223.32)**
	28,600.75	**23,571.52**

5(ix) Deferred tax balances

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Deferred tax assets	26,889.68	28,890.72
Deferred tax liabilities	(20,224.97)	(21,437.58)
	6,664.71	**7,453.14**

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in financial statements:

2020-21 (₹ in Lakhs)

Particulars	As at April 1, 2020	(Charge)/ Credit to Profit or loss	(Charge)/ Credit to Other Comprehensive Income	As at March 31, 2021
Deferred tax liabilities				
(a) Property, plant and equipment	(698.18)	(113.93)	-	(812.11)
(b) Intangible assets	(601.35)	(222.45)	-	(823.80)
(c) Right-of-use assets	(20,138.05)	1,548.99	-	(18,589.06)
	(21,437.58)	**1,212.61**	**-**	**(20,224.97)**
Deferred tax assets				
(a) Provision for contingency	99.16	3.91	-	103.07
(b) Allowance for doubtful advances	99.21	7.38	-	106.59
(c) Allowance for expected credit loss	406.78	112.17	-	518.95
(d) Defined benefit obligation	896.12	70.26	(46.34)	920.04
(e) MAT credit entitlement	5,978.23	(1,693.77)	-	4,284.46
(f) Lease liability	21,411.22	(454.65)	-	20,956.57
	28,890.72	**(1,954.69)**	**(46.34)**	**26,889.68**
Deferred tax asset (net)	**7,453.14**	**(742.08)**	**(46.34)**	**6,664.71**

2019-20 (₹ in Lakhs)

Particulars	As at April 01, 2019	(Charge)/ credit to profit or loss	Charge/ (credit) to other comprehensive income	As at March 31, 2020
Deferred tax liabilities				
(a) Property, plant and equipment	(600.07)	(98.11)	-	(698.18)
(b) Intangible assets	(522.64)	(78.71)	-	(601.35)
(c) Right-of-use assets	-	(20,138.05)		(20,138.05)
	(1,122.71)	**(20,314.87)**	**-**	**(21,437.58)**
Deferred tax assets				
(a) Provision for contingency	92.14	7.02	-	99.16
(b) Allowance for doubtful advances	105.79	(6.58)	-	99.21
(c) Allowance for expected credit loss	1,880.59	(1,473.81)	-	406.78
(d) Defined benefit obligation	768.61	117.73	9.78	896.12
(e) Unabsorbed losses	2,236.22	(2,236.22)	-	-
(f) MAT credit entitlement	1,502.41	4,475.82	-	5,978.23
(g) Lease liability	-	21,411.22	-	21,411.22
	6,585.76	**22,295.18**	**9.78**	**28,890.72**
Deferred tax asset (net)	**5,463.05**	**1,980.31**	**9.78**	**7,453.14**

In addition to above, no deferrred tax asset has been recognised on

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Advances to vendors	4,743.47	4,743.47
Capital losses	953.99	953.99
	5,697.46	**5,697.46**

5(x) Non-current tax assets (net)

	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Advance income tax (net of provision for taxation)*	6,043.57	6,192.13
	6,043.57	**6,192.13**
Provision for taxation	23,481.14	22,369.26

*Including refund of ₹ 2,646.87 Lakhs (As at March 31, 2020 ₹ 332.00 Lakhs) adjusted by tax authorities against demand orders of earlier years which are being contested by the Company under various forums.

5(xi) Other assets (unsecured)

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Non-current		
Considered good		
(a) Capital advances	53.86	67.23
(b) Prepaid expenses	27.80	40.09
	81.66	**107.32**
Current		
Considered good		
(a) Balances with government authorities - Goods and service tax recoverable	90.48	115.00
(b) Advance to vendors	471.69	415.75
(d) Prepaid expenses	452.25	422.01
	1,014.42	**952.76**
Credit impaired		
(a) Advance to vendors	15.48	2.79
	15.48	**2.79**
Less: Loss allowance	(15.48)	(2.79)
	(15.48)	**(2.79)**
	1,014.42	**952.76**

5(xii) Inventories

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Valued at lower of cost and net realisable value		
Medical consumables, drugs and others	879.20	1,017.71
	879.20	**1,017.71**

5(xiii)(a) Cash and cash equivalents

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

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Balances with banks		
-on current accounts	283.83	323.53
(b) Cash on hand	35.83	10.20
Cash and cash equivalents as per balance sheet	**319.66**	**333.73**
Bank overdrafts (refer note 5(xix))	(1,735.45)	(8,375.57)
Cash and cash equivalents as per statement of cash flows	**(1,415.79)**	**(8,041.84)**

5(xiii)(b) Bank balances other than above

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Balances with banks		
-Deposits with original maturity of more than 3 months but less than 12 months	31.05	60.99
	31.05	**60.99**

5(xiv) Share capital

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Authorised share capital:		
928,000,000 (928,000,000 as at March 31, 2020) Equity shares of ₹ 10 each	92,800.00	92,800.00
200 Class 'A' (200 as at March 31, 2020) Non- cumulative redeemable preference shares of ₹ 100,000 each	200.00	200.00
11,498,846 Class 'B' (11,498,846 as at March 31, 2020) Non- cumulative redeemable preference shares of ₹ 10 each	1,149.88	1,149.88
64,501,154 Class 'C' (64,501,154 as at March 31, 2020) Cumulative redeemable preference shares of ₹ 10 each	6,450.12	6,450.12
Total authorised share capital	**100,600.00**	**100,600.00**
Issued, subscribed and fully paid up shares		
754,958,148 (754,958,148 as at March 31, 2020) Equity shares of ₹ 10 each	75,495.81	75,495.81
Total issued, subscribed and fully paid up share capital	**75,495.81**	**75,495.81**

Notes :

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	March 31, 2021		March 31, 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
At the beginning of the year	754,958,148	75,495.81	754,954,948	75,495.49
Issued during the year: Exercise of employee stock options plan (ESOP) (refer note 13)	-	-	3,200	0.32
Outstanding at the end of the year	**754,958,148**	**75,495.81**	**754,958,148**	**75,495.81**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Where dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the current and previous year, there has been no dividend proposed by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by the holding/ ultimate holding Company and/ or their subsidiaries

Equity shares

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	₹ in Lakhs	No. of Shares held	₹ in Lakhs
Northern TK Venture Pte Limited (refer note 26) (Holding Company)	235,294,117	23,529.41	235,294,117	23,529.41

(d) Details of shareholders holding more than 5% shares in the Company

Equity shares

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	₹ in Lakhs	No. of Shares held	₹ in Lakhs
Northern TK Venture Pte Limited (refer note 26) (Holding Company)	235,294,117	31.17%	235,294,117	31.17%

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 13.

(f) For the period of five years immediately preceding the date of the balance sheet, there were no share allotment made for consideration other than cash and also no bonus shares were issued. Further, there has been no buyback of shares during the period of five years preceding the date of balance sheet.

5(xv) Changes in liabilities arising from financing activities

Particulars	Equity shares (including premium)	Non-current borrowings	Short term borrowings (net)	Interest accrued	Lease liability
As at 01 April 2019	800,585.43	37,688.83	110,098.45	604.23	67,523.60
Lease liability paid	-	-	-	-	(3,387.95)
Proceeds from issue of equity shares	2.46	-	-	-	-
Proceeds from borrowings	-	64,551.29	(107,000.00)	-	-
Repayment of borrowings	-	(34,934.09)	-	-	-
Reclassification of bank overdraft*	-	-	5,277.12	-	-
Finance cost	-	-	-	8,672.62	7,344.18
Finance cost paid	-	-	-	(9,040.24)	(7,344.18)
Adjustment for financial guarantee	-	(890.26)	-	-	-
Reclassification of finance lease liability	-	(2,803.04)	-	-	-
As at March 31, 2020	**800,587.89**	**63,612.73**	**8,375.57**	**236.61**	**64,135.65**
Lease liability paid	-	-	-	-	(1,566.26)
Proceeds from borrowings	-	9,207.71	6,800.00	-	-
Repayment of borrowings	-	(3,308.06)	-	-	-
Reclassification of bank overdraft*	-	-	(6,640.12)	-	-
Finance cost	-	-	-	7,526.22	6,618.42
Finance cost paid	-	-	-	(7,666.59)	(2,875.58)
Any other non cash item**	-	-	-	-	(6,340.35)
As at March 31, 2021	**800,587.89**	**69,512.38**	**8,535.45**	**96.24**	**59,971.88**

* Bank overdraft have been reclassified from current borrowing to cash and cash equivalent for the purpose of preparation of statement of cash flow.

** ₹ 6,340.35 Lakhs (Previous year ₹ Nil) pertains to Lease concession on account of Covid-19 [Refer Note-5(xxix)]

5(xvi) Non-current borrowings

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(i) Secured		
(a) Term loans		
- from banks [refer note 8(i),(c) and (d)]	62,829.22	62,088.20
(b) Vehicle loans [refer note 8(i),(e) and (f)]	97.20	46.57
	62,926.42	**62,134.77**
(ii) Unsecured		
(a) Loans from subsidiary Company [refer note 8(ii)]	3,452.03	-
	3,452.03	-
	66,378.45	**62,134.77**

5(xvii) Other financial liabilities

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Non Current		
Unsecured		
(a) Financial guarantee liability	206.96	289.22
	206.96	**289.22**
Current		
Secured		
(a) Current maturities of term loans [refer note 8(i)(c),(d),(e) and (f)]	3,133.93	1,477.96
	3,133.93	**1,477.96**
Unsecured		
(a) Security deposits	24.81	2.76
(b) Interest accrued and due on borrowings	96.24	236.61
(c) Capital creditors*	309.65	2,931.21
(d) Technology renewal fund payable to related party	105.91	77.91
(e) Other payable to related parties	2,060.14	3,801.36
(f) Employee payable	1,338.28	880.20
(g) Financial guarantee liability	49.62	55.73
(h) Other liabilities	267.63	171.80
	4,252.28	**8,157.58**
	7,386.21	**9,635.54**

*This also includes amount payable to micro and small enterprises amounting to ₹ 36.81 Lakhs as at March 31, 2021

5(xviii) Provisions

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Non current		
Provision for employee benefits		
(a) Provision for gratuity (refer note 14)	1,392.43	1,395.14
	1,392.43	**1,395.14**
Current		
Provision for employee benefits		
(a) Provision for gratuity (refer note 14)	265.50	247.07
(b) Provision for compensated absences	974.98	922.25
Others		
(a) Provision for contingencies *	1,754.95	283.76
	2,995.43	**1,453.08**

*** Provision for contingencies :**

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Provision for indemnification (refer note 9(b))	205.03	205.03
(ii) Others		
Opening balance	78.73	58.65
Add: Provision during the year [refer note (a) and (b) below]	1,471.19	47.65
Less: Reversed during the year	-	(27.57)
	1,549.92	**78.73**
Provision for contingencies - Total (A+B)	**1,754.95**	**283.76**

(a) It includes ₹ 1,460.00 Lakhs in respect of any contingencies emanating from regulatory matters, which will be settled when the outcome is known. (refer note 27).

(b) Provision for contingency is made against clinical research studies and amount due as refund to the patients.

5(xix) Current borrowings

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Secured - repayable on demand		
(a) Bank overdraft [refer note 8 (i)(a)]	1,735.45	8,375.57
(b) Working capital demand loan [refer note 8(i)(b)]	4,000.00	-
	5,735.45	**8,375.57**
Unsecured		
(a) Loans from subsidiary companies [refer note 8(ii)]	2,800.00	-
	2,800.00	**-**
	8,535.45	**8,375.57**

5(xx) Trade payables

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 21)	1,392.29	1,372.91
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	20,052.42	19,835.71
	21,444.71	**21,208.62**

5(xxi) Other current liabilities

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Contract liability - advance from patients	774.06	670.81
(b) Statutory dues payable	823.57	1,140.55
	1,597.63	**1,811.36**

5(xxii) Revenue from operations

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Sale of services		
i) Healthcare services		
-Operating income - in patient department	52,797.43	56,555.11
-Operating income - out patient department	10,939.12	13,308.65
-Income from clinical/laboratories services	1.71	182.18
-Income from medical services	50.89	40.42
-Management fees from hospitals	248.07	311.48
-Income from clinical research	36.28	25.74
Less: Trade discounts	(2,001.80)	(1,535.96)
	62,071.70	**68,887.62**
(b) Sale of products - Trading		
i) Pharmacy	6.07	-
	6.07	**-**

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(c) Other operating revenues		
i) Income from academic services	20.04	39.21
ii) Income from rent [refer note 7(b)(i)]	187.44	19.14
iii) Equipment lease rental [refer note 7(b)(i)]	638.96	631.78
iv) Export benefits	-	51.85
v) Provision / liability no longer required written back	256.05	376.02
vi) Miscellaneous income	107.09	178.94
	1,209.58	**1,296.94**
Total revenue from operations (a+b+c)	**63,287.35**	**70,184.56**

5(xxiii) Other income

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
a) Interest income		
i] Interest on bank deposits	45.47	26.75
ii) Interest on inter Company loans	18,446.57	22,385.72
iii) Interest on income tax refunds	405.66	-
iv) Interest on financial assets carried at amortised cost	5.77	-
	18,903.47	**22,412.47**
(b) Other non-operating income		
i) Profit on sale of Property, plant and equipment	41.50	-
ii) Financial guarantee income	203.17	890.26
iii) Dividend income (refer note 29)	-	70,455.88
iv) Gain on foreign currency transactions (net)	7.82	13.17
v) Miscellaneous income	42.10	62.46
	294.59	**71,421.77**
Total other income (a+b)	**19,198.06**	**93,834.24**

5(xxiv) Changes in inventories of medical consumable and drugs

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Inventory at the beginning of the year	1,017.71	598.47
(b) Inventory at the end of the year	879.20	1,017.71
Changes in inventories [(a)-(b)]	**138.51**	**(419.24)**

5(xxv) Employee benefits expense

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Salaries, wages and bonus	13,393.46	14,145.74
(b) Gratuity expense (refer note 14)	228.92	193.84
(c) Compensated absences	143.62	204.35
(d) Contribution to provident and other funds	769.70	833.60
(e) Staff welfare expenses	229.55	166.57
	14,765.25	**15,544.10**

5(xxvi) Finance costs

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Interest expense		
-on term loans	5,732.28	7,585.38
-on cash credit	268.55	407.13
-on defined benefit plan	167.04	154.02
-on loan from subsidiaries	546.23	-
-on lease liabilities [refer note 7(a)]	6,618.42	7,344.18
-on others	454.04	36.20
(b) Other borrowing cost (including prepayment charges)	358.08	489.89
	14,144.64	**16,016.80**

5(xxvii) Depreciation and amortisation expense

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Depreciation of property, plant and equipment [refer note 5(i)(a)]	3,187.61	2,273.10
(b) Depreciation of right-of-use assets [refer note 7(a)]	7,446.86	7,114.64
(b) Amortisation of intangible assets [refer note 5(iii)(a)]	442.58	293.55
	11,077.05	**9,681.29**

5(xxviii) Other expenses

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Contractual manpower	1,389.75	1,409.08
(b) Power and fuel	1,177.55	1,138.54
(c) Housekeeping expenses including consumables	331.67	352.86
(d) Patient food and beverages	645.84	784.02
(e) Pathology laboratory expenses	1,486.73	1,536.48
(f) Radiology expenses	1.25	6.38
(g) Cost of medical services	285.57	432.95
(h) Professional and consultation fees to doctors	10,580.33	12,640.93
(i) Hospital service fee expense	4,481.69	4,979.67
(j) Repairs and maintenance		
- Building	46.04	89.50
- Plant and machinery	1,447.37	1,328.31
- Others	125.84	139.90
(k) Rent	353.26	395.39
(l) Legal and professional fee*	3,213.19	3,793.66
(m) Travel and conveyance	226.39	669.67
(n) Rates and taxes	222.42	651.80
(o) Recruitment and trainings	33.70	257.08
(p) Printing and stationary	245.25	310.79
(q) Communication expenses	108.81	146.25
(r) Directors' sitting fees	193.52	164.02
(s) Insurance	654.49	471.06
(t) Marketing and business promotion	603.70	1,083.81
(u) Loss on sale of assets (net)	-	79.92

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(v) Bad debts and sundry balances written off (net)	0.06	-
(w) Allowance for doubtful receivables	805.63	101.39
(x) Allowance for doubtful advances	21.10	23.91
(y) Provision for contingencies (net of advance from customer written back) [refer note 5(xviii)]	1,461.70	47.65
(z) Corporate social responsibility expenses (refer note 24)	509.42	37.53
(za) Miscellaneous expenses	27.91	31.13
	30,680.18	**33,103.68**
Less: Expenses capitalised (refer note 23)	6.83	4.68
	30,673.35	**33,099.00**

***Note:**		
(i) Auditors' remuneration comprises (inclusive of indirect tax)		
(a) Fees as auditors	379.77	295.03
(b) Tax audit fee	3.13	3.13
(c) Certification and other services	23.02	58.71
(d) Out of pocket expenses	15.92	43.50
	421.84	**400.37**

5(xxix) Exceptional items

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
Expenses/(income):		
(a) Allowance for investment in Subsidiary Companies [refer note 18(b)]	694.60	12,856.57
(b) Allowance for doubtful loan recoverable from Subsidiary Company [refer note 18(a)]	-	6.00
(c) Concession received due to COVID-19 [refer note 20]	(6,340.35)	-
	(5,645.75)	**12,862.57**

5(xxx) Income-tax

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
Current tax		
Current income tax charge for the year	1,251.24	12,714.96
Deferred tax		
Deferred tax charge / (credit) on profits for the year	722.43	(2,422.36)
Adjustments in respect of deferred tax of previous year	19.65	442.05
	742.08	(1,980.31)
	1,993.32	**10,734.65**
Recognised in Other Comprehensive Income		
Deferred tax		
Tax related to items that will not be reclassified to Profit and Loss	(46.34)	9.78
Income tax charged to Other Comprehensive income	**(46.34)**	**9.78**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
Profit before tax from continuing operations	2,413.07	62,067.55
Enacted income tax rate in India	34.944%	34.944%
Income tax credit calculated	843.22	21,688.88
Effect of expenses not considered in determing taxable profits	701.37	-
Effect of provision for dimunition in value of Investment	242.72	4,492.60
Effect of tax in relation to previous years	1.24	442.05
Effect of tax in relation to DTA recognised on previously unrecognised MAT (refer note 10)	-	(3,578.83)
Effect of tax on income charged at lower rate	-	(12,310.05)
Deferred tax liability recognised on Goodwill due to amendment in Income Tax Act, 1961	204.77	-
Income tax expense recognised in statement of profit and loss	**1,993.32**	**10,734.65**

Expiry in year

Particulars	As on March 31, 2021		As on March 31, 2020	
	Gross Amount	Tax effect	Gross Amount	Tax effect
No deferrred tax asset has been recognised on below Long Term Capital Loss :				
2024-25	951.00	221.58	951.00	221.58
2026-27	2.99	0.70	2.99	0.70
Total	**953.99**	**222.28**	**953.99**	**222.28**

5(xxxi) Earnings per share (EPS)

Particulars	As on March 31, 2021 (₹ in Lakhs)	As on March 31, 2020 (₹ in Lakhs)
Profit as per statement of profit and loss (₹ in Lakhs)	419.75	51,332.90
Weighted average number of equity shares outstanding	754,958,148	754,957,623
Basic EPS (in ₹)	0.06	6.80
Diluted EPS (in ₹)*	0.06	6.80

*Diluted earnings per share

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

Particulars	As on March 31, 2021 (₹ in Lakhs)	As on March 31, 2020 (₹ in Lakhs)
Profit attributable to equity shareholders (diluted)	419.75	51,332.90
Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	754,958,148	754,957,623
Effect of exercise of share options	-	158,950
Weighted average number of equity shares (diluted) for the year	754,958,148	755,116,573
Diluted earnings per share in rupees	**0.06**	**6.80**

6. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Nature of relationship	Name of related parties
Ultimate Holding Company	IHH Healthcare Berhad
Intermediate Holding Company	Integrated Healthcare Holdings Limited
	Parkway Pantai Limited
Holding Company	Northern TK Venture Pte Limited
Subsidiary Companies- direct or indirect through investment in subsidiaries	1) Fortis Hospitals Limited ('FHsL') (wholly owned subsidiary of the Company)
	2) Birdie & Birdie Realtors Private Limited (wholly owned subsidiary of FHsL)
	3) Fortis Cancer Care Limited ('FCCL') (wholly owned subsidiary of FHsL)
	4) Fortis Health Management (East) Limited (wholly owned subsidiary of FHsL)
	5) Fortis Malar Hospitals Limited (subsidiary of FHsL)
	6) Fortis Emergency Services Limited (wholly owned subsidiary of FHsL)
	7) Stellant Capital Advisory Services Private Limited (wholly owned subsidiary of FHsL)
	8) Fortis Global Healthcare (Mauritius) Limited (wholly owned subsidiary of FHsL)
	9) Escorts Heart Institute and Research Centre Limited ("EHIRCL") (wholly owned subsidiary of the Company)
	10) Fortis Asia Healthcare Pte. Limited ("FAHPL") (wholly owned subsidiary of EHIRCL)
	11) Fortis Healthstaff Limited (wholly owned subsidiary of EHIRCL)
	12) Fortis Healthcare International Pte. Limited ("FHIPL") (wholly owned subsidiary of FAHPL)
	13) SRL Limited ("SRL") (subsidiary of the Company)
	14) SRL Diagnostics Private Limited (wholly owned subsidiary of SRL)
	15) Hiranandani Healthcare Private Limited (wholly owned subsidiary of the Company)
	16) Fortis Healthcare International Limited ("FHIL) (wholly owned subsidiary of the Company)
	17) Fortis La Femme Limited (wholly owned subsidiary of the Company)
	18) Fortis Hospotel Limited (wholly owned subsidiary of the Company)
	19) International Hospital Limited (wholly owned subsidiary of the Company)
	20) Fortis Health Management Limited (wholly owned subsidiary of the Company)
	21) Escorts Heart and Super Speciality Hospital Limited (wholly owned subsidiary of the Company)
	22) Malar Stars Medicare Limited (wholly owned subsidiary of Fortis Malar Hospitals Limited).
	23) RHT Health Trust Manager PTE Limited (wholly owned subsidiary of Stellant Capital Advisory Services Private Limited).
	24) Hospitalia Eastern Private Limited (wholly owned subsidiary of Fortis Health Management Limited).
	25) Fortis CSR Foundation

Nature of relationship	Name of related parties
Associates- direct or indirect through investment in subsidiaries (parties with whom transactions have been taken place)	(a) Sunrise Medicare Private Limited
	(b) Lanka Hospitals Corporation PLC
Joint ventures- direct or indirect through investment in subsidiaries (parties with whom transactions have been taken place)	(a) Fortis C-Doc Healthcare Limited ('C-Doc') (joint venture of FHsL)
Entity having significant influence (Enterprise having significant influence over ultimate holding Company through it's subsidiary) -party with whom transactions have been taken place)	(a) Mitsui & Co Limited
Key Management Personnel ('KMP') / Director (with whom transactions have been taken place)	(a) Dr. Ashutosh Raghuvanshi - Managing Director and Chief Executive Officer
	(b) Mr. Vivek Kumar Goyal - Chief Financial Officer (w.e.f April 08, 2019)
	(c) Mr. Girish Gupta - Chief Financial Officer (up to April 08, 2019)
	(d) Mr. Ravi Rajagopal - Independent Director
	(e) Ms. Suvalaxmi Chakraborty – Independent Director
	(f) Mr. Indrajit Banerjee - Independent Director
	(g) Mrs. Shailaja Chandra – Independent Director (w.e.f June 28, 2020)
	(h) Dr. Kelvin Loh Chi-Keon - Non-Executive Non-Independent Director (w.e.f. September 28, 2019)
	(i) Mr. Low Soon Teck - Non-Executive Non-Independent Director (up to June 04, 2020)
	(j) Mr, Dilip Kadambi- Non Executive Non Independent Director (w.e.f June 04, 2020)
	(k) Mr. Takeshi Saito- Non Executive Non Independent Director (w.e.f September 01, 2020)
	(l) Mr. Shirish Moreshwar Apte - Non-Executive Non-Independent Director
	(m) Mr. Sim Heng Joo Joe - Non-Executive Non-Independent Director (w.e.f. November 26, 2019)
	(n) Dr. Farid Bin Mohamed Sani - Non-Executive Non-Independent Director (w.e.f. December 30, 2019)
	(o) Mr. Bhagat Chintamani Aniruddha- Non-executive Non Independent Director (up to December 02, 2019)
	(p) Dr. Chan Boon Kheng - Non-Executive Non-Independent Director (up to October 31, 2019)
	(q) Dr. Tan See Leng - Additional Director (Up to September 27, 2019)
	(r) Mr. Joerg Ayrle-Additional Director (w.e.f. March 31, 2021)
	(s) Mr. Sumit Goel-Company Secretary

Transactions taken place during the year are as follows:

(₹ in Lakhs)

Transactions details	Year ended March 31, 2021	Year ended March 31, 2020
Income (including income from medical services, management fees from hospitals, income from rehabilitation centre, rental, pharmacy income, reimbursements)		
Fortis Hospitals Limited	33.56	67.92
SRL Limited	0.23	3.90
Escorts Heart Institute and Research Centre Limited	0.96	1.02
Fortis Malar Hospitals Limited	0.33	-
Interest income on loan		
Fortis Hospitals Limited	6,569.34	9,771.14
Fortis Healthcare International Limited	-	0.32
Hiranandani Healthcare Private Limited	204.12	205.75
Escorts Heart Institute and Research Centre Limited	905.87	785.14
Escorts Heart and Super Speciality Hospital Limited	4,632.99	4,632.99
International Hospital Limited	5,897.60	5,897.60
Hospitalia Eastern Private Limited	69.96	920.50
Fortis Health Management Limited	165.88	165.88
Fortis La femme Limited	0.54	0.75
Fortis Healthstaff Limited	0.03	-
Birdie & Birdie Realtors Private Limited	0.24	-
Financial guarantee income		
Fortis Hospitals Limited	-	887.44
Hiranandani Healthcare Private Limited	-	2.82
Dividend income		
Fortis Healthcare International Limited	-	70,455.88
Investment (Financial guarantee)		
Fortis Hospitals Limited	114.80	344.95
Transfer of medical consumables and pharmacy to		
Fortis Hospitals Limited	34.05	-
Escorts Heart Institute and Research Centre Limited	3.25	-
Fortis C-Doc Healthcare Limited	0.33	-

Transactions details	Year ended March 31, 2021	Year ended March 31, 2020
Transfer of medical consumables and pharmacy from		
Fortis Hospitals Limited	14.03	37.62
Escorts Heart Institute and Research Centre Limited	4.82	1.78
Reimbursement of capital cost incurred by (for Intangible assets)		
Fortis Hospitals Limited	486.12	-
Consultation fees to doctors		
Fortis Hospitals Limited	31.53	-
Fortis Malar Hospitals Limited	0.89	-
Escorts Heart Institute and Research Centre Limited	0.55	-
Marketing expense		
Escorts Heart and Super Speciality Hospital Limited	0.12	-
Interest expense		
Fortis Malar Hospitals Limited	215.06	-
Stellant Capital Advisory Services Private Limited	331.17	-
Pathology laboratory expenses		
SRL Limited	1,481.09	1,501.54
Hospital service fee expenses		
Fortis Hospotel Limited	4,862.73	9,985.70
Escorts Heart and Super Speciality Hospital Limited	3,423.17	4,843.05
Lease concessional income (exceptional items)		
Fortis Hospotel Limited	5,237.30	-
Escorts Heart and Super Speciality Hospital Limited	1,103.05	-
Travel and conveyance		
Fortis Emergency Services Limited	26.12	37.26
Provision for doubtful loans and advances		
Fortis La Femme Limited	-	6.00
Managerial remuneration (refer note 1 and 2 below)		
Dr. Ashutosh Raghuvanshi	641.90	468.91
Vivek Kumar Goyal	263.81	197.66
Girish Gupta	-	0.46
Sumit Goel	52.51	51.12

Transactions details	Year ended March 31, 2021	Year ended March 31, 2020
Commission		
Mr. Ravi Rajagopal	74.42	-
Mr. Indrajit Banerjee	56.36	-
Ms. Suvalaxmi Chakrabarty	39.84	-
Ms. Shailaja Chandra	7.76	-
Director sitting fee		
Mr. Chintamani Aniruddha Bhagat	-	7.08
Mr. Indrajit Banerjee	31.86	36.58
Northern TK Venture Pte. Limited (Dr. Chan Boon Kheng)	-	14.16
Northern TK Venture Pte. Limited (Dr. Tan Seel Leng)	-	3.54
Northern TK Venture Pte. Limited (Mr. Low Soon Teck)	3.54	23.60
Mr. Ravi Rajgopal	27.14	29.50
Mr. Shirish Moreshwar Apte	15.34	5.90
Ms. Suvalaxmi Chakrobarty	31.86	35.40
Northern TK Venture Pte. Limited (Dr. Kelvin Loh Chi-Keon)	12.98	3.54
Mr. Sim Heng Joo Joe	11.80	2.36
Dr. Farid Bin Mohamed Sani	12.98	2.36
Ms. Shailaja Chandra	20.06	-
Mitsui and Co. Limited (Mr.Takeshi Saito)	7.08	-
Mr. Dilip Kadambi	17.70	-
Northern TK Venture Pte. Limited (Mr. Joerg Ayrle)	1.18	-
Director sitting fee received from		
RHT Health Trust Manager PTE Limited	40.36	25.50
Expense incurred by the Company on behalf of		
Fortis Hospitals Limited	0.93	37.85
SRL Limited	19.16	19.98
Hiranandani Healthcare Private Limited	-	0.19
Fortis Hospotel Limited	13.69	-
Fortis Emergency Services Limited	7.70	8.75
Fortis CSR Foundation	2.26	7.54
The Lanka Hospitals Corporation PLC	-	0.87
Stellant Capital Advisory Services Private Limited	0.04	0.04
Fortis Health Management Limited	0.03	-
International Hospital Limited	0.03	-

Transactions details	Year ended March 31, 2021	Year ended March 31, 2020
Expense incurred on behalf of the Company by		
Fortis Hospitals Limited	1.03	45.97
Escorts Heart Institute & Research Centre Limited	-	0.79
SRL Limited	9.65	12.24
Fortis Hospotel Limited	212.05	211.75
Fortis Malar Hospitals Limited	0.12	-
Escorts Heart and Super Speciality Hospital Limited	408.30	450.58
Stellant Capital Advisory Services Private Limited	-	0.69
Reimbursement of expenses to directors		
Mr Ravi Rajagopal	10.63	24.44
Mr. Indrajit Banerjee	-	0.20
Transfer of employee benefit liability by Company to		
Escorts Heart Institute & Research Centre Limited	0.38	1.02
Fortis Hospitals Limited	22.50	7.62
Stellant Capital Advisory Services Private Limited	8.60	1.77
Fortis Hospotel Limited	69.74	-
SRL Limited	1.58	-
Escorts Heart and Super Speciality Hospital Limited	89.93	-
Transfer of employee benefit liability to Company from		
Escorts Heart Institute & Research Centre Limited	0.23	8.31
Fortis Health Management (East) Limited	-	0.46
Fortis Hospitals Limited	5.10	72.21
Stellant Capital Advisory Services Private Limited	3.28	18.23
Fortis Malar Hospitals Limited	3.82	-
Transfer of Property, plant and equipment		
Escorts Heart Institute & Research Centre Limited	-	0.14
Fortis Hospitals Limited	-	2.40
Investments in equity instruments		
Fortis Hospitals Limited	20,000.00	-
Escorts Heart Institute and Research Centre Limited	4,999.97	-
Hiranandani Healthcare Private Limited	3,849.74	-
Conversion of loan into Investments		
Fortis Hospitals Limited	50,000.00	-

Transactions details	Year ended March 31, 2021	Year ended March 31, 2020
Provision for impairment of investment		
Fortis Healthcare International Limited	694.60	2,507.90
Escorts Heart Institute and Research Centre Limited	-	10,348.67
Loans given to to subsidiary companies		
Fortis Hospitals Limited	1,800.00	6,665.00
Hiranandani Healthcare Private Limited	715.00	1,495.00
Fortis La Femme Limited	-	6.00
Escorts Heart Institute and Research Centre Limited	3,470.00	12,490.00
Hospitalia Eastern Private Limited	165.00	-
Birdie & Birdie Realtors Private Limited	40.00	-
Fortis Healthstaff Limited	5.00	-
Loans availed from subsidiary companies		
Stellant Capital Advisory Services Private Limited	4,265.00	-
Fortis Malar Hospitals Limited	2,800.00	-
Interest converted to loan		
Fortis Hospitals Limited	8,794.03	8,152.33
Hiranandani Healthcare Private Limited	185.18	53.28
Escorts Heart Institute and Research Centre Limited	706.62	34.67
Loans and advance received back		
Fortis Hospitals Limited	23,638.00	25,105.00
Fortis Healthcare International Limited	-	254.23
Escorts Heart Institute and Research Centre Limited	7,125.00	3,900.00
Hiranandani Healthcare Private Limited	3,316.46	-
Loans repaid		
Stellant Capital Advisory Services Private Limited	812.97	-
Financial guarantees given to banks/related party by Company for loans availed by		
Fortis Hospitals Limited	33,330.00	100,640.00
Escorts Heart Institute and Research Centre Limited	4,780.00	7,640.00
Fortis Hospotel Limited	3,000.00	3,250.00
Hiranandani Healthcare Private Limited	-	50.00
International Hospital Limited	3,500.00	3,800.00

Transactions details	Year ended March 31, 2021	Year ended March 31, 2020
Financial guarantees given to banks/related party by Company withdrawn during the year for loans availed by		
Fortis Hospitals Limited	27,590.00	137,200.00
Escorts Heart Institute and Research Centre Limited	640.00	13,500.00
Hiranandani Healthcare Private Limited	-	5,060.00
Financial guarantees on behalf of Company to avail loan given by		
Fortis Hospitals Limited	11,075.82	122,890.00
Escorts Heart Institute and Research Centre Limited	11,075.82	122,890.00
International Hospital Limited	11,075.82	122,890.00
Escorts Heart and Super Speciality Hospital Limited	11,075.82	122,890.00
Hospitalia Eastern Private Limited	-	122,890.00
Fortis Hospotel Limited	11,075.82	79,890.00
Financial guarantees on behalf of Company to avail loan given by related parties withdrawn during the year		
Fortis Hospitals Limited	2,510.00	43,000.00
Escorts Heart Institute and Research Centre Limited	2,510.00	43,000.00
International Hospital Limited	2,510.00	43,000.00
Escorts Heart and Super Speciality Hospital Limited	2,510.00	43,000.00
Hospitalia Eastern Private Limited	2,510.00	43,000.00
Fortis Hospotel Limited	2,510.00	-
Collection on behalf of Company by		
Fortis Hospitals Limited	38.03	49.23
Escorts Heart Institute and Research Centre Limited	1.05	183.17
Fortis C-Doc Healthcare Limited	2.83	-
Collection by Company on behalf of		
Fortis Hospitals Limited	504.08	1,489.44
Escorts Heart Institute and Research Centre Limited	61.93	175.15
Hiranandani Healthcare Private Limited	1.48	5.59
Fortis Malar Hospitals Limited	3.58	19.65
Fortis Health Management (East) Limited	-	0.34
International Hospital Limited	1.84	1.91
Fortis Health Management Limited	-	3.15
Fortis Hospotel Limited	-	0.26

(₹ in Lakhs)

Balance outstanding at the year end	As at March 31, 2021	As at March 31, 2020
Investments (gross)		
Fortis Hospitals Limited (Equity Instrument)	110,995.27	40,880.47
Escorts Heart Institute and Research Centre Limited (Equity Instrument)	76,919.72	71,919.75
SRL Limited (Equity Instrument)	90,905.48	90,905.48
Hiranandani Healthcare Private Limited (Equity Instrument)	13,021.28	9,171.55
Fortis Healthcare International Limited (Equity Instrument)	15,105.47	15,105.47
Fortis La Femme Limited (Equity Instrument)	5.00	5.00
Fortis Hospotel Limited (Equity Instrument)	243,016.88	243,016.88
Fortis CSR Foundation (Equity Instrument)	5.00	5.00
Sunrise Medicare Private Limited (Equity Instrument)	0.31	0.31
Fortis Health Management Limited (Equity Instrument)	856.60	856.60
Fortis Health Management Limited (Debt Instrument)	1,191.96	1,191.96
International Hospital Limited (Equity Instrument)	207,657.21	207,657.21
International Hospital Limited (Debt Instrument)	49,602.39	52,925.39
Escorts Heart and Super Speciality Hospital Limited (Equity Instrument)	40,625.51	40,625.51
Escorts Heart and Super Speciality Hospital Limited (Debt Instrument)	46,323.15	46,733.99
Hospitalia Eastern Private Limited (Debt Instrument)	7,172.50	7,172.50
Impairment of investments		
Sunrise Medicare Private Limited	0.31	0.31
Fortis Lafemme Limited	5.00	5.00
Fortis Healthcare International Limited	3,202.50	2,507.90
Escorts Heart Institute and Research Centre Limited	10,348.67	10,348.67
Loans receivable from subsidiary companies		
Fortis Hospitals Limited	23,864.28	86,908.25
Fortis La Femme Limited	63.73	63.73
Hiranandani Healthcare Private Limited	-	2,416.28
Escorts Heart Institute and Research Centre Limited	6,741.29	9,689.67
Hospitalia Eastern Private Limited	165.00	-
Birdie & Birdie Realtors Private Limited	40.00	-
Fortis Healthstaff Limited	5.00	-
Loans payable to subsidiary companies		
Stellant Capital Advisory Services Private Limited	3,452.03	-
Fortis Malar Hospitals Limited	2,800.00	-

(₹ in Lakhs)

Balance outstanding at the year end	As at March 31, 2021	As at March 31, 2020
Provision for doubtful loans and advances		
Fortis La Femme Limited	63.73	63.73
Interest accrued on loans		
Fortis Hospitals Limited	3,104.92	8,794.03
Hiranandani Healthcare Private Limited	-	185.18
Fortis Hospotel Limited	4,772.16	4,772.16
Escorts Heart Institute and Research Centre Limited	837.93	706.62
Escorts Heart and Super Speciality Hospital Limited	10,101.27	5,815.75
International Hospital Limited	7,484.30	2,029.03
Fortis Hospital Management Limited	127.73	14.29
Hospitalia Eastern Private Limited	656.09	656.09
Other balances recoverable		
Fortis Hospitals Limited	1,327.29	1,687.14
Escorts Heart Institute and Research Centre Limited	283.09	283.10
Fortis Health Management (East) Limited	45.80	46.37
Fortis C-Doc Healthcare Limited	31.20	28.04
Hospitalia Eastern Private Limited	-	31.83
Hiranandani Healthcare Private Limited	9.79	8.16
Stellant Capital Advisory Services Private Limited	-	9.14
International Hospital Limited	25.78	25.75
SRL Limited	25.05	-
Fortis Health Management Limited	0.03	-
Fortis Malar Hospitals Limited	1.98	-
Trade receivable		
Sunrise Medicare Private Limited	1.00	10.00
SRL Limited	1.69	1.46
Provision for doubtful receivables		
Sunrise Medicare Private Limited	1.00	10.00
Trade payables and other current financial liabilities		
Fortis Hospitals Limited	2,044.25	4,076.39
Escorts Heart Institute and Research Centre Limited	55.42	176.42
SRL Limited	159.31	224.73

(₹ in Lakhs)

Balance outstanding at the year end	As at March 31, 2021	As at March 31, 2020
Hiranandani Healthcare Private Limited	-	19.89
Fortis Hospotel Limited	12,479.95	10,152.00
Fortis Malar Hospitals Limited	51.64	48.15
Stellant Capital Advisory Services Private Limited	5.28	-
Fortis Emergency Services Limited	4.19	9.50
Escorts Heart and Super Speciality Hospital Limited	201.40	963.10
International Hospital Limited	502.47	1.91
Fortis Health Management Limited	3.54	3.54
Technology renewal fund		
Fortis Hospotel Limited	54.00	48.00
Escorts Heart and Super Speciality Hospital Limited	51.91	29.91
Financial guarantee liability		
Fortis Hospitals Limited	256.58	344.95
Outstanding Financial guarantees given to banks/related party for loans availed by		
Fortis Hospitals Limited	121,845.00	116,085.00
Hiranandani Healthcare Private Limited	50.00	50.00
Escorts Heart Institute and Research Centre Limited	8,280.00	4,140.00
International Hospital Limited	7,300.00	3,800.00
Fortis Hospotel Limited	6,250.00	3,250.00
Outstanding Financial guarantees on behalf of Company to avail loan given by		
Fortis Hospitals Limited	88,455.82	79,890.00
Escorts Heart Institute and Research Centre Limited	88,455.82	79,890.00
International Hospital Limited	88,455.82	79,890.00
Escorts Heart and Super Speciality Hospital Limited	88,455.82	79,890.00
Hospitalia Eastern Private Limited	77,380.00	79,890.00
Fortis Hospotel Limited	88,455.82	79,890.00

Notes:

1) As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above. The figures reported above also do not include accrual recorded for Employee Share Based Payments.

2) Amount shown is inclusive of perquisites (including ESOP exercise, if any), employer's contribution to provident fund and excluding reimbursement of expenses.

3) Also refer note 9(a), 9(b) and 28

7. LEASES

(a) As a lessee

The Company leases many assets including Land, Buildings and Medical equipment. Information about leases for which the Company is a lessee is presented below.

(₹ in Lakhs)

Right-of-use assets	Buildings	Medical Equipment	Total
Gross carrying amount			
As at April 1, 2019			
Recognition on adoption of Ind AS 116 Leases	65,071.29	8.19	65,079.48
Amount transferred from Capital work-in-progress	1,862.20	-	1,862.20
As at March 31,2020	**66,933.49**	**8.19**	**66,941.68**
Additions to right-of-use assets	181.83	-	181.83
As at March 31,2021	**67,115.32**	**8.19**	**67,123.51**
Accumulated amortisation			
As at April 1, 2019			
Charge for the year	7,110.86	3.78	7,114.64
As at March 31,2020	**7,110.86**	**3.78**	**7,114.64**
Charge for the year	7,443.08	3.78	7,446.86
As at March 31,2021	**14,553.94**	**7.56**	**14,561.50**
Carrying value			
As at March 31,2020	**59,822.63**	**4.41**	**59,827.04**
As at March 31,2021	**52,561.38**	**0.63**	**52,562.01**

Lease Liabilities	As at March 31, 2021	As at March 31, 2020
Maturity analysis - contractual undiscounted cash flows		
Less than one year	11,385.60	11,099.20
One to five years	49,110.57	47,680.31
More than five years	37,432.49	50,248.36
Total undiscounted lease liabilities	**97,928.66**	**109,027.87**

Lease Liabilities included in the Balance Sheet (discounted)	As at March 31, 2021	As at March 31, 2020
Current	5,139.21	4,367.27
Non-current	54,832.67	59,768.38

Amounts recognised in Statement of Profit and Loss	As at March 31, 2021	As at March 31, 2020
Interest on lease liabilities	6,618.42	7,344.18
Variable lease payments not included in the measurement of lease liabilities	4,765.57	5,231.92
Expenses relating to short-term leases and leases of low-value assets	69.38	143.14

Amounts recognised in Statement of Cash Flow	As at March 31, 2021	As at March 31, 2020
Cash outflow for leases	1,566.26	3,387.95
Interest on lease liabilities (included in finance cost paid)	6,618.42	7,344.18
Total cash outflow for leases	**8,184.68**	**10,732.13**

Variable lease payment based on sales

Some leases of clinical establishments (Land, Building and Medical equipment) contain variable lease payments that are based on sales that the Company makes at the respective hospital. Variable rental payments are as follows:

Particulars	Variable payments		Estimated annual impact on rent of a 1% increase in sales	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Lease with lease payment based on sales	4,481.69	4,979.67	44.86	49.97

(b) As a lessor

(i) Assets given on operating lease:

The Company has sub- leased some portion of hospital premises. In all the cases, the agreements are further renewable at the option of the Company. The total lease income received / receivable in respect of the above leases recognised in the Statement of Profit and Loss for the year are ₹ 187.44 Lakhs (March 31, 2020 ₹ 19.14 Lakhs).

The Company has also leased out certain property, plant and equipment on operating lease to a trust managing hospital operations. The lease term is for 3 years and thereafter renewable at the option of the lessor. The total lease payment received in respect of such leases recognised in the statement of profit and loss for the year are ₹ 638.96 Lakhs (March 31, 2020 ₹ 631.78 Lakhs).

The details of the capital assets given on operating lease are as under:

(₹ in Lakhs)

Particulars	Plant and machinery	Medical equipment	Furniture and fittings	Computers	Office equipment	Vehicles	Total
As at March 31, 2021							
Cost or deemed cost	96.66	4,280.57	126.69	22.13	9.81	15.70	**4,551.56**
Accumulated Depreciation	96.66	2,983.20	126.69	22.13	9.81	15.70	**3,254.19**
Carrying Value	-	1,297.37	-	-	-	-	**1,297.37**

(₹ in Lakhs)

Particulars	Plant and machinery	Medical equipment	Furniture and fittings	Computers	Office equipment	Vehicles	Total
As at March 31, 2020							
Cost or deemed cost	96.66	4,276.89	129.28	22.98	10.10	15.70	**4,551.61**
Accumulated Depreciation	96.66	2,806.58	129.25	22.98	10.10	15.13	**3,080.70**
Carrying Value	-	1,470.31	0.03	-	-	0.57	**1,470.91**

The total of future minimum lease payments receivable under the non-cancellable operating leases are as under:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Minimum lease payments:		
Not later than one year	161.56	646.24
Later than one year but not later than five years	-	161.56

8. BORROWINGS

(i) Secured Loans

(₹ in Lakhs)

Particulars	Note	March 31, 2021 Non-Current	March 31, 2021 Current	March 31, 2020 Non-Current	March 31, 2020 Current
Bank overdraft	(a)	-	1,735.45	-	8,375.57
Working Capital Loan from Bank – HSBC Bank Limited	(b)	-	4,000.00	-	-
Term Loan from Bank – HSBC Bank Limited	(c)	61,315.46	2,507.40	62,088.20	1,462.57
Term Loan from Bank – DBS Bank Limited	(d)	1,513.76	595.69	-	-
Vehicle Loan from Kotak Mahindra Prime Limited	(e)	22.64	12.68	46.57	15.39
Vehicle Loan from ICICI Bank Limited	(f)	74.56	18.16	-	-
Total		**62,926.42**	**8,869.38**	**62,134.77**	**9,853.53**

(a) During the previous year, the Company has availed new overdraft facility from HSBC Bank Limited with overdraft limit of ₹ 10,000 Lakhs (two overdraft limits of ₹ 5,000 Lakhs each), secured by exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram). Further, overdraft facility is secured by first pari passu charge on the current assets and movable fixed assets of the borrower (Company) and corporate guarantee from Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited with rate of interest being HSBC overnight MCLR +70 bps payable monthly or any other rate as may be agreed from time to time. As on March 31, 2021, the outstanding balance of overdraft is ₹ 1,733.23 Lakhs. (Balance outstanding as at March 31, 2020 was ₹ 8,375.57 Lakhs).

During the current year, the Company has availed overdraft facility of ₹ 5,000 Lakhs from DBS Bank Limited with interest rate of Bank's 3-month MCLR plus 100 bps margin with quarterly reset payable on monthly basis which is secured by:

(i) First pari passu charge over current assets and moveable fixed assets of the borrower (except vehicles under specific charge with ICICI and Kotak bank),

(ii) Exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x,

(iii) Cross guarantees from Fortis Hospitals Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Fortis Hospotel Limited and Escorts Heart and Super Speciality Hospital Limited.

As on March 31, 2021, the outstanding balance of overdraft is ₹ 2.22 Lakhs. (Balance outstanding as at March 31, 2020 Nil)

(b) During the year, the Company has availed working capital loan of ₹ 6,000 Lakhs for meeting day to day working capital requirements. The loan is secured against pari-pasu charge on the current assets of the borrower. The rate of interest is HSBC 3-month MCLR plus 50 bps with quarterly reset or any other rate as may be mutually agreed from time to time. As on March 31, 2021, the outstanding balance of loan is ₹ 4,000 Lakhs.

(c) During the previous year, the Company has taken term loan for ₹ 64,483.00 Lakhs secured by exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram), corporate guarantee from Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited and first pari passu charge on the current assets and movable fixed assets of the borrower (Company) with rate of interest being MCLR i.e. 8.10% plus 50 bps with quarterly reset linked to 3 month MCLR or any other rate as may be mutually agreed from time to time.

During the year, the Company has partly refinance the HSBC term loan facility of ₹ 2,075.82 Lakhs from DBS Bank Limited (outstanding balance of term loan facility from HSBC Bank Limited as at March 31, 2020 was ₹ 2,503.00 Lakhs). Also, the Company has availed the term loan facility of ₹ 4,096.49 Lakhs from HSBC Bank Limited.

Out of total term loan facilities, ₹ 30,000.00 Lakhs is repayable in 5 years in 3 annual equal instalments starting financial year 2022-23, ₹ 29,480.00 Lakhs is repayable in 11 years with put/call option exercisable on or after September 05, 2022, ₹ 6,596.49 Lakhs is repayable in 7 years in 24 equal quarterly instalments. As on March 31, 2021, the outstanding balance of term loans are ₹ 63,822.86 Lakhs (Balance outstanding as at March 31, 2020 was ₹ 63,550.77 Lakhs).

(d) During the current year, the Company has taken term loan of ₹ 2,283.62 Lakhs from DBS Bank Limited with interest rate of Bank's 3-month MCLR plus 100 bps margin with quarterly reset payable on monthly basis which is secured by:

(i) First pari passu charge over current assets and moveable fixed assets of the borrower (except vehicles under specific charge with ICICI and Kotak bank),

(ii) Exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x,

(iii) Cross guarantees from Fortis Hospitals Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Fortis Hospotel Limited and Escorts Heart and Super Speciality Hospital Limited.

Out of total term loan facility of ₹ 2,283.62 Lakhs aforesaid, term loan facility of ₹ 2,075.82 Lakhs was availed for refinancing of existing credit facility from HSBC Bank Limited. The loan is repayable in 4 years 9 months with demand option exercisable on or after September 01, 2023 and remaining term loans facility taken for Capex of ₹ 207.80 Lakhs is repayable in 16 quarterly instalments starting from December 01, 2021 with demand option exercisable on or after September 01, 2023. As on March 31, 2021, the outstanding balance of term loans including capex loans are ₹ 2,109.45 Lakhs.

(e) During the previous year, the Company has taken vehicle loan for ₹ 68.26 Lakhs from Kotak Mahindra Prime Limited with current average rate of interest of 9.27% p.a. The loan is repayable in 48 structured monthly instalments and secured against hypothecation of the specific vehicle purchased. As on March 31, 2021, the outstanding balance of vehicle loan is ₹ 35.32 Lakhs (Balance outstanding as at March 31, 2020 was ₹ 61.96 Lakhs).

(f) During the current year, the Company has taken vehicle loan for ₹ 93.46 Lakhs from ICICI Bank Limited with current average rate of interest of 7.60% p.a. The loan is repayable in 48 structured monthly instalments and secured against hypothecation of the specific vehicle purchased As on March 31, 2021, the outstanding balance of vehicle loan is ₹ 92.72 Lakhs.

(ii) Unsecured Loans

(₹ in Lakhs)

Particulars	Note	March 31, 2021 Non-Current	March 31, 2021 Current	March 31, 2020 Non-Current	March 31, 2020 Current
Loans from subsidiary companies	5(xvi) (ii)(a), 5(xix)	3,452.03	2,800.00	-	-
Total		**3,452.03**	**2,800.00**	**-**	**-**

During the year, the Company has availed unsecured loan from its subsidiary Company, Stellant Capital Advisory Services Private Limited, of ₹ 4,265.00 Lakhs with rate of interest of 8.85% p.a. which is repayable on or before March 31, 2023. As on March 31, 2021, the outstanding balance of unsecured loan is ₹ 3,452.03 Lakhs.

In addition to aforesaid, the Company has also availed unsecured loan from its subsidiary Company, Fortis Malar Hospitals Limited, of ₹ 2,800 Lakhs with rate of interest of 10.50% p.a. which is repayable on or before July 08, 2023, along with right to recall the loan any time after six months from the date of disbursement. As on March 31, 2021, the outstanding balance of unsecured loan is ₹ 2,800.00 Lakhs.

9. COMMITMENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account [net of capital advances of ₹ 53.86 Lakhs (as at March 31, 2020 ₹ 63.08 Lakhs)]	1,423.78	1,698.61

a. Going concern support in form of funding and operational support letters issued by the Company in favour of FLFL, FCCL, Fortis C-Doc Healthcare Limited, FHMEL, FESL, FHIL, FGHML, FHIPL, FAHPL, Birdie & Birdie Realtors Private Limited, FHsL & EHIRCL.

b. As part of Sponsor Agreement entered between The Trustee-Manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively for International Hospital Limited, Fortis Hospotel Limited, Escorts Heart and Super Specialty Hospitals Limited and Fortis Health Management Limited) (collectively referred as 'Indemnified parties') with the Company, the Company has undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, Company has accrued ₹ 205.03 Lakhs (as at March 31, 2020 ₹ 205.03 Lakhs) as provision for contingency.

c. The Company does not have any long-term commitments or material non-cancellable contractual commitments/ contracts, including derivative contracts for which there were any material foreseeable losses.

d. These were no amount which were required to be transferred to be the investor education and protection fund by the Company.

10. Tax expense for the previous year ended March 31, 2020 includes the recognition of deferred tax asset (DTA) of ₹ 3,578.83 Lakhs due to change in management assessment of DTA recoverability based on projections of future taxable profits. The management continues to reassess the DTA recoverability at each period end.

11. CONTINGENT LIABILITIES TO THE EXTENT NOT PROVIDED FOR:

A. Guarantees:

Outstanding guarantees furnished to banks on behalf of the subsidiary companies are ₹ 143,705.00 Lakhs (Previous year ₹ 127,325.00 Lakhs). The Company has recorded in books the fair value of guarantees given to subsidiary companies. (Refer note 5(v)).

B. Claims against the Company, disputed by the Company, not acknowledged as debt (In addition, refer claims assessed as contingent liability described in Note 12, 26, 27 and 28 below):

(₹ in Lakhs)

Particulars	As at	
	March 31, 2021	March 31, 2020
Income tax	4,475.58	4,224.41
Medical related	5,496.02	5,038.67
VAT	3,621.17	3,621.17
Service Tax and GST	537.00	559.00
Grand Total	14,129.77	13,443.25

(i) On 28 February 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. The Company has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.

(ii) In relation to a judgement passed by Hon'ble Supreme Court of India on January 29, 2016, Central Government constituted a Committee to make recommendations for improvement of working conditions and pay of nurses in private hospitals and nursing homes which could be implemented by way of legislation. The Committee constituted by Ministry of Health and Family Welfare, Government of India made certain recommendations and pursuant thereto Government of NCT of Delhi passed an order dated June 25, 2018 directing all private hospitals /nursing homes in Delhi to comply with the recommendations of the Committee and submit compliance report. Said order was challenged by Association of Healthcare Providers (India) ("AHPI") on behalf of its members including the Company by filing a Writ Petition before Hon'ble High Court of Delhi which was dismissed vide order dated July 24, 2019. Subsequently, AHPI has appealed against the order dated July 24, 2019 before division bench of Delhi High Court which is pending adjudication. The impugned orders and the pending proceedings pertain to all hospitals and nursing homes in Delhi. The Company has informed AHPI that it is in compliance of the applicable Minimum Wages Act. Based on advice from external counsels, Company believes that it has a good case on merits and the order dated June 25, 2018 passed by Government of NCT of Delhi in all likelihood will not adversely financially impact the Company.

Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, assessments and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Company believes that none of the above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.

12. CLAIMS ASSESSED AS CONTINGENT LIABILITY AND NOT PROVIDED FOR, UNLESS OTHERWISE STATED

A party (to whom the ICDs 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) ₹ 1,800 Lakhs as per notices dated May 30, 2018 and June 1, 2018 (ii) ₹ 21,582 Lakhs as per notice dated June 4, 2018; and (iii) ₹ 1,962 Lakhs as per notice dated June 4, 2018. All these notices 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 audited Standalone Financial Statements with respect to these claims.

13. EMPLOYEE STOCK OPTION PLAN

The Company has provided share-based payment scheme to the eligible employees and then directors of the Company/ its subsidiaries and erstwhile Holding Company. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company.

As at March 31, 2021, no scheme was in operation as all options granted have lapsed / forfeited.

The details of activity under the Plan have been summarised below:

Particulars	March 31, 2021		March 31, 2020	
	Number of options	Weighted Average Exercise Price (₹ in Lakhs)	Number of options	Weighted Average Exercise Price (₹ in Lakhs)
Outstanding at the beginning of the year	158,950	152.94	2,756,550	162.04
Forfeited during the year	158,950	152.94	2,594,400	162.70
Exercised during the year	-	-	3,200	77.00
Outstanding at the end of the year	-	-	158,950	152.94
Exercisable at the end of the year	-	-	158,950	152.94

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	March 31, 2021	March 31, 2020
Range of exercise prices	₹ 91.00 to 158.00	₹ 91.00 to 158.00
Number of options outstanding	-	158,950
Weighted average remaining contractual life of options (in years)	-	0.48
Weighted average fair value of options granted (in ₹)	-	56.66
Weighted average exercise price (in ₹)	-	152.94

Stock Options granted

There have been no grants made in the current year by the Company. The Black - Scholes valuation model has been used for computing the weighted average fair value for options exercised during the previous year considering the following inputs:

Particulars	March 31, 2020
Exercise Price	₹ 77.00
Expected Volatility	66.24%
Life of the options granted (Vesting and exercise period) in years	7 years
Average risk-free interest rate	7.50%

Expected volatility has been determined considering the daily volatility of the stock prices on National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

On the date of transition to Ind AS (i.e. April 1, 2015), the Company had opted for optional exemption available under Ind AS 101 'First time adoption' and not recorded any stock option outstanding account for the options fully vested as at transition date.

Note:

1. During the year, the Company has recognised expense in relation to employee stock option plan of ₹ Nil (Previous year ₹ Nil).
2. In respect of fully vested option forfeited during the year, amount aggregating to ₹ 90.06 Lakhs (Previous year ₹ 2,545.67 Lakhs) has been transferred to general reserve.
3. In respect of fully vested options exercised during the year, amount aggregating to ₹ Nil (Previous year 2.14 Lakhs) has been transferred to general reserve.

14. EMPLOYEE BENEFITS PLAN:

Defined Contribution Plan

The Company's contribution towards its Provident Fund Scheme and Employee State Insurance Scheme are defined contribution retirement plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with Provident Fund Commissioner which is recognised by the Income Tax authorities.

The Company recognised ₹ 163.17 Lakhs (Previous year ₹ 163.46 Lakhs) for Provident Fund and Employee State Insurance Contribution in the Statement of Profit and Loss. The Contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

Defined Benefit Plan

(i) Gratuity

The Company has a defined benefit gratuity plan, where each employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. Vesting occurs upon completion of 5 years of service. The Gratuity plan is unfunded.

The following table summarises the components of net benefit expenses recognised in the Statement of Profit and Loss and the amounts recognised in the Balance Sheet.

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
i. Movement in Net Liability		
Present value of obligation at the beginning of the year	1,642.21	1,396.74
Current service cost	228.92	193.84
Interest cost	108.15	100.39
Amount recognised to OCI	(132.72)	22.13
Obligation transferred (to) /from	(108.49)	45.57
Benefits paid	(80.14)	(116.46)
Present value of obligations at the end of the year	1,657.93	1,642.21

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of unfunded obligation		
Amounts in the Balance Sheet		
(a) Liabilities	1,657.93	1,642.21
(b) Assets	-	-
(c) Net liability/(asset) recognised in the Balance Sheet	**1,657.93**	**1,642.21**
Current Liability	265.50	247.07
Non-Current Liability	1,392.43	1,395.14

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
ii. Expense recognised in Statement of Profit and Loss is as follows:		
Amount recognised in employee benefit expense		
Service cost	228.92	193.84
Past Service Cost	-	-
Total	**228.92**	**193.84**
Amount recognised in finance cost		
Interest cost	108.15	100.39
Total	**108.15**	**100.39**
Total Amount charged to Statement to Profit and Loss	**337.07**	**294.23**
iii. Expense recognised in Statement of Other comprehensive income is as follows:		
Net actuarial (gain) due to experience adjustment recognised during the year	(132.72)	(86.38)
Net actuarial loss due to assumptions changes recognised during the year	-	108.51
Total	**(132.72)**	**22.13**

The Principal assumptions used in determining gratuity and compensated absences obligation for the Company's plan are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Principal Actuarial assumptions for gratuity and compensated absences		
Discounting rate (p.a.)	6.75%	6.75%
Expected salary increase rate (p.a.)	7.50%	7.50%
Withdrawal rate		
Age up to 30 years	18%	18%
Age from 31 to 44 years	6%	6%
Age above 44 years	2%	2%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Experience (gain)/loss adjustments on plan liabilities	(132.72)	22.13

Notes:

a) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

b) Significant actuarial assumption for the determination of the defined obligation are discount rate, expected salary escalation rate and withdrawal rate. The sensitivity analyses below have been determined by the actuarial based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.50%	(71.35)	77.12	(73.75)	79.80
Change in Salary escalation rate by 1%	157.91	(137.81)	163.55	(142.35)
Change in withdrawal rate by 5%	(51.32)	53.52	(51.16)	54.03

Expected benefit payments for the future years

(₹ in Lakhs)

Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2027 to year ended March 31, 2031
267.85	79.80	112.33	89.75	236.71	1,140.57

(ii) Provident Fund:

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Such contributions for the year ended March 31, 2021 are ₹ 606.53 Lakhs (Previous year ₹ 670.14 Lakhs). Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees.

NOTES
FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

Assumptions:	March 31, 2021	March 31, 2020
Discount rate (p.a.)	6.75% p.a.	6.75% p.a.
Expected return on exempt fund	8.10% p.a.	8.50% p.a.
Expected EPFO return	8.50% p.a.	8.50% p.a.
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Withdrawal rate for primary categories of employees

Unit	March 31, 2021	March 31, 2020
Fortis Emergency Services Limited	Ages From 20 - 30 - 12.50%;	Ages From 20 - 30 - 12.50%;
	Ages From 31 and above - 15.00%	Ages From 31 - 58 - 15.00%
Others	Ages From 20 - 30 - 18.00%;	Ages From 20 - 30 - 18.00%;
	Ages From 31 - 44 - 6.00%;	Ages From 31 - 44 - 6.00%;
	Ages From 45 and above - 2.00%	Ages From 45 - 58 - 2.00%

The assessed actuarial liability in respect of future anticipated shortfall is as follows:

(₹ in Lakhs)

Assets / Liabilities	March 31, 2021	March 31, 2020
Defined Benefit Obligation (DBO)	15,687.57	13,616.50
Fair Value of Plan Assets (FVA)	16,577.38	14,131.87
Funded status {Surplus/(Deficit)}	**889.81**	**515.37**

The Defined Benefit Obligation as at March 31, 2020 and March 31, 2021 includes obligation in respect of Interest Guarantee Shortfall in future. The obligation for Interest Guarantee Shortfall as at March 31, 2020 is ₹ 213.83 Lakhs and as at March 31, 2021 ₹ 817.82 Lakhs.

Asset allocation

Asset Category	March 31, 2021	March 31, 2020
Government of India Securities (Central and State)	53.12%	52.79%
High quality corporate bonds (including Public Sector Bonds)	39.48%	40.44%
Mutual Funds	7.24%	5.384%
Cash (including Special Deposits)	0.16%	1.39%
Total	**100.00%**	**100.00%**

15. FINANCIAL INSTRUMENTS

i) Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 5(xvi), 5(xvii) and 5(xix) offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements other than for covenants under various loan arrangements of the Company.

The Company's Board reviews the capital structure of the Company on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

The gearing ratio at end of the reporting period was as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Debt*	138,115.95	136,360.56
Less: Cash and cash equivalents [Refer note 5(xiii)(a)]	(319.66)	(333.73)
Net debt	137,796.29	136,026.83
Total equity	888,153.09	887,646.96
Net debt to equity ratio	15.51%	15.32%

*Debt is defined as long-term and short-term borrowings (including lease liabilities, interest accrued and due on borrowings and excluding derivative, financial guarantee contracts and contingent consideration).

(ii) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks including market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors manages the financial risk of the Company through internal risk reports which analyse exposure by magnitude of risk. The Company has limited exposure from the international market as the Company's operations are in India. However, the Company has limited exposure towards foreign currency risk as it earns less than 10% of its revenue from foreign currency from international patients. Also, capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Company has not taken any derivative contracts to hedge the exposure. However, the exposure towards foreign currency fluctuation is partly hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

Market Risk

The Company's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates.

a) Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	As at March 31, 2021		As at March 31, 2020	
		Foreign Currency in Lakhs	Equivalent ₹ in Lakhs	Foreign Currency in Lakhs	Equivalent ₹ in Lakhs
Trade payables	USD	0.51	37.34	0.52	39.52
Trade receivables	USD	0.70	51.25	1.34	101.16

Foreign currency sensitivity analysis

The Company is mainly exposed to USD currency.

The following table details the Company's sensitivity to a 5% increase and decrease in the ₹ against USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹. strengthens 5% against USD. For a 5% weakening of the ₹ against USD, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(₹ in Lakhs)

If increase by 5%	Currency Impact USD	
Particulars	As at March 31, 2021	As at March 31, 2020
Impact on profit or loss for the year	0.70	3.08
Impact on total equity	0.46	2.00

If decrease by 5%	Currency Impact USD	
Particulars	As at March 31, 2021	As at March 31, 2020
Impact on profit or loss for the year	(0.70)	(3.08)
Impact on total equity	(0.46)	(2.00)

b) Interest rate risk management

The Company is exposed to interest rate risk because Company borrow funds at both fixed and floating interest rates. The interest rate on the Company's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(₹ in Lakhs)

If increase by 50 basis point	Interest impact	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Impact on profit or loss for the year	(370.24)	(359.94)
Impact on total equity	(240.86)	(234.16)

(₹ in Lakhs)

If decrease by 50 basis point	Interest impact	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Impact on profit or loss for the year	370.24	359.94
Impact on total equity	240.86	234.16

c) Other price risks

The Company investment are in group companies and are held for strategic purposes rather than for trading purposes.

d) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company takes due care while extending any credit as per the approval matrix approved by Board of Directors.

The Company does not have any significant concentration of exposures to specific markets.

Refer note 5(vi) of the standalone financial statements for carrying amount and maximum credit risk exposure for trade receivables.

Expected credit loss on financial assets other than trade receivables:

Company carries other financial assets such as balances with banks, inter-corporate deposits, advances, security deposits, loans to body corporates and interest accrued on such loans etc. Company monitors the credit exposure on these financial assets on a case-to-case basis. Loans to subsidiaries are assessed for credit risk based on the underlying valuation of the entity and their ability to repay within the contractual repayment terms. Company creates loss allowance wherever there is an indication that credit risk has increased significantly.

Reconciliation of loss allowance measured at life-time for credit impaired financial assets other than trade receivables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	5,030.18	5,015.47
Loss allowance recognised	33.79	14.71
Balance at the end of the year	5,063.97	5,030.18

e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Note given below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk

As at March 31, 2021:

(₹ in Lakhs)

Particulars	Sanctioned limit	Undrawn limit
HSBC Bank (term loan)	66,486.66	403.51
HSBC Bank (overdraft facility)	10,000.00	8,324.38
DBS Bank (term loan)	5,909.91	3,792.19
DBS Bank (overdraft facility)	300.00	297.78
Other financial institutions (Vehicle loan)	128.04	-

As at March 31, 2020:

Particulars	Sanctioned limit	Undrawn limit
HSBC Bank (term loan)	68,996.66	4,507.00
HSBC Bank (overdraft facility)	10,000.00	1,624.43
Other financial institutions (Vehicle loan)	61.96	-

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

NOTES
FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
As at March 31, 2021					
Lease liabilities	11,385.60	11,702.14	74,840.93	97,928.67	59,971.88
Short term loan from Bank	4,098.15	-	-	4,098.15	4,000.00
Term loan	11,031.31	21,040.05	60,127.26	92,198.62	72,312.38
Bank Overdraft	1,735.45	-	-	1,735.45	1,735.45
Trade payables	21,444.71	-	-	21,444.71	21,444.71
Security Deposit	24.81	-	-	24.81	24.81
Interest accrued and due on borrowings	96.24	-	-	96.24	96.24
Capital creditors	309.65	-	-	309.65	309.65
Technology renewal fund	105.91	-	-	105.91	105.91
Payable to related parties	2,060.14	-	-	2,060.14	2,060.14
Employee payable	1,338.28	-	-	1,338.28	1,338.28
Other Liabilities	267.63	-	-	267.63	267.63
Financial guarantee Liability	256.58	-	-	256.58	256.58
Total	**54,154.46**	**32,742.19**	**134,968.19**	**221,864.84**	**163,923.66**

(₹ in Lakhs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
As at March 31, 2020					
Lease liabilities	11,107.73	11,387.02	86,543.07	109,037.82	64,135.65
Term loan	7,071.46	34,919.20	35,367.79	77,358.45	63,612.73
Bank Overdraft	8,375.57	-	-	8,375.57	8,375.57
Trade payables	21,208.62	-	-	21,208.62	21,208.62
Security Deposit	2.76	-	-	2.76	2.76
Interest accrued and due on borrowings	236.61	-	-	236.61	236.61
Capital creditors	2,931.21	-	-	2,931.21	2,931.21
Technology renewal fund	77.91	-	-	77.91	77.91
Payable to related parties	3,801.36	-	-	3,801.36	3,801.36
Employee payable	880.20	-	-	880.20	880.20
Other Liabilities	171.80	-	-	171.80	171.80
Corporate guarantee Liability	344.95	-	-	344.95	344.95
Total	**56,210.18**	**46,306.22**	**121,910.86**	**224,427.26**	**165,779.37**

16. FAIR VALUE MEASUREMENT

Financial assets measured at amortised cost

March 31, 2021 (₹ in Lakhs)

Particulars	Note	Carrying value*		
		Fair value through profit and loss (FVTPL)	Amortised cost	Total
Financial assets				
Investment in non-convertible bonds of subsidiaries	(b)	-	104,290.00	104,290.00
Loans (Non-current)	(b)	-	30,972.64	30,972.64
Other financial assets (Non-current)	(b)	-	103.04	103.04
Trade receivables	(a)	-	6,343.31	6,343.31
Cash and cash equivalents	(a)	-	319.66	319.66
Other bank balances	(a)	-	31.05	31.05
Loans (current)	(a)	-	1,355.80	1,355.80
Other financial assets (current)	(a)	-	28,600.75	28,600.75
Total		**-**	**172,016.25**	**172,016.25**

Particulars	Note	Carrying value*		
		Fair value through profit and loss (FVTPL)	Amortised cost	Total
Financial Liabilities				
Borrowings	(c)	-	66,378.45	66,378.45
Borrowings (current)	(a)	-	8,535.45	8,535.45
Lease liabilities	(d)	-	54,832.67	54,832.67
Lease liabilities (current)	(d)	-	5,139.21	5,139.21
Trade payables (current)	(a)	-	21,444.71	21,444.71
Other financial liabilities (non current)	(b)	-	206.96	206.96
Other financial liabilities (current)	(a)	-	7,386.21	7,386.21
Total		**-**	**163,923.66**	**163,923.66**

March 31, 2020 (₹ in Lakhs)

Particulars	Note	Carrying value*		
		Fair value through profit and loss (FVTPL)	Amortised cost	Total
Financial assets				
Investment in non-convertible bonds of subsidiary	(b)	-	108,023.84	108,023.84
Loans (Non-current)	(b)	-	99,132.47	99,132.47
Other financial assets (Non-current)	(b)	-	115.17	115.17
Trade receivables	(a)	-	8,134.86	8,134.86
Cash and cash equivalents	(a)	-	333.73	333.73
Other bank balances	(a)	-	60.99	60.99
Loans (current)	(a)	-	1,800.38	1,800.38
Other financial assets (current)	(a)	-	23,571.52	23,571.52
Total		**-**	**241,172.96**	**241,172.96**

Particulars	Note	Carrying value*		
		Fair value through profit and loss (FVTPL)	Amortised cost	Total
Financial Liabilities				
Borrowings	(c)	-	62,134.77	62,134.77
Borrowings (current)	(a)	-	8,375.57	8,375.57
Lease liabilities	(d)	-	59,768.38	59,768.38
Lease liabilities (current)	(d)	-	4,367.27	4,367.27
Trade payables (current)	(a)	-	21,208.62	21,208.62
Other financial liabilities (non current)	(b)	-	289.22	289.22
Other financial liabilities (current)	(a)	-	9,635.54	9635.54
Total		**-**	**165,779.37**	**165,779.37**

The following methods / assumptions were used to estimate the fair values:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.

(b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.

(c) The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

(d) Fair value measurement of lease liabilities is not required.

The fair value is determined by using the valuation model/technique with observable/ non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2021 and March 31, 2020.

*excludes investment in subsidiaries of ₹ 785,557.25 Lakhs (Previous year ₹ 707,287.35 Lakhs) which are shown at carrying value (net of impairment) in balance sheet as per Ind AS 27 "Separate Financial Statements".

Financial instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

17. The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 31, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2021.

18. EXCEPTIONAL ITEMS (ALSO REFER NOTE 20)

(a) Allowance of ₹ Nil (Previous year ₹ 6.00 Lakhs) recognised for doubtful loan recoverable from Fortis La Femme Limited due to inability to pay by the subsidiary.

(b) The Company has an investment aggregating to ₹ 15,105.47 Lakhs in Fortis Healthcare International Limited and ₹ 71,919.75 Lakhs in Escorts Heart Institute and Research Centre Limited which are wholly owned subsidiaries.

As at 31 March 2021, the enterprise value of Fortis Healthcare International Limited has been determined based on the quoted market value (Level 1 fair value) of its underlying asset (Lanka Hospitals Corporation PLC). Based on this value, the management has recorded an impairment loss of ₹ 694.60 Lakhs towards the amount invested in Fortis Healthcare International Limited. During the previous year, based on its impairment test and considering the recoverable value of these investment, the Company has recognised impairment loss of ₹ 2,507.90 Lakhs and ₹ 10,348.67 Lakhs towards amount invested in Fortis Healthcare International Limited and Escorts Heart Institute and Research Centre Limited respectively.

As at March 31, 2020, the recoverable amount of these investments was determined based on value-in-use calculations which uses discounted cash flow projections and Earnings before Interest, Depreciation and Amortisation ("EBITDA") multiple for one step-down investment. The fair value measurement has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in estimating the recoverable amount of investments in Escorts Heart Institute and Research Centre Limited for the year ended March 31, 2020 were:

Particulars	March 31, 2020
Discount rate	12.70%
Terminal value growth rate	4.00%
Compound average net sales growth rate	6.85%
EBITDA multiple	9.2

The key assumptions used in estimating the recoverable amount of investments in Fortis Healthcare International Limited for the year ended March 31, 2020 were:

Particulars	March 31, 2020
EBITDA multiple	9.2

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. Management has identified that a reasonably possible change in the key assumptions could cause a change in amount of impairment loss/ (reversal).

The following table shows the amount by which the impairment loss/ (reversal) would change from change in these assumptions, all other factors remaining constant.

(₹ in Lakhs)

Increase/ (decrease) in impairment loss	For the year ended March 31, 2020	
	Escorts Heart Institute and Research Centre Limited	Fortis Healthcare International Limited
Discount rate		
Increase by 0.50%	(2,540.03)	-
Decrease by 0.50%	2,855.06	-
Terminal value growth rate		
Increase by 1%	(3,821.43)	-
Decrease by 1%	3,033.51	-
EBITDA multiple		
Increase by 1X	(85.18)	(1,123.38)
Decrease by 1X	85.18	1,123.38

19. SEGMENT INFORMATION

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

Sales by market- Revenue from external customers by location of customers

The following table shows the distribution of the Company's revenues by geographical market:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
India	63,287.35	70,184.56
Outside India	-	-
Total	**63,287.35**	**70,184.56**

Carrying value of non-current assets- by location of assets

The following table shows the carrying amount of non-current assets other than financial instruments and deferred tax assets by geographical area in which the assets are located:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
India	92,082.62	100,201.99
Outside India	-	-
Total	**92,082.62**	**100,201.99**

Major customer

The Company does not derive revenue from any customer which would amount to 10 per cent or more of the Company's revenue.

20. During the current year, the COVID – 19 pandemic impacted the revenues and profitability of the Company with a decline in occupancy impacting significantly the hospital business revenues, profitability and cash flows. The Company took various initiatives to support operations and optimise the cost. With a slew of these measures, the Company has been able to significantly reduce the negative impact on business.

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

During the last quarter of the curent year, the Company has further witness improvement in business. It has gradually moved towards normalisation of business during the course of the current financial year. The Company has considered internal and external information while finalizing various estimates in relation to these financial statements. Going forward, the actual impact of the COVID-19 pandemic may still be different from that what has been estimated, as the COVID-19 situation is further evolving in India and globally and with the surge in number of cases in India.

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 become 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 ₹ 6,340.35 Lakhs for the year ended March 31, 2021. Further, the Company is and will continue to closely monitor any material changes to future economic conditions.

21. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT, 2006

The Ministry of Micro and Small Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the micro enterprises and the small enterprises should mention in their correspondences with their customers the Entrepreneur Memorandum Number as allocated after filing of the memorandum. Accordingly, the below information regarding dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
-Principal amount due to micro and small enterprises*	1,429.10	1,372.91
-Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

***Note:** Including payable ₹ 36.81 Lakhs for the year ended March 31, 2021 (As at March 31, 2020 Nil) to micro enterprises and small enterprises included in other financial liabilities [refer note 5(xvii)]

22. DETAILS OF LOANS GIVEN TO SUBSIDIARIES AND ASSOCIATES AND FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED

(₹ in Lakhs)

	Fortis Hospitals Limited	Fortis Healthcare International Limited	Hiranandani Healthcare Private Limited	Fortis La Femme Limited	Escorts Heart Institute and research center limited	Hospitalia Eastern Private Limited	Birdie & Birdie Realtors Private Limited	Fortis Health staff Limited	Total
March 31, 2021									
Amount (gross)	23,864.28	-	-	63.73	6,741.29	165.00	40.00	5.00	30,879.30
Provision for loan	-	-	-	(63.73)	-	-	-	-	(63.73)
Amount (net)	23,864.28	-	-	-	6,741.29	165.00	40.00	5.00	30,815.57
Maximum Amount Outstanding	97,502.27	-	3,136.46	63.73	12,781.29	165.00	40.00	5.00	113,693.75
March 31, 2020									
Amount (gross)	86,908.25	-	2,416.28	63.73	9,689.67	-	-	-	99,077.93
Provision for loan	-	-	-	(63.73)	-	-	-	-	(63.73)
Amount (net)	86,908.25	-	2,416.28	-	9,689.67	-	-	-	99,014.20
Maximum Amount Outstanding	111,913.25	254.22	2,416.28	63.73	12,039.67	-	-	-	126,687.15

The loans have been given to the subsidiaries to acquire property, plant and equipment or meet the working capital requirements of these companies. The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

Name of the Party	Rate of Interest	Due date*	Secured / unsecured	As at March 31, 2021	As at March 31, 2020
Fortis Hospitals Limited	8.85% p.a.	March 31, 2022	Unsecured	23,864.28	86,908.25
Hiranandani Healthcare Private Limited	8.85% p.a.	March 31, 2022	Unsecured	-	2,416.28
Escorts Heart Institute & Research center Limited	8.85% p.a.	March 31, 2022	Unsecured	6,741.29	9,689.67
Hospitalia Eastern Private Limited	8.85% p.a.	March 31, 2022	Unsecured	165.00	-
Birdie & Birdie Realtors Private Limited	8.85% p.a.	March 31, 2022	Unsecured	40.00	-
Fortis Healthstaff Limited	8.85% p.a.	March 31, 2022	Unsecured	5.00	-
TOTAL				**30,815.57**	**99,014.20**

*Considering that the Management has intention to extend the repayment period of these inter-Company loans, these have been classified as non-current in standalone financial statements.

Note : The above does not include loans given to body corporates which have been fully provided for in earlier years. Also refer note 5(vii) and 25.

23. During the year, the Company has transferred ₹ 6.83 Lakhs (Previous year ₹ 4.68 Lakhs) to the cost of capital work in progress (CWIP).

24. CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of preceding three years towards Corporate Social Responsibility (CSR). Details of Corporate social responsibility expenditure as certified by Management are as follows:

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Average net profit of the Company for the last three financial years	25,471.07	1,876.31
Prescribed CSR expenditure (2% of the average net profit as computed above)		
Total amount to be spent for the financial year	509.42	37.53
Amount spent	509.42	37.53
Amount unspent	-	-

25. RECOVERABILITY OF CERTAIN ADVANCES / CAPITAL WORK-IN-PROGRESS

(Also refer to Note 27 of the Standalone Financial Statements)

The Company had paid security deposits and advances aggregating to ₹ 2,173.57 Lakhs in FY 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 FY 2017-18. The amounts outstanding from the Lessor as on March 31, 2018 aggregated to ₹ 2,173.57 Lakhs. Additionally, expenditure aggregating to ₹ 2,569.90 Lakhs was incurred towards capital work-in-progress on the premises proposed to be taken on lease from the Lessor, which is also being claimed from the Lessor pursuant to the aforesaid termination. The Company has issued legal notice demanding the outstanding. Lessor responded to the notice of the Company for amicable resolution, which have not yet yielded any results. Further, Company has filed claim before Interim Resolution Professional (IRP) appointed by NCLT in a matter filed by one of creditors of Lessor. IRP is currently adjudicating the claims of various creditors of the Lessor including that of the Company.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Company had recorded provisions aggregating to ₹ 4,743.47 Lakhs in the Standalone Financial Statements for the year ended March 31, 2018.

26. The Board of Directors, after seeking inputs from reputed investment bankers, had approved an equity infusion of ₹ 400,000 Lakhs at a price of ₹ 170 per equity share into the Company by Northern TK Venture Pte Limited Singapore (NTK) ("Acquirer"), a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue"), subject to approval of the shareholders and other regulatory approvals which constituted 31.1% share capital of the Company. The shareholders of the Company approved the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. The Acquirer had received the approval from Competition Commission of India (CCI) on October 30, 2018 and the preferential allotment was made on November 13, 2018. Pursuant to the consummation of the same, Northern TK Venture Pte Limited, had appointed 2/3 of the directors on the Board of Directors of the Company, thereby acquiring control over the Company. Consequently, the Company has become a subsidiary of Northern TK Venture Pte Limited Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Limited is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare Limited to Malaysian IHH Healthcare Berhad be maintained, the Mandatory Open offer was kept in abeyance and continues to be in abeyance as on date, and remains subject to further orders by the Hon'ble Court. The Company had accordingly filed an application seeking for modification of the said order.

Vide its judgement dated November 15, 2019, the Hon'ble Supreme Court has issued suo- moto contempt notice to, among others, the Company and directed its Registry to register a fresh contempt petition in regard to alleged violation of 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. The public shareholder has inter alia prayed for allowing the Mandatory Open Offer. 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 Standalone Financial Statements.

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 end, the Brand License Agreements have expired. The Company is awaiting order(s) of the Hon'ble Supreme court.

27. INVESTIGATION INITIATED BY THE ERSTWHILE AUDIT AND RISK MANAGEMENT COMMITTEE:

A. Background

(i) As disclosed in the financial statements for the years ended March 31, 2018, March 31, 2019 and March 31, 2020, during the year ended March 31 2018, there were reports in the media and enquiries from, inter alia, the stock exchanges received by the Company about certain inter- corporate loans given by a wholly owned subsidiary of the Company. The erstwhile Audit and Risk Management Committee of the Company decided to carry out an independent investigation through an external legal firm on this matter. The terms of reference of the investigation, inter alia, comprised: (i) ICDs amounting to a total of ₹ 49,414 Lakhs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 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. Limited, Singapore and Fortis Global Healthcare (Mauritius) Limited); (v) certain other transactions involving acquisition of Fortis Healthstaff Limited ("Fortis Healthstaff") from an erstwhile promoter group Company, and subsequent repayment of loan by said subsidiary to the erstwhile promoter group Company. The investigation report was submitted to the re-constituted Board in June 2018.

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

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

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

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

B. Additional procedures/enquiries by the reconstituted Board

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

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

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

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

(i) Fortis Hospitals Limited (FHsL), a wholly owned subsidiary of the Company, had placed secured Short-Term Investments in the nature of Inter Corporate Deposits (ICDs) with three companies ('borrowers') aggregating to ₹ 49,414 Lakhs on July 1, 2017 for a term of 90 days. Further, FHsL received intimation that the borrowers became a part of the erstwhile

Promoter Group with effect from December 15, 2017. These borrowers continued to be related parties until February 16, 2018. subsequent to which the shareholding of the erstwhile Promoter Group in the Company was reduced to 0.77%. In terms of agreements dated September 30, 2017, FHsL assigned the outstanding ICDs to a third party. Such assignment was subsequently terminated on January 5, 2018. On February 28, 2018, these ICDs were secured by way of a duly registered charge on the present and future assets of the Borrowers. ICDs aggregating to ₹ 44,503 Lakhs including interest accrued thereon of ₹ 4,260 Lakhs calculated up to March 31, 2018 remained outstanding. In view of the uncertainty in realisability of the security and/or collection of the amounts, the outstanding amount was fully provided during the year ended March 31, 2018.

The Investigation Report indicated that the placement of the ICDs, including the method of such placement, their subsequent assignment and the cancellation of such assignment were done without following the normal treasury operations and treasury mandate; and without specific authorisation by the Board of FHsL. (Also refer note 28 on SEBI Order).

As per the Additional Procedures/Enquiries by independent experts, the borrowers were potentially linked to the erstwhile promoters and also potentially linked to each other. FHsL has filed a civil suit on August 26, 2019 for recovery of ₹ 52,019 Lakhs before Hon'ble Delhi 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.

(ii) The Company had paid security deposits and advances aggregating to ₹ 2,173.57 Lakhs in FY 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 FY 2017-18. The amounts outstanding from the Lessor as on March 31, 2018 aggregated to ₹ 2,173.57 Lakhs. Additionally, expenditure aggregating to ₹ 2,569.90 Lakhs was incurred towards capital work-in-progress on the premises proposed to be 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 ₹ 4,743.47 Lakhs in the Standalone Financial Statements for the year ended March 31, 2018

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

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

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

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

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

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

Complaint has been filed in this regard, with the EOW in November 2020 against erstwhile promoters / erstwhile promoters group Company and EOW is investigating the matter.

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

Complaint has been filed with the EOW in November 2020 against erstwhile promoters / erstwhile promoters group Company and EOW is investigating the matter.

(vi) Remuneration to ex-chairman

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

In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for remuneration & other reimbursements), aggregating to ₹ 2,002.39 Lakhs was recognised as recoverable in the Standalone Financial Statements of the Company for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts, a provision of ₹ 2,002.39 Lakhs was made in the Standalone Financial Statements for the year ended March 31, 2018. The Company has filed a complaint against the erstwhile Executive Chairman before EOW on account of both of the above payments and EOW is investigating the matter.

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

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

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

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

There have been certain queries raised on this transaction by the SFIO. The Company has responded to the said queries. Further, in the above referred Complaint filed with the EOW in November 2020 against erstwhile promoters, SFIO enquiries and the Company's responses have been mentioned and EOW is investigating the matter.

(viii) The Company through its overseas subsidiaries [i.e. Fortis Asia Healthcare Pte. Limited, Singapore and Fortis Global Healthcare (Mauritius) Limited] made investments in Global Dynamic Opportunity Fund, an overseas fund. It was observed in the earlier investigation that there were significant fluctuations in the NAV of the investments during a short span of time. Further, in the internal correspondence within the Company, investments in the overseas funds

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

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

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

28. MATTERS IN RELATION TO REGULATORY AUTHORITIES:

(a) In the above backdrop, during the 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 ₹ 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 ₹ 40,300 Lakhs 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 ₹ 40,300 Lakhs 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 ₹ 40,300 Lakhs 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 ₹ 52,019 Lakhs before Hon'ble Delhi High Court against the parties, named in the orders passed by SEBI.

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

By an order dated November 12, 2020, SEBI revoked its Interim orders read with Confirmatory Order qua Best Healthcare Private Limited, Fern Healthcare Private Limited and Modland Wears Private Limited and directed that the ongoing proceedings against them be substituted with adjudication proceedings. The order expressly clarified that the Company and FHsL were at liberty to pursue remedies under law, as deemed appropriate by them, against the abovementioned entities in respect of their role in the diversion of funds. A Show-Cause Notice (SCN) was issued by SEBI to various entities including the Company and FHsL on November 20, 2020. In the SCN, it was inter-alia alleged that the consolidated financials of the Company at the relevant period were untrue and misleading for the shareholders of the Company and the Company had circumvented certain provisions of the SEBI Act, Securities Contracts (Regulation) Act, 1956, and certain SEBI regulations. In response, a joint representation/reply was filed by the Company and FHsL on December 28, 2020 praying for quashing of the SCN by inter alia 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. Limited) 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 ₹ 567 Crores was lent by the Company to EHIRCL in 2011, which was subsequently transferred by EHIRCL to Lowe Infra and Wellness Private Limited ("Lowe") in multiple transactions for the purchase of a land parcel. This land parcel, which was allegedly indirectly to be acquired by the Company through its subsidiary EHIRCL and another entity Lowe, was then transferred to RHC Holdings Private Limited ("RHC Holdings"). It has been stated in the said Show cause notice that a structured rotation of funds was carried out to portray that the loan extended by the Company for the purchase of land had been paid back with interest in the year 2011. It is alleged that the Company was actually paid back by RHC Holding over a period of four years ending on July 31, 2015. In this respect, the Company and FHsL funds were allegedly routed through various layers in order to camouflage the transactions, and to circumvent legal provisions with respect to related party transactions.

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

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.

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 current year for any contingency that may arise from the aforesaid issues. The Company being a parent entity for EHIRCL, FHsL has undertaken that it will reimburse such penalty/fine which shall finally payable by EHIRCL and/or FHsL, if required after exhausting available legal remedies. This is not to be regarded as admission in any manner whatsoever by the Company of any of the violations, as alleged by any of the authorities or otherwise, against it. Further, as per the management and in consultation with external legal counsel it is believed that the likelihood of additional impact, if any, is low and is not expected to be material.

29. During the previous year ended March 31, 2020, the Company has received dividend of ₹ 70,455.88 Lakhs from its wholly owned subsidiary Fortis Healthcare International Limited.

30. GOING CONCERN

During the last quarter of the year both the operational performance and cash flows of the Company further improved as compared to earlier period during the year which was due to impact of COVID-19 (as explained in Note 20). As at March 31, 2021, the Company has funds available of ₹ 319.66 Lakhs and unutilised borrowing facilities sanctioned by banks amounting to ₹ 12,817.86 Lakhs. Further, during the last quarter in respect of the cash put option issued to minority shareholder of subsidiary, an amendment agreement to the shareholders' agreement was entered between the parties which also incorporated the new proposed exit rights. In accordance with the same the minority shareholders of subsidiary have agreed not to exercise the cash put option for a further period of 36 months from a relevant date (February 5, 2021) as defined in the amendment agreement in lieu of the new proposed exit rights. Accordingly, the financial liability for cash put option has been classified as non-current liability as at March 31 2021 and the Company's current liabilities are higher than its current assets by ₹ 8,706.66 Lakhs. Further, the Company also has sufficient unencumbered assets that can be utilised for any additional funding requirements in future. Additionally, as explained in note 26, 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 audited standalone financial statements is appropriate. In view of the aforesaid, the management has considered it appropriate to prepare these audited standalone financial statements on a going concern basis.

31. The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions if applicable. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2021 is to be conducted on or before due date of the filing of return and the Company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

32. 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 previous 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 previous year 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, in September 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 last quarter of the year, 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 these standalone financial statements, the criteria for principal business test is not met as at March 31, 2021.

33. During the previous year ended March 31, 2020, the transaction by a wholly owned subsidiary of the Company in Mauritius for sale of its entire shareholding in C-Care (Mauritius) Limited (formerly known as Medical and Surgical Centre Limited) was consummated post receipt of approval by the Company's shareholders.

34. Corporate Social Responsibility (CSR) activities of the Company and its subsidiaries during earlier years were carried out through Fortis Charitable Foundation (FCF)(erstwhile promoter entity) with whom dealings have been stopped. Amounts were paid by the Company and its subsidiaries to FCF for CSR activities. FCF was required to utilise the money so received strictly in various CSR programs. However, there are unutilised amounts lying with FCF which have not been spent and neither refunded by FCF despite several reminders and notices. Accordingly, civil recovery action has been initiated for recovery of unuitilised amount of ₹ 61 Lakhs.

35. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 29, 2021

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 29, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Fortis Healthcare Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Qualified Opinion

We have audited the consolidated financial statements of Fortis Healthcare Limited (hereinafter referred to as "the Company" or the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary and joint ventures as were audited by the other auditors, and except for the possible effects, if any, of the matter described in the "Basis for Qualified Opinion" paragraph of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2021, of its consolidated loss, other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

We draw attention to Note 40 of the consolidated financial statements, which explains that due to a significant amount of dividend received during the previous year ended March 31, 2020 from a wholly owned overseas subsidiary, the 'income from financial assets' of the Company was more than 50 percent of the gross income for the year then ended. Further, in view of the investments in subsidiaries and financing provided to them, the Company's financial assets as at that date are also more than 50 percent of its total assets. Consequently, the Company technically meets the "principal business test" criteria for classification as a Non-Banking Financial Company (NBFC) as per press release by Reserve Bank of India (RBI) vide No. 1998-99/1269 dated 8 April 1999 as at 1 April 2020 and is required to obtain a certificate of registration as a NBFC. As per the Company, such dividend is non-recurring in nature and does not represent income from ordinary activities of the Company and the Company does not intend to carry on the business as a NBFC. Accordingly, the Company, vide its letter dated November 8, 2019, had made a representation to the RBI that keeping in view the objective behind the principal business test criteria, its registration as a NBFC should not be required. Subsequent to the completion of audit of the standalone financial statements of the Company for the year ended March 31, 2020, we, as statutory auditors, have 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, in September 2020, the Company has written another letter to RBI with a request to confirm that no such registration as a NBFC is required. RBI advised the Company to submit to it the financial results for the quarters ended June 30, 2020, 30 September 2020 and 31 December 2020 which were duly submitted by the Company.

Pending resolution of the matter with RBI, we are unable to comment on the impact thereof, if any, on the consolidated financial statements for the year ended March 31, 2021.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to the following matters in the Notes forming part of the consolidated financial statements:

a) Note 28 and Note 29 of the consolidated financial statements 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 ("the Company") and its subsidiaries ("the Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 (including matters relating to remuneration paid to managerial personnel) and SEBI laws and regulations. These transactions and non-compliances relate to or originated prior to take over of control by present board of directors in the year ended March 31, 2018. As mentioned in the note, the Group has been submitting information required by SFIO and 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 March 31, 2018. The Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Group. Further, based on management's detailed analysis and consultation with external legal counsel, a further provision has been made and recognised in the current year for any contingency that may arise from the aforesaid issues. As per the management, any further impact, to the extent it can be reliably estimated as at present, is not expected to be material.

b) Note 30 of the consolidated financial statements relating to the order dated November 15, 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 December 14, 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 consolidated financial statements.

c) As explained in Note 14(I) of the consolidated financial statements, a Civil Suit claiming ₹ 25,344 Lakhs 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 30 of the consolidated financial statements, 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.

d) Note 14(II)(i) and 14(II)(iii) of the consolidated financial statements, 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 these consolidated financial statements, considering the uncertainty relating to the outcome of these matters.

e) Note 14(III) of the consolidated financial statements, which describes in detail the matter relating to the termination of hospital lease agreement by Navi Mumbai Municipal Corporation vide order dated January 18, 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.

f) Note 37 of the consolidated financial statements, 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the "Basis for Qualified Opinion" paragraph, we have determined that the following are the key audit matters:

The key audit matter	How the matter was addressed in our audit
Goodwill	
The Group is required to annually test the amount of Goodwill for impairment. There are inherent uncertainties involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability. Accordingly, this is one of the key judgmental areas in our audit.	In this area our audit procedures included testing of the Groups' budgeting procedures upon which the forecasts are based; and the principles and integrity of the Group's discounted cashflow model. We used our valuation specialist to assist us in evaluating the assumptions and methodologies used by the Group. In particular this included those relating to the forecast revenue growth, profit margins and discount rates. We compared the Group's assumptions to externally derived data as well as our own assessment in relation to key inputs such as projected economic growth, cost inflation and discount rates. We also performed sensitivity analysis of the key assumptions. We also assessed the adequacy of related disclosures in note 6(ii) of the consolidated financial statements and sensitivities of key assumptions. Also refer note 2(g)(ii) of the consolidated financial statements for the related accounting policy.
Legal matters	
The Group is involved in a several legal proceedings. In some of these cases, the Group has counter claims against the other party. Management judgement is involved in assessing the accounting for claims, and in particular considering the probability of a claim being successful. The risk related to the claims is mainly associated with the adequacy of disclosure, and the completeness of the provisions in the consolidated financial statements. Accordingly, we have designated this as key audit matter.	Our audit procedures included, on all significant legal cases, assessment of correspondence with the Group's legal counsel (internal and / or external) accompanied by discussions and formal confirmations from that legal counsel. We read the minutes of the board meetings and inspected the Group's legal expenses. We also assessed whether the Group's disclosures in note 13, 14, 15, 28, 29 and 30 of the consolidated financial statements detailing significant legal proceedings adequately disclose the potential liabilities of the Group. Also refer note 2(m) of the consolidated financial statements for the related accounting policy.
Recoverability of Deferred tax assets	
The Group has significant deferred tax assets in respect to carry forward tax losses. There is an inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which deferred tax assets are or are not recognized.	In this area our audit procedures included using our work on Group's forecasts described in our response to the Goodwill key audit matter above. We then assessed the recoverability of the deferred tax assets recognized against the forecast future taxable profits taking into account the timing of forecast of taxable profits. We also assessed whether the Group's disclosure in note note 6(ix) and 6(xxxii) of the consolidated financial statements reflect the associated inherent risks. Also refer note 2(t) of the consolidated financial statements for the related accounting policy.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the Basis for Qualified Opinion paragraph above, pending resolution of the matter with RBI of registration as a NBFC, we are unable to comment on the impact thereof, if any, on the consolidated financial statements for the year ended March 31, 2021. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of ₹ 2,615.22 Lakhs as at March 31, 2021, total revenues (before consolidation adjustments) of ₹ 1,546.83 Lakhs and net cash inflows (before consolidation adjustments) amounting to ₹ 1,061.51 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) (before consolidation adjustments) of ₹ 4,356.96 Lakhs for the year ended March 31, 2021, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint ventures is based solely on the audit reports of the other auditors.

Of the above entities, one subsidiary and one joint venture is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary and joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) The financial information of thirteen subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of ₹ 36,614.26 Lakhs as at March 31, 2021, total revenues (before consolidation adjustments) of ₹ 8,852.70 Lakhs and net cash outflows (before consolidation adjustments) amounting to ₹ 6,941.95 Lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit after tax and other comprehensive income (before consolidation adjustments) of ₹ 398.92 Lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of four associates and two joint ventures, whose financial information have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) Except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) Except for possible effects of the matter described in the "Basis for Qualified Opinion" paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) The matter described in the "Basis for Qualified Opinion" paragraph and the "Emphasis of Matter" paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies, its associate companies, and joint ventures incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   g) The qualification relating to maintenance of accounts and other matter connected therewith are as stated in the "Basis for Qualified Opinion" paragraph above.

   h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

2. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary and joint ventures, as noted in the 'Other Matters' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 13, 14, 15, 28, 29 and 30 and 6(xix) to the consolidated financial statements.

   ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 12(b) to the consolidated financial statements.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended March 31, 2021.

   iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2021.

3. With respect to the matter to be included in the Auditor's report under section 197(16):

   In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sd/-
Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAABM4859

Place: Gurugram
Date: May 29, 2021

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FORTIS HEALTHCARE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Fortis Healthcare Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies (together referred to as "the Group"), and its joint venture companies (jointly controlled company), as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture companies (jointly controlled company), have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of a joint venture company (jointly controlled company) in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one joint venture company, which is incorporated in India, is based on the corresponding report of the auditor of such Company incorporated in India.

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

Sd/-
Rajesh Arora
Partner
Membership No. 076124
UDIN: 21076124AAAABM4859

Place: Gurugram
Date: May 29, 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

AS AT MARCH 31, 2021

Particulars	Notes	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	6(i)(a)	390,957.09	392,222.89
(b) Capital work-in-progress	6(i)(b)	16,313.98	18,883.78
(c) Right-of-use assets	10	110,579.73	109,830.03
(d) Goodwill	6(ii)	372,171.10	372,075.96
(e) Other intangible assets	6(iii)(a)	6,200.19	6,105.82
(f) Intangible assets under development	6(iii)(b)	178.12	1,491.04
(g) Investments accounted for using the equity method	6(iv)	18,603.44	17,454.48
(h) Financial assets			
(i) Loans	6(vi)	2,989.76	3,003.37
(ii) Other financial assets	6(vii)	517.36	8,436.89
(i) Non-current tax assets (net)	6(viii)(a)	50,754.59	65,389.44
(j) Deferred tax assets (net)	6(ix)	37,022.92	39,287.98
(k) Other non-current assets	6(x)	5,500.15	6,552.53
Total non-current assets (A)		**1,011,788.43**	**1,040,734.21**
B. Current assets			
(a) Inventories	6(xi)	7,676.32	7,817.91
(b) Financial assets			
(i) Trade receivables	6(v)	38,989.32	45,878.20
(ii) Cash and cash equivalents	6(xii)	26,123.48	18,185.93
(iii) Bank balances other than (ii) above	6(xiii)	15,534.58	8,409.50
(iv) Loans	6(vi)	1,369.45	1,738.81
(v) Other financial assets	6(vii)	7,931.15	4,746.20
(c) Other current assets	6(x)	5,696.00	7,047.12
(d) Assets classified as held for sale	6(xiv)	360.17	223.95
Total current assets (B)		**103,680.47**	**94,047.62**
Total assets (A+B)		**1,115,468.90**	**1,134,781.83**
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	6(xv)	75,495.81	75,495.81
(b) Other equity		536,485.31	590,613.01
Equity attributable to owners of the Company		611,981.12	666,108.82
Non-controlling interests		59,800.00	54,449.81
Total equity (A)		671,781.12	720,558.63
B. Liabilities			
I Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	6(xvii)	96,772.78	95,405.03
(ii) Lease liabilities	10	23,158.40	21,249.77
(iii) Other financial liabilities	6(xviii)	162,811.83	947.49
(b) Provisions	6(xix)	8,761.37	7,560.82
(c) Deferred tax liabilities (net)	6(ix)	28,872.87	31,160.71
(d) Other non-current liabilities	6(xx)	6.63	6.49
Total non-current liabilities (B)		**320,383.88**	**156,330.31**
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	6(xxi)	17,963.33	36,255.41
(ii) Lease liabilities	10	2,820.66	2,779.57
(iii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	6(xxii)	5,771.45	6,392.22
-Total outstanding dues of creditors other than micro enterprises and small enterprises	6(xxii)	49,048.72	53,370.81
(iv) Other financial liabilities	6(xviii)	24,577.96	135,224.97
(b) Provisions	6(xix)	9,311.88	7,908.96
(c) Current tax liabilities (net)	6(viii)(b)	603.30	273.59
(d) Other current liabilities	6(xxiii)	13,078.39	15,567.36
(e) Liabilities directly associated with assets classified as held for sale	6(xiv)	128.21	120.00
Total current liabilities (C)		**123,303.90**	**257,892.89**
Total liabilities (B+C)		**443,687.78**	**414,223.20**
Total equity and liabilities (A+B+C)		**1,115,468.90**	**1,134,781.83**
See accompanying notes forming integral part of the consolidated financial statements	1 - 41		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 29, 2021

Place : Gurugram
Date : May 29, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

	Particulars	Notes	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
I	Revenue from operations	6(xxiv)	403,012.00	463,232.01
II	Other income	6(xxv)	4,655.65	5,263.86
III	**Total Income (I+II)**		**407,667.65**	**468,495.87**
IV	Expenses			
	(i) Purchases of medical consumable and drugs		97,447.97	98,549.46
	(ii) Changes in inventories of medical consumable and drugs	6(xxvi)	141.59	(2,164.57)
	(iii) Employee benefits expense	6(xxvii)	84,900.57	91,603.13
	(iv) Finance costs	6(xxviii)	16,588.15	20,506.35
	(v) Depreciation and amortisation expense	6(xxix)	29,060.06	29,172.91
	(vi) Other expenses	6(xxx)	180,076.83	214,292.13
	Total expenses (IV)		**408,215.17**	**451,959.41**
V	**(Loss)/ profit from continuing operations before share of profit of equity accounted investees and tax (III-IV)**		**(547.52)**	**16,536.46**
VI	Share of profit of equity accounted investees (net of tax)	27	4,755.88	1,216.56
VII	**Profit before exceptional item and tax (V+VI)**		**4,208.36**	**17,753.02**
	Exceptional gain	6(xxxi)	121.18	6,182.90
VIII	**Profit before tax**		**4,329.54**	**23,935.92**
IX	Tax expense			
	(i) Current tax	6(xxxii)	10,019.01	24,360.18
	(ii) Deferred tax credit (net)	6(xxxii)	(72.60)	(9,573.10)
	Total tax expense		**9,946.41**	**14,787.08**
X	**(Loss) / profit for the year (VIII+IX)**		**(5,616.87)**	**9,148.84**
	Other comprehensive income			
	(i) Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurements of the defined benefit liabilities		628.83	(396.06)
	(b) Income tax (charge)/ credit relating to items that will not be subsequently reclassified to profit or loss		(49.83)	101.64
	(ii) Items that may be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		454.65	305.35
XI	**Total other comprehensive income for the year**		**1,033.65**	**10.93**
XII	**Total comprehensive (loss)/ income for the year(X+XI)**		**(4,583.22)**	**9,159.77**
	(Loss)/ profit for the year attributable to:			
	(i) Owners of the Company		(10,976.18)	5,793.59
	(ii) Non-controlling interests		5,359.31	3,355.25
			(5,616.87)	**9,148.84**
	Other comprehensive income for the year attributable to:			
	(i) Owners of the Company		1,002.40	153.42
	(ii) Non-controlling interests		31.25	(142.49)
			1,033.65	**10.93**
	Total comprehensive (loss)/ income for the year attributable to:			
	(i) Owners of the Company		(9,973.78)	5,947.01
	(ii) Non-controlling interests		5,390.56	3,212.76
			(4,583.22)	**9,159.77**
	(Loss)/ earnings per equity share of ₹ 10 each:	6(xxxiii)		
	(i) Basic (in ₹)		(1.45)	0.77
	(ii) Diluted (in ₹)		(1.45)	0.77
	See accompanying notes forming integral part of the consolidated financial statements	1 - 41		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 29, 2021

Place : Gurugram
Date : May 29, 2021

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Notes	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax for the year		4,329.54	23,935.92
Adjustments for:			
Exceptional gain (net)		(121.18)	(6,182.90)
Finance cost		16,588.15	20,506.35
Interest income		(4,201.30)	(3,030.45)
(Profit)/ Loss on disposal of property, plant and equipment (net)		(176.85)	87.22
Profit on sale of current investment		-	(41.16)
Allowance for bad and doubtful trade receivables		4,018.67	6,573.79
Allowance for bad and doubtful advances		245.49	233.20
Depreciation and amortisation expense		29,060.06	29,172.91
Provision for contingencies and litigation		1,461.70	157.18
Bad debts written off		10.83	2.26
Expense recognised in respect of equity-settled share-based payments		(94.29)	147.08
Share of profit of equity accounted investees (net of tax)		(4,755.88)	(1,216.56)
Provisions/ liabilities no longer required written back		(2,099.34)	(3,452.57)
Unrealised foreign exchange loss/ (gain)		806.92	(1,152.66)
Operating profit before changes in following assets and liabilities		**45,072.52**	**65,739.61**
CHANGES IN OPERATING ASSETS AND LIABILITIES			
Decrease in trade and other receivables		2,859.38	1,787.32
Decrease/ (increase) in inventories		141.59	(2,164.57)
Increase in loans, other assets and other financial assets		(2,451.44)	(3,945.53)
Decrease in trade payables		(2,843.52)	(12,170.24)
Increase in provisions		1,770.60	493.94
(Decrease)/ increase in other liabilities and other financial liabilities		(745.48)	1,359.99
Cash generated from operations		**43,803.65**	**51,100.52**
Income taxes refund/ (paid) (net)		4,745.55	(33,946.14)
Net cash generated by operating activities	**(A)**	**48,549.20**	**17,154.38**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		4,144.16	3,217.44
Maturity/ (Investment) in bank deposits (net)		786.36	(2,229.61)
Payments for property, plant and equipment & intangible assets		(21,850.60)	(15,588.57)
Sale of investment in associate (refer note 23)		-	7,388.32
Proceeds from disposal of property, plant and equipment		697.92	1,926.77
Proceeds from repayment of loan by body corporate		17.39	2,941.76
Proceeds from disposal of mutual funds		-	7,969.88
Dividends received from associates		2,800.00	416.29
Payment on acquisition of business operations (refer note 39)		(105.00)	-
Net cash (used in)/ generated by investing activities	**(B)**	**(13,509.77)**	**6,042.28**

Particulars	Notes	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
CASH FLOWS FROM FINANCING ACTIVITIES (REFER NOTE 6(XVI))			
Proceeds from issue of equity instruments (including securities premium)		-	2.46
Proceeds from long-term borrowings		33,546.44	100,553.53
Repayment of lease liabilities		(2,374.90)	(2,528.00)
Repayments of long-term borrowings		(23,576.43)	(75,445.29)
Repayments of short-term borrowings (net)		(5,028.41)	(88,258.06)
Interest paid (including interest on lease liabilities of ₹ 2,670.32 Lakhs (March 31, 2020 ₹ 2,628.64 Lakhs)		(16,859.56)	(20,485.15)
Net cash used in financing activities	**(C)**	**(14,292.86)**	**(86,160.51)**
Effect of exchange rate changes	**(D)**	**454.65**	**305.35**
Net increase/ (decrease) in cash and cash equivalents	**(A+B+C+D)**	**21,201.22**	**(62,658.50)**
Cash and cash equivalents at the beginning of the year		711.30	63,369.80
Cash and cash equivalents at the end of the year	**6(xii)**	**21,912.52**	**711.30**

Note
1. The consolidated statement of cash flow has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash flows".
2. During the year, the Group has paid ₹ 1,425.45 Lakhs (March 31, 2020 ₹ 937.56 Lakhs) towards corporate social responsibility expenditure (refer note 24).

See accompanying notes forming part of the standalone financial statements	1 - 41		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

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

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 29, 2021

Place : Gurugram
Date : May 29, 2021

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. in Lakhs	₹ in Lakhs
At April 1, 2019	7,549.55	75495.49
Issue of share capital (refer note 6 (xv))	0.03	0.32
At March 31, 2020	**7,549.58**	**75,495.81**
Issue of share capital (refer note 6 (xv))	-	-
At March 31, 2021	**7,549.58**	**75,495.81**

B. OTHER EQUITY

Particulars	Other equity								Equity attributable to owners of the Company	Non-controlling interests	Total Equity
	Reserves and Surplus							Items of other comprehensive income			
	Securities premium*	Retained earnings	Share options outstanding Account****	Amalgamation reserve**	General reserve***	Capital reserve*****	Other Reserves******	Exchange difference on translation of foreign operations			
Balance at April 1, 2019 (A)	721,517.26	(169,555.33)	2,373.77	156.00	42,764.91	337.50	(1,432.06)	(11,577.25)	584,584.80	51,169.03	635,753.83
Profit for the year	-	5,793.59	-	-	-	-	-	-	5,793.59	3,355.25	9,148.84
Other comprehensive income for the year (net of income tax)	-	(151.93)	-	-	-	-	-	305.35	153.42	(142.49)	10.93
Total comprehensive income for the year (B)	**-**	**5,641.66**	**-**	**-**	**-**	**-**	**-**	**305.35**	**5,947.01**	**3,212.76**	**9,159.77**
Exercise of stock option during the year [refer note 6 (xv) and 16]	2.14	-	(2.14)	-	2.14	-	-	-	2.14	-	2.14
Stock options lapsed/cancelled during the year (refer note 16)	-	-	(2,146.70)	-	2,146.70	-	-	-	-	-	-
Non controlling interest adjustments	-	(68.02)	-	-	-	-	-	-	(68.02)	68.02	-
Recognition of share-based payments expense (refer note 16)	-	-	147.08	-	-	-	-	-	147.08	-	147.08
Balance at March 31, 2020 (C)	**721,519.40**	**(163,981.69)**	**372.01**	**156.00**	**44,913.75**	**337.50**	**(1,432.06)**	**(11,271.90)**	**590,613.01**	**54,449.81**	**645,062.82**
Profit for the year	-	(10,976.18)	-	-	-	-	-	-	(10,976.18)	5,359.31	(5,616.87)
Other comprehensive income for the year (net of income tax)	-	547.75	-	-	-	-	-	454.65	1,002.40	31.25	1,033.65
Total comprehensive income for the year (D)	**-**	**(10,428.43)**	**-**	**-**	**-**	**-**	**-**	**454.65**	**(9,973.78)**	**5,390.56**	**(4,583.22)**
Non controlling interest adjustments	-	40.37	-	-	-	-	-	-	40.37	(40.37)	-
Put option (refer note 12 (b))	-	(44,100.00)	-	-	-	-	-	-	(44,100.00)	-	(44,100.00)
Recognition of share-based payments expense (refer note 16)	-	-	(94.29)	-	-	-	-	-	(94.29)	-	(94.29)
Stock options lapsed/cancelled during the year (refer note 16)	-	-	(85.45)	-	85.45	-	-	-	-	-	-
Balance at March 31, 2021 (E)	**721,519.40**	**(218,469.75)**	**192.27**	**156.00**	**44,999.20**	**337.50**	**(1,432.06)**	**(10,817.25)**	**536,485.31**	**59,800.00**	**596,285.31**

* The unutilised accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

** Amalgamation reserve was created on amalgamation of Escorts Heart Institute Research Centre, Delhi (Delhi Society) with a Society at Chandigarh with a similar name (Chandigarh Society) and later on, registration of the amalgamated Society as Company.

*** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another.

**** The fair value of the equity settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to share options outstanding account.

***** Capital reserve represents the equity and reserves of SRL Diagnostics FZ-LLC acquired during FY 2016-17 through common control business combination.

****** This represents the loss on dilution of shareholding in a subsidiary (SRL Limited) Company during the year ended March 31, 2012.

See accompanying notes forming integral part of the consolidated financial statements 1-41

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 29, 2021

Place : Gurugram
Date : May 29, 2021

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Fortis Healthcare Limited ("the Company" or the "Parent Company"), a public limited Company, was incorporated in 1996. Its equity shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Fortis Hospital Sector-62 Phase-VIII, Mohali 160062, Punjab and the corporate office of the Company is situated at Tower A, Unitech Business Park, Block - F South City - 1, Sector-41 Gurugram 122001, Haryana.

As a part of its business activities, the Company holds interests in its subsidiaries (the Company and its subsidiaries hereinafter referred to as the 'Group') and the Group's interest in associates and joint ventures through which it manage and operate a network of multi-specialty hospitals and diagnostics centers.

On November 13, 2018, IHH Healthcare Berhad acquired 31.10% stake in the Company and appointed majority of board of directors, thereby, becoming the controlling shareholder of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements ("financial statements"). The accounting policies adopted are consistent with those of the previous financial year.

(a) Basis of preparation

(i) *Statement of compliance*

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in Lakhs of Indian Rupees and rounded off to two decimals, except per share data.

(ii) *Functional and presentation currency*

These financial statements are presented in Indian Rupees, which is also the Group's functional currency. However, the functional currency of the following foreign subsidiaries, joint venture and associates is as follows:

Subsidiaries:

- SRL Diagnostics FZ – LLC- Arab Emirate Dirham (AED)
- Fortis Asia Healthcare Pte Limited- United States Dollar (USD)
- Fortis Healthcare International Limited- United States Dollar (USD)
- Fortis Global Healthcare (Mauritius) Limited- United States Dollar (USD)
- Fortis Healthcare International Pte Limited- Singapore Dollar (SGD)

Joint Venture:

- SRL Diagnostics (Nepal) Private Limited - Nepalese Rupees (NPR)

Associates:

- Lanka Hospitals Corporate Plc- Sri Lankan Rupee (LKR)
- RHT Health Trust Trustee Manager- Singapore Dollar (SGD)
- Medical and Surgical Centre Limited- Mauritian Rupee (MUR) (upto July 8, 2019)

(iii) *Historical cost convention*

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(b) Principles of consolidation

The financial statements comprise the financial statement of the Group and its interest in associates and joint ventures. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee.

(ii) Rights arising from other contractual arrangements

(iii) The Group's voting rights and potential voting rights

(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over that entity and ceases when the Group loses control over the entity. Assets, liabilities, income and expenses of an entity acquired or disposed of during the year are included in these financial statements from the date the Group gains control until the date the Group ceases to control the entity.

These financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in these financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing these financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Company. When the end of the reporting period of the parent is different from that of a member of the Group, the member prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The details of the consolidated entities are provided in note 7 to these financial statements.

(c) Consolidation procedure

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries

b) Investment in associate companies and joint ventures have been accounted under the equity method as per Ind AS 28 - "Investment in Associates and Joint Ventures"

c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

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d) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(d) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

(e) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(f) Business combination

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as Goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as Capital Reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to Capital Reserve.

(g) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost which includes capitalised finance costs, less accumulated depreciation and any accumulated impairment loss. The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

(ii) Goodwill and Intangible assets

- For measurement of Goodwill that arises from business combination, refer to accounting policy thereon above. Subsequent measurement is at cost less any accumulated impairment losses.
- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
  - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
  - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.
- Intangible assets that are acquired (including goodwill recognised for business combinations) are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

(iii) Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated August 29, 2014 of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management.

The details of useful life are as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Buildings	10-60 years	60 years
Plant and machinery	3-20 years	15 years
Medical equipment	2-16 years	13 years
Computers	3-6 years	3 years
Furniture and fittings	4-16 years	10 years
Office equipment	4-5 years	5 years
Vehicles	4-8 years	8 years

Freehold land is not depreciated.

Depreciation on leasehold assets is provided over the lease term or expected useful life of the asset, whichever is lower.

Goodwill is not amortised and is tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Estimated useful lives of the intangible assets are as follows:

Category of assets	Management estimate of Useful Life
Computer software	3-6 years
User license agreement	3-5 years
License fees	3-10 years
Technical Know-how fees	3-5 years

Depreciation and amortisation on property, plant and equipment and intangible assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

Property, plant and equipment and intangible assets are derecognised on disposal or when no future economic benefits are expected from their use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss.

(h) Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit or Loss.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer amortised or depreciated.

(i) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Group may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit or Loss.

Equity investments

Equity investments in subsidiaries, jointly controlled entities and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in such entities, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

All other equity investments which are in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments in scope of Ind AS 109, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit or Loss.

Dividend income from investments is recognised in statement of profit and loss on the date that the right to receive payment is established.

Impairment of financial assets

The Group recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit or Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Write-off of financial assets

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit or Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit or Loss. Any gain or loss on derecognition is also recognised in Statement of Profit or Loss.

Put option

Put options granted to non-controlling shareholders of subsidiaries are accounted as liability with a corresponding adjustment to equity (if recognition criteria are met), on a fair value basis.

Compound financial instruments

The components of compound financial instruments (comprising instruments convertible into equity shares) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(k) Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

The Group uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost and other direct costs incurred. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

(m) Contingent Liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are reviewed by the management at each balance sheet date.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(o) Government grants

Government grants are not recognised until there is reasonable assurance that the entity will comply with the conditions attached to them and the grant will be received.

Government grants are recognised on accrual basis as and when performance obligation is met and it is certain that economic benefits will flow to the Group.

Government grants whose primary condition is that the entity should purchase, construct or otherwise acquire non-current assets and non-monetary grants are recognised and disclosed as "deferred income" in the Balance Sheet and transferred to the statement of Profit and Loss on a systematic basis over the useful lives of the related assets.

(p) Revenue recognition

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services, sale of medical and non-medical items and medical testing charges. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. Medical testing charges consists of fees received for various tests conducted in the field of pathology and radiology.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Group assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Group expects to receive in exchange for those products or services and is net of tax collected from customers and remitted to government authorities such as sales tax, excise duty, value added tax and applicable discounts and allowances including claims. Further, the Group also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognised as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue from medical tests is recognised on accrual basis when the reports are generated and released to customers, net of discounts, if any.

Revenue includes only those sales for which the Group has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Group has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

'Unbilled revenue' represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

Other operating revenue comprises revenue from various ancillary revenue generating activities like operations and maintenance agreements, satellite centers, clinical research activities, sponsorship arrangements and academic services. The revenue in respect of such arrangements is recognised as and when services are performed.

Income from 'Service Export from India Scheme' (SEIS), included in other operating revenue, is recognised on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis to the extent it is certain that economic benefits will flow to the Group.

(q) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) Gratuity:

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Group is funded with Life Insurance Corporation of India.

b) Superannuation:

Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Group to the plan during the year is charged to Statement of Profit and Loss.

c) Provident fund:

(i) The Group makes contribution to the recognised provident fund - "Escorts Heart Institute and Research Centre Employees Provident Fund Trust " and "Fortis Healthcare Limited Provident Fund Trust" for most of its employees in India, which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

(ii) Group's contribution to the provident fund is charged to Statement of Profit and Loss in the periods during which the related services are rendered by the employees.

Other long-term employee benefits:

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(r) Share-based payments

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "share options outstanding account". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of share options outstanding account is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

(s) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. General and specific borrowing costs that are directly attributable to the construction or production or development of a qualifying asset are capitalised as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalisation. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(t) Income tax

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

– temporary differences related to investments in subsidiaries, associates or joint arrangements, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

– taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(u) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

– the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

– the Group has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and

– the Group has the right to direct the use of the asset. The Group has this right when it has the decision- making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

  • the Group has the right to operate the asset; or

  • the Group designed the asset in a way that predetermines how and for what purpose it will be used

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non- lease components and account for the lease and non-lease components as a single lease component.

(i) As a lessee

The Group accounts for assets taken under lease arrangement in the following manner:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

(ii) As a lessor

The Group accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(v) Foreign currency translation

(i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit or Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(ii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Equity share capital and opening other equity are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Balance Sheet date.
- Profit and Loss items are translated at the respective quarterly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- All resulting exchange differences are recognised in Other Comprehensive Income.

When a foreign operation is sold, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of consolidated statement of cash flow are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

(w) Statement of Cash flow

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(x) Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). CODM of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be. The group has two reportable segments i.e Health Care and Diagnostic business which are the Group's strategic business units.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(y) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

3. CRITICAL ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Leasing arrangement (classification) – Note 10
- Business Combination - Note 2(f)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 13, 14, 28, 29 and 30
- Recognition and estimation of tax expense including deferred tax– Note 6(ix), 6(xxxii)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2021 is included in the following notes:

- Leasing arrangement (accounting) – Note 10
- Financial instruments - Note 19
- Fair value measurement – Note 20
- Estimated impairment of financial assets and non-financial assets – Note 6(iv), (vi), 6(vii) and 6(xxxi)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 13 & 14
- Recognition and estimation of tax expense including deferred tax– Note 6(xxxii) and 6(ix)
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(g)(iii)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 17
- Share-based payments – Note 16

4. RECENT PRONOUNCEMENTS BUT NOT YET EFFECTIVE

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If an entity has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of entity, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

  The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

5. The financial statements have been authorised for issue by the Company's Board of Directors on May 29, 2021.

6(i)(a) Property, plant and equipment

(₹ in Lakhs)

Particulars	Land (refer note a below)	Buildings (refer note b below and note 10 (b))	Buildings under finance lease	Leasehold improvements	Plant & machinery	Medical equipment (refer note b below and note 10 (b))	Furniture & fittings	Computers	Office equipment	Vehicles	Total
Gross carrying value											
As at April 1, 2019	280,819.07	107,344.01	447.07	14,165.95	27,559.59	96,908.15	7,259.28	4,276.23	3,139.75	2,702.15	544,621.25
Additions	-	19,448.07	-	331.21	2,644.25	11,595.30	479.87	935.17	339.58	245.70	36,019.15
Transfer to ROU Asset on implementation of Ind AS 116	(88,623.22)	-	(447.07)	-	-	(93.75)	-	-	-	-	(89,164.04)
Disposals	-	(687.64)	-	(1,334.65)	(794.76)	(3,305.35)	(179.46)	(408.48)	(105.19)	(307.25)	(7,122.78)
Classified as assets held for sale	-	-	-	(75.74)	-	(285.89)	(2.27)	(38.46)	(64.00)	-	(466.36)
Exchange translation adjustments	-	-	-	114.86	-	69.99	1.40	7.63	0.10	0.88	194.86
As at March 31, 2020	**192,195.85**	**126,104.44**	**-**	**13,201.63**	**29,409.08**	**104,888.45**	**7,558.82**	**4,772.09**	**3,310.24**	**2,641.48**	**484,082.08**
Additions	433.77	1,174.94	-	776.31	1,205.63	16,453.01	173.89	923.19	347.83	416.12	21,904.69
Disposals	-	-	-	(73.13)	(112.47)	(1,773.03)	(80.64)	(72.83)	(90.49)	(363.40)	(2,565.99)
Classified as assets held for sale (refer note d below)	-	(371.65)	-	-	-	-	-	-	-	-	(371.65)
Exchange translation adjustments	-	-	-	(40.80)	-	(24.62)	(0.50)	(2.72)	(0.04)	(0.31)	(68.99)
As at March 31, 2021	**192,629.62**	**126,907.73**	**-**	**13,864.01**	**30,502.24**	**119,543.81**	**7,651.57**	**5,619.73**	**3,567.54**	**2,693.89**	**502,980.14**
Accumulated depreciation											
As at April 1, 2019	24.68	8,456.46	-	6,372.62	10,186.48	39,317.46	3,454.60	3,419.43	2,037.41	1,936.60	75,205.74
Charge for the year	-	5,142.47	-	1,220.58	2,184.62	11,226.91	857.10	571.66	453.39	352.57	22,009.30
Transfer to ROU Asset on implementation of Ind AS 116	(24.68)	-	-	(60.19)	-	(90.40)	-	-	-	-	(175.27)
Disposals	-	(586.84)	-	(1,286.66)	(685.61)	(1,598.16)	(160.49)	(387.57)	(62.46)	(239.66)	(5,007.45)
Classified as assets held for sale	-	-	-	(73.64)	-	(208.63)	(2.10)	(35.29)	(42.56)	-	(362.22)
Exchange translation adjustments	-	-	-	111.00	-	69.14	0.84	7.18	0.10	0.83	189.09
As at March 31, 2020	**-**	**13,012.09**	**-**	**6,283.71**	**11,685.49**	**48,716.32**	**4,149.95**	**3,575.41**	**2,385.88**	**2,050.34**	**91,859.19**
Charge for the year	-	5,625.06	-	1,255.05	1,905.81	11,350.16	860.58	707.78	404.35	229.68	22,338.47
Disposals	-	-	-	(69.83)	(73.32)	(1,352.14)	(61.81)	(57.01)	(82.15)	(348.66)	(2,044.92)
Classified as assets held for sale (refer note d below)	-	(61.35)	-	-	-	-	-	-	-	-	(61.35)
Exchange translation adjustments	-	-	-	(40.30)	-	(24.57)	(0.41)	(2.71)	(0.04)	(0.31)	(68.34)
As at March 31, 2021	**-**	**18,575.80**	**-**	**7,428.63**	**13,517.98**	**58,689.77**	**4,948.31**	**4,223.47**	**2,708.04**	**1,931.05**	**112,023.05**
Carrying value (As at March 31, 2020)	**192,195.85**	**113,092.35**	**-**	**6,917.92**	**17,723.59**	**56,172.13**	**3,408.87**	**1,196.68**	**924.36**	**591.14**	**392,222.89**
Carrying value (As at March 31, 2021)	**192,629.62**	**108,331.93**	**-**	**6,435.38**	**16,984.26**	**60,854.04**	**2,703.26**	**1,396.26**	**859.50**	**762.84**	**390,957.09**

a. The original title deeds for certain freehold lands included in above are in the possession of banks against outstanding loans.

b. Above block includes certain assets leased pursuant to operating lease agreement [refer note 10(b)].

c. Certain assets included under Property, plant and equipment, are held as pledge against loans taken by the Group [refer note 11].

d. Building included certain flats ("buildings") (March 31, 2020 nil) for which sale has been approved by Board of Directors of Hiranandani Healthcare Private Limited. The disposal is expected to be executed in the next twelve months following the date of financial statements

6(i)(b) Capital work-in-progress

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening balance	18,883.78	42,084.72
Additions during the year*	19,334.89	12,818.21
Transfer to property, plant and equipment*	(21,904.69)	(36,019.15)
Closing balance (net of provision for impairment ₹ 2,843.00 Lakhs (March 31, 2020 ₹ 2,843.00 Lakhs))	**16,313.98**	**18,883.78**

*The Group accounts for all capitalisation of property, plant and equipment through capital work in progress and therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted for additions to property, plant and equipment.

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6(ii) Goodwill

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

Particulars	March 31, 2020				March 31, 2021			
	As at April 1, 2019	Addition	Impairment	As at March 31, 2020	As at April 1, 2020	Addition	Impairment	As at March 31, 2021
Cost								
Fortis Hospitals Limited (Gurgaon hospital)	13,379.62	-	-	13,379.62	13,379.62	-	-	13,379.62
Fortis Healthcare Limited (Shalimar Bagh Hospital)	11,621.00	-	-	11,621.00	11,621.00	-	-	11,621.00
Escorts Heart Institute and Research Center Limited	24,782.69	-	-	24,782.69	24,782.69	-	-	24,782.69
Hiranandani Healthcare Private Limited	4,984.38	-	-	4,984.38	4,984.38	-	-	4,984.38
Fortis Malar Hospital Limited	2,044.12	-	-	2,044.12	2,044.12	-	-	2,044.12
Fortis Hospitals limited (Banergatta Road Hospital)	55,602.29	-	-	55,602.29	55,602.29	-	-	55,602.29
Fortis Hospitals Limited (Cunningham Road Hospital)	2,704.57	-	-	2,704.57	2,704.57	-	-	2,704.57
Fortis Hospitals Limited (Mulund Hospital)	50,082.28	-	-	50,082.28	50,082.28	-	-	50,082.28
Fortis Hospitals Limited (Kalyan Hospital)	7,085.55	-	-	7,085.55	7,085.55	-	-	7,085.55
Fortis Hospitals Limited (Fortis Heart and Kidney Institute)	1,984.82	-	-	1,984.82	1,984.82	-	-	1,984.82
Fortis Hospitals Limited (Anandpur Hospital)	25,668.91	-	-	25,668.91	25,668.91	-	-	25,668.91
Fortis Hospitals Limited (Jaipur Hospital)	404.32	-	-	404.32	404.32	-	-	404.32
Fortis Hospitals Limited (Faridabad Hospital)	6,053.13	-	-	6,053.13	6,053.13	-	-	6,053.13
Fortis Hospitals Limited (Noida Hospital)	33,024.49	-	-	33,024.49	33,024.49	-	-	33,024.49
Fortis Hospitals Limited (Amritsar Hospital)	10,675.20	-	-	10,675.20	10,675.20	-	-	10,675.20
Escorts Heart and Super Speciality Hospitals Limited (Mohali Hospital)	21,862.24	-	-	21,862.24	21,862.24	-	-	21,862.24
Fortis Health Management Limited (Nagarbavi Hospital)	2,979.40	-	-	2,979.40	2,979.40	-	-	2,979.40
International Hospital Limited (Rajaji Nagar Hospital)	2,564.44	-	-	2,564.44	2,564.44	-	-	2,564.44
Birdie & Birdie Relators Private Limited	1,231.10	-	-	1,231.10	1,231.10	-	-	1,231.10

NOTES
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Particulars	March 31, 2020				March 31, 2021			
	As at April 1, 2019	Addition	Impairment	As at March 31, 2020	As at April 1, 2020	Addition	Impairment	As at March 31, 2021
Fortis Healthcare International Limited	17.33	-	-	17.33	17.33	-	-	17.33
Hospital business - Total (A)	**278,751.88**	**-**	**-**	**278,751.88**	**278,751.88**	**-**	**-**	**278,751.88**
Diagnostic business								
SRL Limited (refer note 39)	93,324.08	-	-	93,324.08	93,324.08	95.14	-	93,419.22
Diagnostic business - Total (B)	**93,324.08**	**-**	**-**	**93,324.08**	**93,324.08**	**95.14**	**-**	**93,419.22**
Grand Total (A+B)	**372,075.96**	**-**	**-**	**372,075.96**	**372,075.96**	**95.14**	**-**	**372,171.10**

The Group's goodwill is tested for impairment annually at the year-end or more frequently if there are indications that goodwill might be impaired.

The Group made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management except for Birdie & Birdie Realtors Private Limited and Fortis Heathcare International Limited, where the valuation has been determined based on the fair value of net assets.

Cash flow projections were developed covering seven year period as at March 31, 2021 (As at March 31, 2020 seven to ten year) which reflects a more appropriate indication/trend of future track of business of the Group. Cash flows beyond the seven/ten-year period were extrapolated using estimate rates stated below.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Key assumptions used for value in use calculations are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Compound average net sales growth rate p.a.	4% - 12%	3% - 14%
Growth rate used for extrapolation of cash flow projections p.a.	4.0%	4.0%
Discount rate	12% - 13%	12% - 13%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using post-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

6(iii)(a) Other intangible assets

(₹ in Lakhs)

Particulars	Technical know how fees	User license agreement	License fee	Software	Total
Gross carrying amount					
As at April 1, 2019	**974.88**	**420.00**	**1,000.88**	**19,328.07**	**21,723.83**
Additions	-	-	103.53	2,775.38	**2,878.91**
Disposals	-	-	-	(25.34)	**(25.34)**
As at March 31, 2020	**974.88**	**420.00**	**1,104.41**	**22,078.11**	**24,577.40**
Additions	-	-	93.99	2,385.23	**2,479.22**
Disposals	-	-	-	(0.41)	**(0.41)**
As at March 31, 2021	**974.88**	**420.00**	**1,198.40**	**24,462.93**	**27,056.21**
Amortisation					
As at April 1, 2019	**944.06**	**407.62**	**749.94**	**13,441.84**	**15,543.46**
Charge for the year	24.71	12.38	111.41	2,784.82	**2,933.32**
Disposals	-	-	-	(5.20)	**(5.20)**
As at March 31, 2020	**968.77**	**420.00**	**861.35**	**16,221.46**	**18,471.58**
Charge for the year	4.66	-	90.75	2,289.44	**2,384.85**
Disposals	-	-	-	(0.41)	**(0.41)**
As at March 31, 2021	**973.43**	**420.00**	**952.10**	**18,510.49**	**20,856.02**
Carrying value as at March 31, 2020	**6.11**	**-**	**243.06**	**5,856.65**	**6,105.82**
Carrying value as at March 31, 2021	**1.45**	**-**	**246.30**	**5,952.44**	**6,200.19**

6(iii)(b) Intangible assets under development

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Opening balance	1,491.04	2,893.49
Additions during the year*	1,565.99	1,076.77
Transfer to property, plant and equipment*	(2,878.91)	(2,479.22)
Closing balance	178.12	1,491.04

*The Group accounts for all capitalisation of intangible assets through intangible assets under development and therefore the movement in intangible assets under development is the difference between closing and opening balance of intangible assets under development as adjusted for additions to intangible assets.

6(iv) Investments accounted for using the equity method

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
NON CURRENT		
A. Quoted investments (fully paid)		
(a) Investments in equity instruments		
Investment in associate companies		
(i) RHT Health Trust, Singapore		
225,747,944 (225,747,944 as at March 31, 2020) units of SGD 0.90 each, fully paid up	60,853.75	60,853.75
Add: Share in post acquisition profits (net of dividend)	(54,721.26)	(54,571.21)
Add: Share in (loss)/ profits for the year	(88.11)	(150.05)
Add: Other adjustments	(3,595.67)	(3,595.67)
Add: Exchange translation adjustments	19.53	(50.41)
	2,468.24	**2,486.41**
(ii) Lanka Hospitals Corporate PLC, Srilanka		
64,120,915 (64,120,915 as at March 31, 2020) Equity Shares of Lankan ₹ (LKR) 62 each (including goodwill of ₹ 16,102.33 Lakhs)	19,762.82	19,762.82
Add: Share in pre acquisition profits upto the date of acquisition	568.70	568.70
Add: Share in post acquisition profits (net of dividend)	4,227.21	3,948.73
Add: Share in profits for the year	487.02	694.77
Less: Dividend received during the year	-	(416.29)
Less: Impairment	(10,491.65)	(10,491.65)
Add: Exchange translation adjustments	(4,006.37)	(3,123.49)
	10,547.73	**10,943.59**
(iii) Medical And Surgical Centre Limited, Mauritius		
Nil (Nil as at March 31, 2020) Ordinary Shares of MUR 10 each (including capital reserve of ₹ 4,224.26 Lakhs)	-	1,312.69
Add: Share in post acquisition profits	-	1,274.44
Less: Sale during the current year (refer note-23)	-	(3,540.83)
Add: Other adjustments	-	610.35
Add: Exchange translation adjustments	-	343.35
	-	-
Aggregate carrying value of quoted investments (A)	**13,015.97**	**13,430.00**
B. Unquoted Investments (fully paid)		
(a) Investments in equity instruments		
Investment in associate companies		
(i) Sunrise Medicare Private Limited	0.31	0.31
[3,126 (3,126 as at March 31, 2020) Equity Shares of ₹ 10 each, fully paid up)]		
Less: impairment of investment	(0.31)	(0.31)

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Investment in joint ventures		
(i) DDRC SRL Diagnostics Private Limited		
250,000 (250,000 as at March 31, 2020) Equity Shares of ₹ 10 each fully paid-up	950.88	950.88
Add: Share in post acquisition profits	1,967.27	1,380.84
Add: Share in profits for the year	4,339.30	586.43
Less: Dividend received during the year	(2,800.00)	-
Add: Share of reserve	841.64	835.61
	5,299.09	**3,753.76**
(ii) SRL Diagnostics (Nepal) Private Limited		
240,000 (240,000 as at March 31, 2020) equity shares of Nepalese ₹ 100 each fully paid-up	150.00	150.00
Add: Share in post acquisition profits	125.33	62.58
Add: Share in profits for the year	17.66	62.75
Add: Share of reserve	(4.61)	(4.61)
	288.38	**270.72**
(iii) Fortis C-Doc Healthcare Limited	-	-
[4,060,637 (4,060,637 as at March 31, 2020) Equity Shares of ₹ 10 each, fully paid up)]		
Aggregate carrying value of unquoted investment (B)	**5,587.47**	**4,024.48**
Investments in associates/joint venture - Total (A+B)	**18,603.44**	**17,454.48**
Aggregate carrying value of investment in associates and joint ventures	**18,603.44**	**17,454.48**
Gross investments in associates/joint ventures (accounted under equity method)	**29,095.40**	**27,946.44**
Impairment of investment in associate and joint venture	**10,491.96**	**10,491.96**

NOTES:

A INVESTMENT IN ASSOCIATES

A.1 Break-up of investment in associates (carrying amount determined using the equity method of accounting)

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(i) Aggregate book value of quoted investments	13,015.97	13,430.00
(ii) Aggregate market value of quoted investments	12,796.64	9,393.33
(iii) Aggregate gross value of unquoted investments	0.31	0.31
(iv) Aggregate amount of impairment in value of investments in associates	10,491.96	10,491.96

A.2 Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associates is set out below.

(i) RHT Health Trust (formerly known as Religare Health Trust) ('RHT')

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Non-current assets	-	-
(b) Current assets	9,543.84	9,483.62
(c) Non-current liabilities	-	-
(d) Current liabilities	671.66	546.13
Net assets	**8,872.18**	**8,937.49**

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Revenue	-	-
(b) Profit from continuing operations	(316.72)	(539.36)
(c) Profit for the year	(316.72)	(539.36)
(d) Other comprehensive income for the year	463.93	144.42
(e) Total comprehensive income for the year	147.21	(394.94)
(f) Dividends received from the associate during the year	-	-
(g) Group share of profit and other comprehensive income for the year	40.95	(109.91)
(h) Share of profit and other comprehensive income for the year recognised	40.95	(109.91)
The above profit for the year includes the following:		
(a) Depreciation and amortisation	-	-
(b) Interest income	15.36	125.34
(c) Interest expense	-	-
(d) Income tax expense (income)	7.77	188.67

Reconciliation of the above summarised financial information to the carrying amount of the interest in RHT Health Trust recognised in the consolidated financial statements:

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Net assets of the associate	8,872.18	8,937.49
(b) Proportion of the Group's ownership interest in RHT	27.82%	27.82%
Carrying amount of the Group's interest in RHT	**2,468.24**	**2,486.41**

(ii) Lanka Hospitals Corporate PLC, Srilanka

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Non-current assets	19,640.45	20,232.67
(b) Current assets	16,533.33	17,244.60
(c) Non-current liabilities	5,662.52	6,549.16
(d) Current liabilities	4,267.27	4,573.23

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Revenue	26,853.93	29,836.33
(b) Profit from continuing operations	1,519.56	2,294.97
(c) Profit for the year	1,519.56	2,294.97
(d) Other comprehensive income for the year	610.84	(56.56)
(e) Total comprehensive income for the year	2,130.39	2,238.41
(f) Dividends received from the associate during the year	-	-
The above profit for the year includes the following:		
(a) Depreciation and amortisation	1,712.66	1,634.79
(b) Interest income	984.94	894.53
(c) Interest expense	137.82	149.27
(d) Income tax expense (income)	100.12	1,030.18

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Aggregate carrying amount of the Group's interests in 'Lanka Hospitals Corporate PLC, Sri Lanka	10,547.73	10,943.59

B. INVESTMENT IN JOINT VENTURES

B.1 Break-up of investment in joint ventures (carrying amount determined using the equity method of accounting)

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(i) Aggregate book value of quoted investments	-	-
(ii) Aggregate market value of quoted investments	-	-
(iii) Aggregate carrying value of unquoted investments	5,587.47	4,024.48
(iv) Aggregate amount of impairment in value of investments in Joint Ventures	-	-

B.2 Summarised financial information of material joint ventures

Summarised financial information in respect of each of the Group's material Joint Ventures is set out below. The summarised financial information below represents amounts shown in the Joint Venture's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

(i) DDRC SRL Diagnostics Private Limited

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Non-current assets	7,218.02	7,189.17
(b) Current assets	4,736.14	1,960.20
(c) Non-current liabilities	998.83	1,128.88
(d) Current liabilities	1,255.53	1,411.38
(e) Goodwill arising on acquisition of joint venture	898.38	898.38
Net assets	**10,598.18**	**7,507.49**

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Revenue	30,174.22	16,036.90
(b) Profit from continuing operations	8,678.61	1,218.18
(c) Profit for the year	8,678.61	1,218.18
(d) Other comprehensive income for the year	12.08	(45.34)
(e) Total comprehensive income for the year	8,690.69	1,172.84
(f) Dividends received from the Joint Venture during the year	(2,800.00)	-
(g) Group share of profit and other comprehensive income for the year	1,545.35	586.43
The above profit for the year include the following:		
(a) Depreciation and amortisation	1,182.00	977.74
(b) Other income	85.47	22.02
(c) Interest expense	150.92	94.51
(d) Income tax expense (income)	2,864.46	431.59

Reconciliation of the above summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Net assets of joint venture	10,598.18	7,507.49
(b) Net assets as per consolidation	10,598.18	7,507.49
(c) Proportion of Group's ownership interest in joint venture	50%	50%
(d) Carrying amount of Group's interest in the joint venture	5,299.09	3,753.76

(ii) SRL Diagnostics (Nepal) Private Limited

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Non-current assets	120.60	156.09
(b) Current assets	687.97	739.64
(c) Non-current liabilities	26.49	-
(d) Current liabilities	205.31	354.30
Net assets	**576.77**	**541.44**

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Revenue	562.11	829.55
(b) Profit from continuing operations	35.30	125.50
(c) Profit for the year	35.30	125.50
(d) Other comprehensive income for the year	-	-
(e) Total comprehensive income for the year	35.30	125.50
(f) Dividends received from the Joint Venture during the year	-	-
(g) Group share of profit and other comprehensive income for the year	17.66	62.75
The above profit for the year include the following:		
(a) Depreciation and amortisation	22.75	23.62
(b) Other income	17.88	26.18
(c) Interest expense	0.96	0.87
(d) Income tax expense (income)	8.73	42.85

Reconciliation of the above summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Net assets of joint venture	576.77	541.43
(b) Proportion of Company's ownership interest in joint venture	50.00%	50.00%
(c) Carrying amount of Company's interest in the joint venture	288.38	270.72

Contingent liabilities:

Claims against the Joint venture, not acknowledged as debt (Group's share of liabilities):

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
i. Disputed income tax demands	427.05	427.05
ii. Disputed VAT demands	1.51	-
iii. Payment of bonus as per the payment of bonus (amendment) Act, 2015 (stayed by Honourable high court of Kerala)	15.54	15.54
iv. Others	10.16	15.04
	454.26	**457.63**

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B.3 Unrecognised share of loss of joint venture

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
The unrecognised share of loss of Joint Venture (Fortis C-Doc Healthcare Limited) for the year	289.34	149.24
	As at March 31, 2021 (₹ in Lakhs)	**As at March 31, 2020 (₹ in Lakhs)**
Cumulative share of unrecognised loss of Joint Venture	1,308.86	1,019.52

6(v) Trade receivables*

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Current		
(a) Considered good		
- From Others	38,487.45	45,332.80
- From related parties [refer note 9]	501.87	545.40
(b) Credit impaired		
- From Others	20,196.20	19,735.95
- From Related Parties	1.00	10.00
Less: Loss allowance	(20,197.20)	(19,745.95)
	38,989.32	**45,878.20**
Break-up of security details		
(a) Trade receivables considered good - Unsecured	38,989.32	45,878.20
(b) Credit impaired	20,197.20	19,745.95
Less: Loss allowance	(20,197.20)	(19,745.95)
Total	**38,989.32**	**45,878.20**

* Trade receivables includes receivables of certain entities hypothecated against borrowing (refer note 11).

Notes:

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the payments. The provision matrix takes into account historical credit loss experience and adjusted for forward- looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

	Expected credit allowance %	
Ageing		
0 - 1 year	0% - 74%	0% - 100%
1 - 2 year	1% - 78%	15% - 100%
2 - 3 year	1% - 95%	40% - 100%
More than 3 years	100%	70% - 100%

The movement in Expected Credit Loss during the year is as follows :

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Balance at the beginning of the year	19,745.95	31,631.78
Creation of the allowance for expected credit loss (refer note 6 (xxx))	4,029.50	6,576.05
Utilisation of the allowance for expected credit loss (written off)	(3,578.26)	(18,461.88)
Balance at the end of the year	20,197.20	19,745.95

6(vi) Loans

Non-current - at amortised cost

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Unsecured, Considered good		
(a) Loans to body corporates and others	8.74	8.74
(b) Loans to employees	13.11	22.73
(c) Security deposits	2,967.91	2,971.90
Total (A)	**2,989.76**	**3,003.37**
Credit impaired		
(a) Loans to body corporates and others*	410.73	410.73
(b) Loans to joint venture	1,367.72	1,367.72
(c) Security deposits [refer note 28 (C) (ii)]	416.47	396.55
Total (B)	**2,194.92**	**2,175.00**
Less: Loss allowance	(2,194.92)	(2,175.00)
Total (C)	**(2,194.92)**	**(2,175.00)**
Total (A+B+C)	**2,989.76**	**3,003.37**
Current - at amortised cost		
Unsecured, Considered good		
(a) Loans to body corporates and others	130.74	138.51
(b) Security deposits	1,238.71	1,600.30
Total (A)	**1,369.45**	**1,738.81**
Credit impaired		
(a) Inter-corporate deposits [refer note 28 (C) (i)]*	40,243.00	40,243.00
(b) Loans to body corporates and others*	2,571.76	3,027.94
(c) Security deposits [refer note 28 (C) (ii)]	413.43	413.43
Total (B)	**43,228.19**	**43,684.37**
Less: Loss allowance	(43,228.19)	(43,684.37)
Total (C)	**(43,228.19)**	**(43,684.37)**
Total (A+B+C)	**1,369.45**	**1,738.81**

*This represents loans given to body corporates which have been fully provided for in earlier years.

6(vii) Other financial assets (unsecured)

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Non-Current		
Considered good		
(a) Deposit accounts with banks (refer note 1 below)	504.05	8,415.49
(b) Interest accrued on loans and bank deposits	9.64	8.57
(c) Advances others - recoverable in cash	3.67	12.83
Total (A)	**517.36**	**8,436.89**
Credit impaired		
(a) Interest accrued on loan to Joint venture	180.61	180.61
Total (B)	**180.61**	**180.61**
Less: Loss allowance	(180.61)	(180.61)
Total (C)	**(180.61)**	**(180.61)**
Total (A+B+C)	**517.36**	**8,436.89**
Current		
Considered good		
(a) Interest accrued on loans and bank deposits	164.70	108.63
(b) Earnest money deposit	15.51	15.51
(c) Advances others	964.69	597.80
(d) Unbilled revenue	6,786.25	4,024.26
Total (A)	**7,931.15**	**4,746.20**
Credit impaired		
(a) Full and final settlement recoverable from employees	1,419.71	1,222.12
(b) Interest accrued on inter-corporate deposits [refer note 28 (C) (i)]	4,259.62	4,259.62
(c) Advance others [refer note 28 (C) (ii)]	1,913.34	1,913.34
(d) Amount recoverable for salary & reimbursement of expenses [refer note 28 (C) (vi)]	2,002.39	2,002.39
(e) Other recoverables	440.16	360.91
Total (B)	**10,035.22**	**9,758.38**
Less: Loss allowance	(10,035.22)	(9,758.38)
Total (C)	**(10,035.22)**	**(9,758.38)**
Total (A+B+C)	**7,931.15**	**4,746.20**

Notes:

1. Including fixed deposits under lien with bank and is restricted from being exchanged for more than 12 months from the Balance Sheet date.

6(viii) Tax assets & liabilities

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Non-current tax assets		
Advance income-tax*	50,754.59	65,389.44
	50,754.59	**65,389.44**
* Net of provision for tax		
(b) Current tax liabilities		
Provision for income-tax*	603.30	273.59
	603.30	**273.59**
* Net of advance tax		

6(x) Other assets (unsecured)

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Non-current		
Considered good		
(a) Capital advances	394.25	1,844.91
(b) Prepaid expenses	272.04	197.62
(c) Balances with government authorities		
- Amount paid under protest to Income-tax authorities	3,814.94	3,614.94
(d) Balance with government authorities- goods and service tax recoverable	1,018.92	895.06
Total (A)	**5,500.15**	**6,552.53**
Credit impaired		
(a) Capital advances	604.50	600.09
Total (B)	**604.50**	**600.09**
Less: Loss allowance	(604.50)	(600.09)
Total (C)	**(604.50)**	**(600.09)**
Total (A+B+C)	**5,500.15**	**6,552.53**
Current		
Considered good		
(a) Balances with government authorities - Goods and service tax recoverable	220.47	200.31
(b) Advance to vendors	1,261.57	1,662.63
(c) Prepaid expenses	2,471.01	2,284.49
(d) SEIS licenses in hand	1,742.95	2,899.69
Total (A)	**5,696.00**	**7,047.12**
Credit impaired		
(a) Balances with government authorities - customs excise and other authorities	67.03	54.39
(b) Deposits with income tax authorities	8.81	12.10
(c) Advance to vendors	151.76	34.36
Total (B)	**227.60**	**100.85**
Less: Loss allowance	(227.60)	(100.85)
Total (C)	**(227.60)**	**(100.85)**
Total (A+B+C)	**5,696.00**	**7,047.12**

6(xi) Inventories

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(Valued at lower of cost and net realisable value)		
(a) Medical consumables and drugs (including reagents and chemicals)	7,570.98	7,655.42
(b) Stores and spares	105.34	162.49
	7,676.32	**7,817.91**

6(xii) Cash and cash equivalents

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

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Balances with banks		
- on current accounts	17,057.02	12,166.79
- deposits with original maturity of less than three months	8,547.10	5,821.97
(b) Cheques, drafts on hand	20.70	7.85
(c) Cash on hand	498.66	189.32
Cash and cash equivalents as per balance sheet	**26,123.48**	**18,185.93**
Bank overdrafts [refer note 6(xxi)]	(4,210.96)	(17,474.63)
Cash and cash equivalents as per statement of cash flows	**21,912.52**	**711.30**

6(xiii) Other bank balances

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Unpaid dividend account	13.52	19.30
(b) Deposits with original maturity of more than 3 months but less than 12 months	15,216.62	8,002.64
(c) Deposits with maturity of more than 12 months	304.44	387.56
	15,534.58	**8,409.50**

6(xiv) Assets/Liabilities classified as held for sale

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Assets held for sale		
(a) Assets related to Escorts Heart Institute & Research Centre Limited*, Hiranandani Healthcare Private Limited** and SRL Limited***	360.17	223.95
	360.17	**223.95**

* Represent one flat ("buildings") (March 31, 2020 three flats) for which registration of transfer is pending with the authorities.

** Represent Nine flats ("buildings") (March 31, 2020 nil) for which sale has been approved by Board of Directors of HHPL. The disposal is expected to be executed in the next twelve months following the date of financial statements.

*** Represent lab held for sale in the previous year. The assets has been disposed during the year.

**** The above assets have been reclassified from property, plant and equipment to assets held for sale at book value since fair value of these assets is higher than book value.

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Liabilities associated with assets held for sale		
(b) Liabilities related to assets held for sale	128.21	120.00
	128.21	**120.00**

6(ix) Deferred tax

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Deferred tax assets (net) (A)	37,022.92	39,287.98
(b) Deferred tax liabilities (net) (B)	(28,872.87)	(31,160.71)
Deferred tax (A-B)	**8,150.05**	**8,127.27**

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in financial statements:-

2020-21 (₹ in Lakhs)

Deferred tax assets/(liabilities) in relation to:	As at April 1, 2020	Credit / (Charge) to Profit or loss	Credit / (Charge) Other Comprehensive Income	As at March 31, 2021
Deferred tax liabilities				
(a) Property, plant and equipment	(36,116.00)	36.39	-	(36,079.61)
(b) Intangible assets	(10,653.58)	(924.95)	-	(11,578.53)
(c) Others	(723.29)	(80.65)	-	(803.94)
(d) Undistributed profits of subsidiaries	(1,227.25)	244.42	-	(982.83)
(e) Right-of-use assets	(3,973.51)	182.05	-	(3,791.46)
	(52,693.63)	**(542.74)**	**-**	**(53,236.37)**
Deferred tax assets in relation to:				
(a) Provision for contingency	415.14	3.91	-	419.05
(b) Allowances for doubtful advances	3,234.31	13.31	-	3,247.62
(c) Allowance for expected credit loss	5,290.07	380.76	-	5,670.83
(d) Defined benefit obligation	3,922.65	244.55	(49.83)	4,117.37
(e) Unabsorbed losses and depreciation	36,037.93	1,535.20	-	37,573.13
(f) MAT credit entitlement	5,978.22	(1,693.79)	-	4,284.44
(g) Other	1,817.67	114.00	-	1,931.67
(h) Lease liabilities	4,124.91	17.40	-	4,142.31
	60,820.90	**615.35**	**(49.83)**	**61,386.42**
Deferred tax asset (net)	**8,127.27**	**72.60**	**(49.83)**	**8,150.05**

2019-20 (₹ in Lakhs)

Deferred tax assets/(liabilities) in relation to:	As at April 1, 2019	Credit / (Charge) to Profit or loss	Credit / (Charge) Other Comprehensive Income	As at March 31, 2020
Deferred tax liabilities				
(a) Property, plant and equipment	(38,175.40)	2,059.40	-	(36,116.00)
(b) Intangible assets	(14,200.96)	3,547.38	-	(10,653.58)
(c) Others	(860.26)	136.97	-	(723.29)
(d) Undistributed profits of subsidiaries	(10,741.49)	9,514.24	-	(1,227.25)
(e) Right-of-use assets	-	(3,973.51)	-	(3,973.51)
	(63,978.11)	**11,284.48**	**-**	**(52,693.63)**
Deferred tax assets/(liabilities) in relation to:				
(a) Provision for contingency	380.58	34.56	-	415.14
(b) Allowances for doubtful advances	2,534.45	699.86	-	3,234.31
(c) Allowance for expected credit loss	12,407.39	(7,117.32)	-	5,290.07
(d) Defined benefit obligation	4,047.58	(226.57)	101.64	3,922.65
(e) Unabsorbed losses and depreciation**	40,736.46	(4,698.53)	-	36,037.93
(f) MAT credit entitlement	2,104.63	3,873.59	-	5,978.22
(g) Other	219.55	1,598.12	-	1,817.67
(h) Lease liabilities	-	4,124.91	-	4,124.91
	62,430.64	**(1,711.38)**	**101.64**	**60,820.90**
Deferred tax asset (net)	**(1,547.47)**	**9,573.10**	**101.64**	**8,127.27**

** During the previous year, the management of one of the subsidiary has reassessed its expectation of future taxable profits taking into account the ongoing litigations which has impacted the ability of the Group to carry out restructuring activities. Based on the assessment, the management has derecognised deferred tax assets (DTA) on brought forward business loss of ₹ 24,836.06 Lakhs. In view of the management, the DTA recognised in books on unabsorbed depreciation and other temporary differences is fully recoverable and will be utilised against future taxable profits. Refer note 6 (xxxii) for losses and unabsorbed depreciation on which no deferred tax assets has been recognised.

DTA has not been recognised on	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Advances to vendors	4,743.47	4,743.47
Inter-corporate deposits (refer note 6(vi))	40,243.00	40,243.00
Interest accrued on inter-corporate deposits	4,259.62	4,259.62
Loans and advances	12,823.09	12,823.09
Interest accrued on loan	180.61	180.61
	62,249.79	**62,249.79**

6(xv) Share capital

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Authorised share capital:		
850,000,000 (850,000,000 as at March 31, 2020) Equity shares of ₹ 10 each	85,000.00	85,000.00
200 Class 'A' (200 as at March 31, 2020) Non- Cumulative Redeemable Preference Shares of ₹ 100,000 each	200.00	200.00
11,498,846 Class 'B' (11,498,846 as at March 31, 2020) Non- Cumulative Redeemable Preference Shares of ₹ 10 each	1,149.88	1,149.88
64,501,154 Class 'C' (64,501,154 as at March 31, 2020) Cumulative Redeemable Preference Shares of ₹ 10 each	6,450.12	6,450.12
Total authorised share capital	**92,800.00**	**92,800.00**
Issued, subscribed and fully paid up shares		
754,958,148 (754,958,148 as at March 31, 2020) Equity shares of ₹ 10 each	75,495.81	75,495.81
Total issued, subscribed and fully paid up share capital	**75,495.81**	**75,495.81**

Notes :

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	March 31, 2021		March 31, 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
At the beginning of the year	754,958,148	75,495.81	754,954,948	75,495.49
Issued during the year: Employee Stock Option Plan (ESOP) [refer note 16(i)]	-	-	3,200	0.32
Outstanding at the end of the year	**754,958,148**	**75,495.81**	**754,958,148**	**75,495.81**

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Where dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the current and previous year, there has been no dividend proposed by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by the holding/ ultimate holding Company and/ or their subsidiaries

Equity shares

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	₹ in Lakhs	No. of Shares held	₹ in Lakhs
Northern TK Venture Pte Limited (refer note 30) (Holding Company)	235,294,117	23,529.41	235,294,117	23,529.41

(d) Details of shareholders holding more than 5% shares in the Company

Equity shares

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Northern TK Venture Pte Limited	235,294,117	31.17%	235,294,117	31.17%

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 16.

(f) For the period of five years immediately preceding the date of the balance sheet, there were no share allotment made for consideration other than cash and also no bonus shares were issued. Further, there has been no buyback of shares during the period of five years preceding the date of balance sheet.

6(xvi) Changes in liabilities arising from financing activities

Particulars	Equity shares (including premium)	Non-current borrowings	Short term borrowings (net)	Interest accrued	Lease liabilities
As at April 1, 2019	797,012.75	77,952.63	123,074.23	500.94	20,863.29
Finance lease liabilities reclassified at April 1, 2019	-	(3,918.01)	-	-	3,918.01
Proceeds from issue of equity shares	2.46	-	-	-	-
Proceeds from borrowings	-	100,553.53	-	-	-
Repayment of borrowings	-	(75,445.29)	(88,258.06)	-	-
Reclassification of bank overdraft*	-	-	1,439.24	-	-
Finance cost	-	-	-	17,877.71	2,628.64
Finance cost paid	-	-	-	(17,856.51)	(2,628.64)
Addition of lease contracts	-	-	-	-	2,887.57
Deletion of lease contracts	-	-	-	-	(1,111.53)
Lease liabilities paid	-	-	-	-	(2,528.00)
As at March 31, 2020	**797,015.21**	**99,142.86**	**36,255.41**	**522.14**	**24,029.34**
As at April 1, 2020	**797,015.21**	**99,142.86**	**36,255.41**	**522.14**	**24,029.34**
Non Cash items (refer note 6(xxi))	-	-	-	-	(121.18)
Proceeds from borrowings	-	33,546.44	-	-	-
Repayment of borrowings	-	(23,576.43)	(5,028.41)	-	-
Reclassification of bank overdraft*	-	-	(13,263.67)	-	-
Finance cost	-	-	-	13,917.83	2,670.32
Finance cost paid	-	-	-	(14,189.24)	(2,670.32)
Addition of lease contracts	-	-	-	-	5,083.78
Deletion of lease contracts	-	-	-	-	(628.45)
Lease liabilities paid	-	-	-	-	(2,374.90)
Exchange translation	-	-	-	-	(9.53)
As at March 31, 2021	**797,015.21**	**109,112.87**	**17,963.33**	**250.73**	**25,979.06**

*Bank overdraft have been reclassified from current borrowings to cash and cash equivalent for the purpose of preparation of statement of cash flow.

6(xvii) Non-current borrowings

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Secured [refer note 11(I)]		
(a) Term loan from banks	96,162.98	94,547.21
(b) Deferred payment liabilities	158.24	215.43
(c) Vehicle loans	244.33	49.07
(d) Term loan from body corporates	95.08	476.64
	96,660.63	**95,288.35**
Unsecured [refer note 11(I)]		
(a) Term loan from a body corporate	112.15	116.68
	112.15	**116.68**
Non-current borrowings - Total	**96,772.78**	**95,405.03**

6(xviii) Other financial liabilities

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Non Current		
Unsecured		
(a) Security deposits	50.07	54.28
(b) Payables on purchase of property, plant and equipment*	661.76	893.21
(c) Put option [refer note 12(b)]	162,100.00	-
	162,811.83	**947.49**
* This also includes amount payable to micro and small enterprises amounting to ₹ 352.94 Lakhs as at March 31, 2021		
Current		
Secured		
(a) Current maturities of non-current borrowings [refer note 11(I)]	12,340.09	3,737.83
	12,340.09	**3,737.83**
Unsecured		
(a) Security deposits	2,226.11	2,218.60
(b) Interest accrued but not due on borrowings	250.73	522.14
(c) Unpaid equity dividend	13.52	19.30
(d) Payables on purchase of property, plant and equipment	3,061.99	5,823.41
(e) Put option [refer note 12(b)]	-	118,000.00
(f) Employees Payable	5,792.10	4,305.48
(g) Liability against indemnification (refer note 1 below)	74.70	74.70
(h) Other liabilities	818.71	523.51
	12,237.87	**131,487.14**
	24,577.96	**135,224.97**

Notes:

1 At the time of acquisition of Piramal labs (SRL Diagnostics Private Limited) by SRL Limited (Subsidiary), it was agreed that any charge relating to tax litigations before the date of acquisition shall be indemnified to SRL Limited. Accordingly, the amount paid by Piramal to SRL Limited, has been shown under liability against indemnification till the litigations are settled.

6(xix) Provisions

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Non current		
Provision for employee benefits		
(a) Provision for gratuity (refer note 17)	7,852.24	7,560.82
(b) Provision for compensated absences	909.13	-
	8,761.37	**7,560.82**
Current		
Provision for employee benefits		
(a) Provision for gratuity (refer note 17)	1,260.74	1,300.22
(b) Provision for compensated absences	3,756.36	4,358.77
Others		
(a) Provision for litigations (refer note (iii) below and note 15)	942.72	937.07
(b) Provision for contingencies [refer note (i) below]	3,252.06	1,200.21
(c) Provision against vendor claim [refer note (ii) below]	100.00	112.69
	9,311.88	**7,908.96**

Notes:

(i) Provision for contingencies

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Provision for Indemnification [refer note 12]	205.03	205.03
(b) Others		
Opening balance	995.18	881.70
Add: provision created during the year (refer note (iv) and (v) below)	2,087.25	157.18
Less: utilisation during the year	(35.40)	(43.70)
Closing balance	3,047.03	995.18
Total - Provision for contingencies	**3,252.06**	**1,200.21**

(ii) Provision of ₹ 100 Lakhs against a claim made by a body corporate against the Group in respect of certain electrical work done at Gurugram unit.

(iii) Provision for litigations

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	937.07	926.68
Add: provision made during the year	5.65	10.39
Closing balance	**942.72**	**937.07**

(iv) It includes ₹ 1,460.00 Lakhs in respect of any contingencies emanating from regulatory matters, which will be settled when the outcome is known. (refer note 29)

(v) Provision for contingency is made against clinical research studies and amount due as refund to the patients.

6(xx) Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Contract liabilities - advances from customers	6.63	6.49
	6.63	**6.49**

6(xxi) Current borrowings

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Secured - at amortised cost [refer note 11(II)]		
(a) Bank overdraft	4,210.96	17,474.63
(b) Working capital demand loan	13,636.44	18,662.00
	17,847.40	**36,136.63**
Unsecured - at amortised cost [refer note 11(II)]		
(a) Loan from body corporate	115.93	118.78
	115.93	**118.78**
	17,963.33	**36,255.41**

6(xxii) Trade payables

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Current		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 34)	5,771.45	6,392.22
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	49,048.72	53,370.81
	54,820.17	**59,763.03**

6(xxiii) Other current liabilities

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
(a) Contract liabilities - advances from customers	6,164.31	5,978.37
(b) Statutory dues payable	6,666.59	9,385.07
(c) Liability towards customer loyalty program*	151.93	125.27
(d) Others	95.56	78.65
	13,078.39	**15,567.36**

*The movement during the year is as below :

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Opening balance	125.27	30.00
Deferred during the year	386.50	266.85
Released to the Statement of Profit and Loss	(359.84)	(171.58)
Closing balance	**151.93**	**125.27**

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

6(xxiv) Revenue from operations

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Sale of services		
i) Healthcare services		
-Revenue from in patient department	271,351.17	311,653.28
-Revenue from out patient department	46,613.48	64,143.07
-Income from medical services	601.56	930.08
-Management fees from hospital	422.64	1,358.79
-Income from satellite centers	2.36	77.08
-Income from clinical research	115.20	124.73
-Trustee management fees	48.97	77.86
Less: Trade discounts	13,700.40	14,945.00
	305,454.98	**363,419.89**
ii) Diagnostic services*	**89,300.87**	**86,482.84**
Revenue from contract with customers	**394,755.85**	**449,902.73**

*Disaggregation of revenue from diagnostic services as per Ind AS 115:

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
-Owned labs	63,486.85	64,065.86
-Collection centers	24,411.24	20,813.81
-Franchisees	1,402.78	1,603.17
	89,300.87	**86,482.84**

Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 8). The revenue recognised during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of unbilled revenue and liabilities.

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(b) Sale of products - Trading		
i) Out patient pharmacy	1,377.61	784.60
	1,377.61	**784.60**
(c) Other operating revenues		
i) Income from academic services	218.46	300.98
ii) Income from rent (refer note 10 (b))	2,137.88	2,922.00
iii) Equipment lease rental (refer note 10 (b))	811.99	853.49
iv) Export benefits	-	2,428.94
v) Provisions/ liabilities no longer required written back	2,099.34	3,452.57
vi) Miscellaneous income	1,610.87	2,586.70
	6,878.54	**12,544.68**
Total revenue from operations (a+b+c)	**403,012.00**	**463,232.01**

6(xxv) Other income

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
a) Interest income		
i) Interest income		
- on bank deposits	1,170.33	1,163.73
- on Income-tax refund	2,785.14	1,695.10
- others	3.39	3.67
ii) Interest on financial assets carried at amortised cost	242.44	167.95
(b) Other non-operating income		
i) Profit on sale of current investment	-	41.16
ii) Profit on disposal of property, plant and equipment	176.85	-
iii) Gain on foreign currency fluctuation (net)	-	1,884.95
iv) Miscellaneous income	277.50	307.30
Total other income (a+b)	**4,655.65**	**5,263.86**

6(xxvi) Changes in inventories of medical consumable and drugs

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Inventory at the beginning of the year	7,817.91	5,653.34
(b) Inventory at the end of the year	7,676.32	7,817.91
Changes in inventories [(a)-(b)]	**141.59**	**(2,164.57)**

6(xxvii) Employee benefits expense

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Salaries, wages and bonus	77,022.12	83,151.94
(b) Gratuity expense (refer note 17)	1,276.63	1,142.36
(c) Compensated absences	576.47	750.04
(d) Contribution to provident and other funds	4,427.27	4,779.20
(e) Staff welfare expenses	1,924.24	1,954.73
(f) Share based payment to employees (refer note 16)	(94.29)	147.08
	85,132.44	**91,925.35**
Less: Expenses capitalised (refer note 21)	231.87	322.22
	84,900.57	**91,603.13**

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

6(xxviii) Finance costs

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Interest expense		
- on term loans	10,390.24	13,015.69
- on cash credit	689.00	1,192.23
- on others	325.47	363.58
- on defined benefit plan	773.97	780.47
- interest on lease liabilities (refer note 10)	2,670.32	2,628.64
(b) Other borrowing cost (including prepayment charges)	1,739.15	2,525.74
	16,588.15	**20,506.35**

6(xxix) Depreciation and amortisation expense

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Depreciation of property, plant and equipment (refer note 6(i)(a))	22,338.47	22,009.30
(b) Amortisation of intangible assets (refer note 6(iii)(a))	2,384.85	2,933.32
(c) Amortisation of Right-of-use assets (refer note 10)	4,336.74	4,230.29
	29,060.06	**29,172.91**

6(xxx) Other expenses

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) Contractual manpower	8,658.13	9,800.22
(b) Power and fuel	10,217.00	10,447.20
(c) Housekeeping expenses including consumables	6,746.21	7,118.51
(d) Patient food and beverages	3,685.79	4,720.03
(e) Pathology laboratory expenses	1,244.27	1,145.91
(f) Radiology expenses	3,945.48	6,046.83
(g) Cost of medical services	726.66	1,103.77
(h) Professional and consultation fees to doctors	80,896.72	97,589.11
(i) Repairs and maintenance		
- Building	389.61	479.43
- Plant and machinery (including medical equipments)	10,887.13	11,340.03
- Others	1,283.79	1,162.00
(j) Rent		
- Hospital buildings, offices and labs	2,585.84	2,680.25
- Equipments	873.33	1,105.01
- Others	1,231.09	1,203.40
(k) Donations	0.10	17.46
(l) Legal and professional fee	7,538.71	8,511.52
(m) Travel and conveyance	1,799.27	2,867.44
(n) Rates and taxes	2,893.46	2,631.48
(o) Printing and stationary	4,847.64	5,179.48
(p) Recruitment and trainings	107.77	361.53
(q) Communication expenses	1,099.16	1,215.98
(r) Directors' sitting fees	427.08	437.43
(s) Insurance	3,251.62	2,265.87

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(t) Marketing and business promotion	8,518.32	19,479.04
(u) Fees to collection centers	6,902.26	6,229.05
(v) Loss on disposal of property, plant and equipment (net)	-	87.22
(w) Net loss on foreign currency transactions	1,209.98	-
(x) Bad debts written off	10.83	2.26
(y) Allowance for bad and doubtful trade receivables (refer note 6(v))	4,018.67	6,573.79
(z) Allowance for bad and doubtful advances	245.49	233.20
(aa) Provision for contingencies (net of ₹ 590.15 Lakhs advance from customer written back) [refer note 6(xix)]	1,461.70	157.18
(ab) Provision for litigations [refer note 6(xix)]	5.65	10.39
(ac) Expenditure on corporate social responsibility (refer note 24)	1,425.45	937.56
(ad) Miscellaneous expenses	943.98	1,215.11
	180,078.19	**214,354.69**
Less: Expenses capitalised (refer note 21)	1.36	62.56
	180,076.83	**214,292.13**

6(xxxi) Exceptional items

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
Expenses/(income):		
(a) Lease concessions received due to Covid-19	121.18	-
(b) Reversal of allowance for loan given to C-Doc Healthcare Limited and interest thereon [refer note 22]	-	50.00
(c) Gain on disposal of an associate [refer note 23]	-	3,856.90
(d) Reversal of allowance for loan given to body corporate [refer note 28 (C) (iii)]	-	2,276.00
	121.18	**6,182.90**

6(xxxii) Income-tax

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
Recognised in Statement of Profit or loss		
Current tax		
Current income tax charge for the year	10,019.01	24,360.18
	10,019.01	**24,360.18**
Deferred tax		
Deferred tax credit on profit for the year	(72.60)	(9,573.10)
	(72.60)	**(9,573.10)**
	9,946.41	**14,787.08**
Recognised in Other Comprehensive Income		
Deferred tax (Credit)/ Charge		
Tax related to item that will not be subsequently reclassified to profit and loss	(49.83)	101.64
Income tax charge recognised to other comprehensive income	**(49.83)**	**101.64**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
Profit before tax from continuing operations	4,329.54	23,935.92
Enacted income-tax rate in India (%)	34.94	34.94
Income tax rate calculated	**1,512.90**	**8,364.17**
Effect of profit of equity accounted investee not considered in determining taxable profit	(1,661.89)	(425.12)
Current year losses for which no deferred tax has been recognised	9,081.78	10,789.18
Income chargeable at lower/ Nil tax rate	(1,929.06)	(3,791.28)
Effect of expenses not considered in determing taxable profits	1,181.44	-
Recognition of DTA on past brought forward losses	(115.09)	-
Recognition of DTL due to change in law	893.50	-
Effect of reduction in tax rate	-	(2,945.69)
Tax on dividend from group companies	-	2,795.82
Undistributed profits	982.83	-
Income-tax expense reported in the Consolidated Statement of profit and loss	**9,946.41**	**14,787.08**

No deferrred tax asset has been recognised on below:

Particulars	As on March 31, 2021		As on March 31, 2020	
	Gross Amount	Tax effect	Gross Amount	Tax effect
Expiry in assessment year				
Unabsorbed depreciation				
No expiry	19,314.26	6,606.86	8,411.49	2,854.60
Total				
Unused long term and short term capital loss				
2024-25	951.32	221.62	951.32	221.66
2026-27	1,026.31	239.09	1,026.31	239.09
2027-28	944.52	220.04	944.52	220.04
2028-29	88.63	20.65	88.63	20.65
Total	**3,010.78**	**701.40**	**3,010.78**	**701.44**
Business loss				
2021-22	-	-	127.04	31.98
2022-23	1,617.31	560.85	1,617.31	560.85
2023-24	31.39	7.90	31.39	7.90
2024-25	7,256.54	2,503.98	7,256.54	2,503.98
2025-26	389.84	98.12	389.84	98.12
2026-27	5,773.72	1,909.08	5,773.72	1,909.08
2027-28	32,663.91	10,936.97	32,777.64	10,965.59
2028-29	37,028.31	12,426.08	37,559.62	12,562.95
2029-30	15,467.25	4,804.92	-	-
	100,228.27	**33,247.90**	**85,533.10**	**28,640.45**

Particulars	As at March 31, 2021 (₹ in Lakhs)	As at March 31, 2020 (₹ in Lakhs)
Minimum Alternate Tax		
2028-29	7,414.11	7,414.11
2030-31	127.26	127.26
2031-32	159.13	159.13
2032-33	239.49	239.49
2033-34	52.49	52.49
	7,992.48	**7,992.48**

6(xxxiii) Earnings per share

Particulars	Year ended March 31, 2021 (₹ in Lakhs)	Year ended March 31, 2020 (₹ in Lakhs)
(a) (Loss)/ Profit after tax as per statement of profit and loss (₹ in Lakhs)	(10,976.18)	5,793.59
(b) Weighted average number of equity shares outstanding	754,958,148	754,957,623
(c) Basic (loss)/ earnings per share in rupees (face value – ₹ 10 per share)	(1.45)	0.77
(d) Diluted (loss)/ earnings per share in rupees (face value – ₹ 10 per share)*	(1.45)	0.77

***Diluted earnings per share**

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

Particulars	As on March 31, 2021 (₹ in Lakhs)	As on March 31, 2020 (₹ in Lakhs)
(Loss)/ profit attributable to equity shareholders (diluted)	(10,976.18)	5,793.59
Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	754,958,148	754,957,623
Effect of exercise of share options **	-	3,344
Weighted average number of equity shares (diluted) for the year	754,958,148	754,960,967
Diluted (loss)/ earnings per share in rupees	**(1.45)**	**0.77**

** During the year, all outstanding stock options were cancelled/ forfieted, hence no dilutive potential shares exist as on March 31, 2021.

7. COMPOSITION OF THE GROUP

The list of Subsidiaries, Associates and Joint Ventures considered in the preparation of the consolidated financial statements are as follows:

Name of the Group Company	Place of incorporation and principal place of business	Principal activity	Proportion of effective interest/ voting power ownership held by Group	
			March 31, 2021	March 31, 2020
a) Subsidiaries				
Hiranandani Healthcare Private Limited (HHPL)	India	Operates a multi-specialty hospital	100.00%	100.00%
Fortis Hospotel Limited (FHTL)	India	Operates clinical establishment	100.00%	100.00%
Fortis Health Management Limited	India	Operates clinical establishment & hospital	100.00%	100.00%
Hospitalia Eastern Private Limited	India	Operates clinical establishment	100.00%	100.00%
International Hospital Limited	India	Operates clinical establishment & hospital	100.00%	100.00%
Escorts Heart & Super Speciality Hospital Limited	India	Operates clinical establishment	100.00%	100.00%
Fortis Lafemme Limited (FLFL)	India	Investment company	100.00%	100.00%
Fortis Health Management (East) Limited (FHM(E)L)	India	Non-operation	100.00%	100.00%
Fortis Cancer Care Limited (FCCL)	India	Investment company	100.00%	100.00%
Fortis Healthcare International Limited (FHIL)	Mauritius	Investment company	100.00%	100.00%
Escorts Heart Institute and Research Centre Limited (EHIRCL)	India	Operates a multi-specialty hospital	100.00%	100.00%
Fortis Malar Hospitals Limited (FMHL)	India	Operates a multi-specialty hospital	62.71%	62.71%
Fortis Hospitals Limited (FHsL)	India	Operates a network of multi-specialty hospitals	100.00%	100.00%
Fortis Global Healthcare (Mauritius) Limited (FGHL)	Mauritius	Investment company	100.00%	100.00%
Malar Stars Medicare Limited (MSML)	India	Investment company	62.71%	62.71%
Fortis Asia Healthcare Pte. Limited (FAHPL)	Singapore	Investment company	100.00%	100.00%
Birdie & Birdie Realtors Private Limited	India	Renting of immovable property	100.00%	100.00%
Fortis Emergency Services Limited (FESL)	India	Operates ambulance services	100.00%	100.00%
Stellant Capital Advisory Services Private Limited	India	Merchant banker	100.00%	100.00%
RHT Health Trust Manager Pte Limited	Singapore	Managing RHT Health Trust	100.00%	100.00%
Fortis Health Staff Limited	India	Operates a network of heart command centres	100.00%	100.00%
SRL Limited	India	Operates a network of diagnostics centres	56.93%	56.93%
SRL Diagnostics Private Limited	India	Operates a network of diagnostics centres	56.93%	56.93%

Name of the Group Company	Place of incorporation and principal place of business	Principal activity	Proportion of effective interest/ voting power ownership held by Group	
			March 31, 2021	March 31, 2020
SRL Reach Limited	India	Operates a network of diagnostics centres	56.93%	56.93%
SRL Diagnostics FZ-LLC (formerly known as Super Religare Laboratories International FZ LLC)	United Arab Emirates	Operates a network of diagnostics centres	56.93%	56.93%
Fortis Healthcare International Pte Limited (FHIPL)	Singapore	Investment company	100.00%	100.00%
Mena Healthcare Investment Company Limited	British Virgin Islands	Investment company	82.54%	82.54%
Medical Management Company Limited	British Virgin Islands	Operates a clinic	82.54%	82.54%
SRL Diagnostics Middle East LLC (refer note 2 below)	United Arab Emirates	Investment company	-	27.90%
Fortis CSR Foundation (refer note 1 below)	India	Carrying out corporate social responsibilities	100%	100%
b) Associates				
Sunrise Medicare Private Limited	India	Provides healthcare consultancy services	31.26%	31.26%
Lanka Hospitals Corporation Plc	Sri Lanka	Operates a multi-specialty hospital	28.60%	28.60%
Fortis Global Healthcare Infrastructure Pte. Limited (FGHIPL)	Singapore	Investment holding company	27.82%	27.82%
RHT Health Trust (formerly known as Religare Health Trust) (RHT)	Singapore	Investment holding company	27.82%	27.82%
c) Joint Ventures				
Fortis Cauvery (Partnership firm)	India	Operates a hospital	51.00%	51.00%
Fortis C-Doc Healthcare Limited (C-Doc)	India	Operates a hospital	60.00%	60.00%
DDRC SRL Diagnostics Private Limited (DDRC)	India	Operates a network of diagnostics centres	28.47%	28.47%
SRL Diagnostics Nepal Private Limited	Nepal	Operates a network of diagnostics centres	28.47%	28.47%

Notes: -

1. During the year ended March 31, 2015, the Group incorporated 'Fortis CSR Foundation', a non-profit Company under Section 8 of the Companies Act, 2013 for carrying out Corporate Social Responsibilities ('CSR') of the Group. Since the objective of control over the entity by the Group is not to obtain economic benefits from its activities, it is not considered for preparation of consolidated financial statement of the Group.
2. SRL Limited owned 49% equity shares of SRL Diagnostics Middle East LLC through SRL Diagnostics FZ-LLC. However, based on the contractual arrangement between the SRL Limited and other shareholder, SRL Limited had the power to manage the firm technically, financially and administratively to any or all of its Board of Directors and the Management of SRL Diagnostics Middle East LLC was under the exclusive control of SRL Limited. Therefore, the Directors of SRL Limited concluded that SRL Limited had control over SRL Diagnostics Middle East LLC and it was consolidated in the previous year financial statements upto July 15, 2019. SRL Diagnostics Middle East LLC has been closed from 15 July 2019.

8. SEGMENT REPORTING

The Group has presented healthcare and diagnostic as two separate reportable segments in accordance with "Ind AS 108 Operating segments".

(₹ in Lakhs)

Sr. No	Particulars	Year Ended	
		March 31, 2021	March 31, 2020
1	**Segment value of sales and services (revenue)**		
	- Healthcare	312,367.92	375,320.40
	- Diagnostics	103,462.78	101,633.10
	Subtotal	**415,830.70**	**476,953.50**
	Less: Inter segment sales	(12,818.70)	(13,721.49)
	Revenue from operations	**403,012.00**	**463,232.01**
2	**Segment results**		
	- Healthcare	(865.30)	19,839.69
	- Diagnostics	12,250.28	11,938.14
	Total segment profit before interest and tax	**11,384.98**	**31,777.83**
	(i) Finance cost	(16,588.15)	(20,506.35)
	(ii) Exceptional items and un-allocable expenditure (net of un-allocable income)	4,776.83	11,447.88
	(iii) Share of profit of associates and joint ventures	4,755.88	1,216.56
	Profit before tax	**4,329.54**	**23,935.92**
3	**Segment assets**		
	- Healthcare	871,303.94	881,318.80
	- Diagnostics	110,455.56	113,268.00
	- Un-allocable assets	147,679.43	157,260.00
	Total assets	**1,129,438.93**	**1,151,846.80**
	Less: Inter segment assets	(13,970.03)	(17,064.97)
	Total segment assets	**1,115,468.90**	**1,134,781.83**
4	**Segment liabilities**		
	- Healthcare	273,473.18	238,296.80
	- Diagnostics	27,367.00	25,619.49
	- Un-allocable liabilities	156,817.63	167,371.94
	Total liabilities	**457,657.81**	**431,288.23**
	Less: Inter segment liabilities	(13,970.03)	(17,064.97)
	Total segment liabilities	**443,687.78**	**414,223.20**

Sales by market- Revenue from external customers by location of customers

The following table shows the distribution of the Group's consolidated revenues by geographical market.

(₹ in Lakhs)

Region	Year ended	
	March 31, 2021	March 31, 2020
India	401,383.62	460,752.50
Outside India	1,628.38	2,479.51
Total	**403,012.00**	**463,232.01**

Carrying value of Assets- by location of assets

The following table shows the carrying amount of segment assets by geographical area in which the assets are located:

(₹ in Lakhs)

Region	Year ended	
	March 31, 2021	March 31, 2020
India	1,102,421.04	1,091,735.60
Outside India	13,047.86	43,046.23
Total	**1,115,468.90**	**1,134,781.83**

Major customer

The Group does not derive revenue from any customer which would amount to 10 per cent or more of the Group's revenue.

9. RELATED PARTY DISCLOSURES

Names of related parties and names of related party relationship:

Nature of relationship	Name of the related party
Ultimate Holding Company	IHH Healthcare Berhad
Intermediate Holding Company	Integrated Healthcare Holdings Limited
	Parkway Pantai Limited
Holding Company	Northern TK Venture Pte Limited
Subsidiary	Fortis CSR Foundation [refer note 7(1) above]
Associates (parties with whom transactions have taken place)	RHT Health Trust (RHT)
	The Lanka Hospitals Corporation PLC
	Lanka Hospitals Diagnostics (Private) Limited
	Sunrise Medicare Private Limited
Joint Ventures (parties with whom transactions have taken place)	DDRC SRL Diagnostics Private Limited
	SRL Diagnostics (Nepal) Private Limited
	Fortis C-Doc Healthcare Limited (C-Doc)
	Fortis Cauvery, Partnership Firm (Joint Venture of FCCL)

Nature of relationship	Name of the related party
Key Management Personnel ('KMP')/ Directors and their Relatives (with whom transactions have been taken place)	Dr. Ashutosh Raghuvanshi - Managing Director and Chief Executive Officer
	Mr. Vivek Kumar Goyal - Chief Financial Officer (w.e.f April 08, 2019)
	Mr. Girish Gupta - Chief Financial Officer (upto April 08, 2019)
	Mr. Ravi Rajagopal – Independent Director
	Mr. Shirish Moreshwar Apte – Non-executive Non-independent Director
	Ms. Suvalaxmi Chakrobarty – Independent Director
	Bhagat Chintamani Aniruddha- Non-executive Non Independent Director (upto December 02, 2019)
	Mr. Indrajit Banerjee – Independent Director
	Dr. Chan Boon Kheng - Non-Executive Non-Independent Director (upto October 31, 2019)
	Mr. Sumit Goel- Company Secretary
	Dr. Kelvin Loh Chi-Keon - Non-Executive Non-Independent Director (w.e.f. September 28, 2019)
	Low Soon Teck - Non-Executive Non-Independent Director (up to June 04, 2020)
	Mr. Sim Heng Joo Joe - Non-Executive Non-Independent Director (w.e.f. November 26, 2019)
	Dr. Farid Bin Mohamed Sani - Non-Executive Non-Independent Director (w.e.f. December 30, 2019)
	Ms. Shailaja Chandra Non-Executive Independent Director (w.e.f. June 28, 2020)
	Mr. Joerg Ayrle - Additional Director (w.e.f. March 31, 2021)
	Dr. Tan See Leng - Additional Director (upto September 27, 2019)
Enterprises significantly influenced by KMP and their relatives (with whom transactions have been taken place)	Trivitron Health Care Private Limited
	Jacob Ballas Capital India Private Limited
	Mauritius International Trust Company Limited
Enterprises owned or significantly controlled / influenced by subsidiary of holding/ultimate holding company	Continental Hospitals Private Limited
	Ravindranath GE Medical Associates Private Limited
	Centre for Digestive and Kidney Diseases (India) Private Limited
	Apollo Gleneagles Hospital Limited
	Apollo Hospitals Enterprises Limited
	Bharat Insecticides Limited
Entity having significant influence (Enterprise having significant influence over ultimate holding company through its subsidiary)	Mitsui & Co Limited

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Transactions during the year		
Operating income (including Income from medical services, Management fees from hospitals and Pharmacy income)		
DDRC SRL Diagnostics Private Limited	227.41	318.16
Medical and Surgical Centre Limited	-	3.50
SRL Diagnostic (Nepal) Private limited	176.43	275.25
Fortis C-Doc Healthcare Limited	65.15	101.08
RHT Health Trust	48.97	77.86
Apollo Gleneagles Hospital Limited	56.25	70.79
Apollo Hospitals Enterprises Limited	43.23	73.52
Lanka Hospitals Diagnostics (Private) Limited	65.07	56.97
Centre for Digestive and Kidney Diseases (India) Private Limited	18.73	-
Bharat Insecticides Limited	1.54	-
Dividend Income		
DDRC SRL Diagnostics Services Private Limited	2,800.00	-
Lanka Hospitals Corporation Plc	-	416.29
Consultation fees to doctors		
Fortis C-Doc Healthcare Limited	39.04	76.19
Purchase of reagents and consumables		
DDRC SRL Diagnostics Private Limited	-	54.45
Fortis C-Doc Healthcare Limited	1.11	0.24
Trivitron Health Care Private Limited	17.25	120.65
Legal and Professional Fees		
Mauritius International Trust Company Limited	-	21.41
Corporate Social Responsibility		
Fortis CSR Foundation	-	391.17
Transfer of liability to		
Fortis CSR Foundation	-	4.56
Fortis C-Doc Healthcare Limited	3.48	-
Managerial remuneration		
Dr. Ashutosh Raghuvanshi	641.90	468.91
Vivek Kumar Goyal	263.81	197.66
Girish Gupta	-	0.46
Sumit Goel	71.67	71.10
Purchase of property, plant and equipment		
Trivitron Health Care Private Limited	-	30.68
Sale of property, plant and equipment		
Fortis C-Doc Healthcare Limited	2.50	-
Loans/ advances received back		
Fortis C-Doc Healthcare Limited	-	50.00
Interest income		
Fortis C-Doc Healthcare Limited	3.39	3.67
Allowance for doubtful loan (reversed)		
Fortis C-Doc Healthcare Limited	-	50.00
Expenses incurred by the Company on behalf of		
SRL Diagnostic (Nepal) Private limited	2.34	30.35
Fortis C-Doc Healthcare Limited	9.36	0.65

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Fortis CSR Foundation	7.54	51.00
The Lanka Hospitals Corporation PLC	-	0.87
Expense incurred on behalf of the Company by		
DDRC SRL Diagnostics Private Limited	15.34	23.37
SRL Diagnostic (Nepal) Private limited	9.60	12.72
Fortis CSR Foundation	-	1.43
Collection by the company on behalf of		
Fortis C-Doc Healthcare Limited	0.73	4.86
Collection on behalf of company by		
Fortis C-Doc Healthcare Limited	2.83	-
Commission		
Mr. Ravi Rajagopal	74.42	-
Mr. Indrajit Banerjee	56.36	-
Ms. Suvalaxmi Chakrabarty	39.84	-
Ms. Shailaja Chandra	7.76	-
Director Sitting Fees		
Chintamani Aniruddha Bhagat	-	7.08
Indrajit Banerjee	32.11	36.58
Northern TK Venture Pte. Limited (Dr. Chan Boon Kheng)	-	14.16
Northern TK Venture Pte. Limited (Dr. Tan Seel Leng)	-	3.54
Northern TK Venture Pte. Limited (Mr. Low Soon Teck)	3.54	23.60
Ravi Rajagopal	35.47	31.24
Shirish Moreshwar Apte	15.34	5.90
Suvalaxmi Chakrobarty	31.86	35.40
Northern TK Venture Pte. Limited (Dr. Kelvin Loh Chi-Keon)	12.98	3.54
Sim Heng Joo Joe	11.80	2.36
Ms. Shailaja Chandra	20.30	-
Mitsui and Co. Limited (Mr.Takeshi Saito)	7.08	-
Mr. Dilip Kadambi	17.70	-
Northern TK Venture Pte. Limited (Mr. Joerg Ayrle)	1.18	-
Dr. Farid Bin Mohamed Sani	12.98	2.36
Reimbursement of expenses		
Ravi Rajagopal	10.63	24.44
Indrajit Banerjee	-	0.20
Sale of Investment in Associate		
Medical and Surgical Centre Limited	-	7,388.32
Transfer of Medical Consumables and drugs to		
Fortis C-Doc Healthcare Limited	1.34	0.30

Balance Outstanding at the year end

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans/Advances recoverable		
Fortis C-Doc Healthcare Limited	1,367.72	1,367.72
SRL Diagnostic (Nepal) Private limited	8.13	29.86
Lanka Hospitals Diagnostics (Private) Limited	3.97	3.97
Provision on doubtful loan recoverable		
Fortis C-Doc Healthcare Limited	1,367.72	1,367.72
Interest accrued		
Fortis C-Doc Healthcare Limited	180.61	180.61
Provision for doubtful interest		
Fortis C-Doc Healthcare Limited	180.61	180.61
Gross Investments (net of sale proceeds)		
Sunrise Medicare Private Limited	0.31	0.31
Fortis CSR Foundation	5.00	5.00
Lanka Hospitals Corporation Plc	19,762.82	19,762.82
RHT Health Trust	60,853.75	60,853.75
DDRC SRL Diagnostics Private Limited	950.88	950.88
SRL Diagnostic (Nepal) Private limited	150.00	150.00
Provision for Investment		
Sunrise Medicare Private Limited	0.31	0.31
Lanka Hospitals Corporation Plc	10,491.65	10,491.65
Investments (at net book value)		
Lanka Hospitals Corporation Plc	10,547.73	10,943.59
RHT Health Trust	2,468.24	2,486.41
DDRC SRL Diagnostics Private Limited	5,299.09	3,753.76
SRL Diagnostic (Nepal) Private limited	288.38	270.72
Other balance recoverable		
Fortis C-Doc Healthcare Limited	31.20	28.04
Fortis Cauvery	13.25	13.25
Trade receivables		
DDRC SRL Diagnostics Private Limited	7.62	20.72
SRL Diagnostics (Nepal) Private Limited	152.58	218.61
Fortis C-Doc Healthcare Limited	288.58	269.90
Sunrise Medicare Private Limited	1.00	10.00
Apollo Gleneagles Hospital Limited	20.84	15.92
Continental Hospitals Private Limited	-	0.02
Ravindranath GE Medical Associates Private Limited	0.12	0.12
Apollo Hospitals Enterprises Limited	11.23	18.86
Lanka Hospitals Diagnostics (Private) Limited	12.48	1.25
Bharat Insecticides Limited	0.13	-
Centre for Digestive and Kidney Diseases (India) Private Limited	7.29	-
Provision for doubtful receivable		
Sunrise Medicare Private Limited	1.00	10.00
Fortis Cauvery	13.25	13.25

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables and Other Liabilities		
Trivitron Health Care Private Limited	-	0.43
Fortis CSR Foundation	-	2.24
Advance from customers		
Jacob Ballas Capital India Private Limited	0.23	0.23

Notes:

1. As the future liability for gratuity and leave encashment is provided on actuarial basis for the Group as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above. The figures reported above also do not include accrual recorded for Employee Share Based Payments.
2. Amount shown is inclusive of perquisites (including ESOP exercise, if any), employer's contribution to provident fund and excluding reimbursement of expenses.
3. Also refer note 12(a), 12(b), 12 (c) and 29.

10. LEASES

(a) As a lessee:

The Group leases many assets including land, buildings and plant and equipment. Information about leases for which the Group is a lessee is presented below:

(₹ in Lakhs)

Right-of-use assets	Leasehold land (refer note below)	Buildings	Plant & equipment	Total
Gross carrying value				
As at April 1, 2019	**-**	**-**	**-**	**-**
Recognition on adoption of Ind AS 116 Leases	-	21,220.39	246.94	21,467.33
Reclassification from Property, plant and equipment	88,623.22	447.07	93.75	89,164.04
Reclassification from Capital work in progress	-	1,862.20	-	1,862.20
Additions	-	2,871.74	15.83	2,887.57
Modification of lease agreements	-	(13.10)	-	(13.10)
Disposal	-	(1,395.86)	(60.89)	(1,456.75)
Exchange translation adjustments	-	(6.69)	-	(6.69)
As at March 31, 2020	**88,623.22**	**24,985.75**	**295.63**	**113,904.60**
Addition	-	4,346.14	1,341.59	5,687.73
Disposal	-	(2,339.39)	-	(2,339.39)
Exchange translation adjustments	-	(9.18)	-	(9.18)
As at March 31, 2021	**88,623.22**	**26,983.32**	**1,637.22**	**117,243.76**
Accumulated amortisation				
As at April 1, 2019	-	-	-	-
Reclassification from Property, plant and equipment	24.68	60.19	90.40	175.27
Charge for the year	538.90	3,587.41	103.98	4,230.29
Disposal	-	(298.75)	(32.24)	(330.99)
As at March 31, 2020	**563.58**	**3,348.85**	**162.14**	**4,074.57**
Charge for the year	463.08	3,759.16	114.50	4,336.74
Disposal	-	(1,748.11)	-	(1,748.11)
Exchange translation adjustments	-	0.83	-	0.83

(₹ in Lakhs)

Right-of-use assets	Leasehold land (refer note below)	Buildings	Plant & equipment	Total
As at March 31, 2021	**1,026.66**	**5,360.73**	**276.64**	**6,664.03**
Net carrying value				
As at March 31, 2020	**88,059.64**	**21,636.90**	**133.49**	**109,830.03**
As at March 31, 2021	**87,596.56**	**21,622.59**	**1,360.58**	**110,579.73**

***Notes:**

(i) Leasehold Land includes ₹ 377.11 Lakhs (Previous year ₹ 377.11 Lakhs) in respect of a subsidiary. Delhi Development Authority had terminated all the allotment letters lease/ deeds in respect of this land during FY 2005-06. The subsidiary has filed an appeal in the Delhi High Court and repossession of land has been stayed by an interim stay order of Delhi High Court. Leasehold land is not amortised since it has been taken on a perpetual lease.

(ii) Leasehold Land includes ₹ 21.11 Lakhs (Previous year ₹ 21.11 Lakhs) in respect of a subsidiary, for which, the deed is not in possession of the Group. The subsidiary has written to the Delhi Development Authority to provide a copy of the deed and reply is awaited.

(iii) Under the lease agreement, Fortis Hospotel Limited (subsidiary company) is required to pay annual lease rental of ₹ 32.55 Lakhs till December 31, 2032. Rent shall be revised thereafter at the end of each successive period of 30 years and such increase shall not at each such time exceed one- half of the increase in the letting value of land as assessed by collector or additional collector of Delhi. Lease liability of ₹ 971.00 Lakhs recorded in the books represent the perpetuity value of annual lease payments.

(₹ in Lakhs)

Lease Liabilities included in Balance Sheet (discounted)	March 31, 2021	March 31, 2020
Current	2,820.66	2,779.57
Non-current	23,158.40	21,249.77

(₹ in Lakhs)

Maturity analysis - contractual undiscounted cash flows	March 31, 2021	March 31, 2020
Less than one year	5,017.11	4,314.48
One to five years	15,331.60	13,081.32
More than five years	35,116.69	35,547.02
Total undiscounted lease liabilities	**55,465.40**	**52,942.82**

(₹ in Lakhs)

Amounts recognised in Statement of Profit and Loss	March 31, 2021	March 31, 2020
Interest on lease liabilities	2,670.32	2,628.64
Variable lease payments not included in the measurement of lease liabilities	1,736.38	2,852.85
Expenses relating to short-term leases	**2,953.88**	**2,135.81**

(₹ in Lakhs)

Amounts recognised in Statement of Cash Flow	March 31, 2021	March 31, 2020
Cash outflow for lease payments	2,374.90	2,528.00
Interest on lease liabilities (included in Interest paid)	2,670.32	2,628.64
Total cash outflow for leases	**5,045.22**	**5,156.64**

(b) As a lessor

i) The Group has sub-leased some portion of hospital premises and certain medical equipment. The Group has classified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The total lease income received/ receivable in respect of hospital premises recognised in the consolidated statement of profit and loss for the year are ₹ 2,137.88 Lakhs (Previous year ₹ 2,922.00 Lakhs). The equipment lease rental received in respect of medical equipment recognised in the consolidated statement of profit and loss for the year are ₹ 811.99 Lakhs (Previous year ₹ 853.49 Lakhs).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Minimum lease payments:		
Not later than one year	303.39	861.19
Later than one year but not later than five years	79.85	382.84
Later than five years	-	-

The details of assets given on lease is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Gross carrying value	Accumulated Depreciation	Net carrying value	Gross carrying value	Accumulated Depreciation	Net carrying value
Building & Furniture and fittings*	415.73	159.89	255.84	418.32	157.71	260.61
Plant and machinery	96.66	96.66	-	96.66	96.66	-
Medical equipment	4,716.15	3,103.66	1,612.49	5,545.33	2,970.86	2,574.47
Computers	22.13	22.13	-	22.98	22.98	-
Office Equipment	9.81	9.81	-	10.10	10.10	-
Vehicles	15.70	15.70	-	15.70	15.13	0.57
Total	**5,276.18**	**3,407.85**	**1,868.33**	**6,109.09**	**3,273.44**	**2,835.65**

*Building cannot be segregated.

11. BORROWINGS

I. Non-current borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2021		March 31, 2020	
Security and guarantee details	Repayment terms	Interest rate per annum	Non-current	Current	Non-current	Current
A. Term loan from banks – Secured						
Fortis Hospitals Limited (FHsL) Three term loan facilities from HSBC Bank of ₹ 27,850.00 Lakhs (₹ 158,90.00 Lakhs (*), ₹ 1,910.00 Lakhs(*) and ₹ 10,050.00 Lakhs) secured against the first pari-passu charge on moveable fixed and current assets of FHsL and exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram) and corporate guarantee from Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Healthcare Limited and Fortis Hospotel Limited. * During the year ended March 31, 2021, facility of ₹ 15,890.00 Lakhs and ₹ 1,910.00 Lakhs has been foreclosed and refinanced through DBS Bank.	Repayable in structured quarterly instalments in 11 years respectively with a put/call option exercisable on or after September 01, 2022.	HSBC 3 months MCLR+50 bps	9,181.88	518.03	24,299.99	1,176.68
Fortis Hospitals Limited (FHsL) Term loan facility from DBS Bank of ₹ 14,200.00 Lakhs and ₹ 1,620.34 secured against the first pari passu charge over current assets and moveable fixed assets of the borrower (except vehicles under specific charge with Philips India Limited, De Lage Laden Financial Services P Limited, BMW Financial Services and ICICI bank), Exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x and corporate Guarantee from	Repayable in 4 years in structured quarterly instalments with a demand option exercisable on or after September 01, 2023.	DBS 3 months MCLR+100bps	9,058.55	5,417.15	-	-

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

I. Non-current borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2021		March 31, 2020	
Security and guarantee details	Repayment terms	Interest rate per annum	Non-current	Current	Non-current	Current
Fortis Healthcare Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Fortis Hospotel Limited and Escorts Heart and Super Speciality Hospital Limited.						
Fortis Hospitals Limited (FHsL) Term loan for capex from HSBC Bank of ₹ 11,000.00 Lakhs secured against the first pari-passu charge on movable fixed assets and current assets of the Company, exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram) and corporate guarantee from Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Healthcare Limited and Fortis Hospotel Limited.	Repayable in 7 years in 24 equal quarterly instalments started from November 2020, post 1 year moratorium	HSBC 3 months MCLR+50 bps	5,959.81	1,324.38	5,958.33	541.67
Fortis Hospitals Limited (FHsL) Term loan facility for capex from DBS Bank of ₹ 7,500.00 Lakhs secured against the first pari passu charge over current assets and moveable fixed assets of the borrower (except vehicles under specific charge with Philips India Limited, De Lage Laden Financial Services P Limited, BMW Financial Services and ICICI bank), Exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x and corporate Guarantee from Fortis Healthcare Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Fortis Hospotel Limited and Escorts Heart and Super Speciality Hospital Limited.	Repayable in 4 years in 16 equal quarterly instalments with 1 year moratorium with a demand option exercisable on or after September 01, 2023.	DBS 3 months MCLR+100bps	1,636.24	234.28	-	-

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

I. Non-current borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2021		March 31, 2020	
Security and guarantee details	Repayment terms	Interest rate per annum	Non-current	Current	Non-current	Current
Escorts Heart Institute and Research Centre Limited (EHIRCL) Term loan facility from HSBC of ₹ 640.00 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram) and corporate guarantee from Fortis Hospitals Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Healthcare Limited and Fortis Hospotel Limited . During the year ended March 31, 2021, facility has been foreclosed and refinanced through DBS Bank.	-	-	-	-	533.33	106.67
Escorts Heart Institute and Research Centre Limited (EHIRCL) Term loan for capex from HSBC of ₹ 500.00 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram) and corporate guarantee from Fortis Hospitals Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Healthcare Limited and Fortis Hospotel Limited .	Repayable in 7 years in 24 equal quarterly instalments started from November 2020, post 1 year moratorium	HSBC 3 months MCLR+50 bps	375.00	83.33	458.33	41.67

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

I. Non-current borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2021		March 31, 2020	
Security and guarantee details	Repayment terms	Interest rate per annum	Non-current	Current	Non-current	Current
Escorts Heart Institute and Research Centre Limited (EHIRCL) Term loan facility from DBS Bank of ₹ 573.44 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and first and exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL, FHsL, IHL, FHTL & EHSSHL.	Repayable in 5 years in structured instalments with demand option w.e.f. Sep 1, 2023.	DBS 3 months MCLR+100bps	412.14	129.06	-	-
Escorts Heart Institute and Research Centre Limited (EHIRCL) Term loan facility for capex from DBS Bank of ₹ 500.00 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and first and Exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL, FHsL, IHL, FHTL & EHSSHL.	Repayable in 16 structured quarterly instalments with demand option w.e.f. Sep 1, 2023.	DBS 3 months MCLR+100bps	195.65	27.63	-	-
International Hospital Limited (IHL) Term loan facility from HSBC of ₹ 3,300.00 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of IHL and exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram). The loan is further guaranteed by corporate guarantees issued by FHL, FHsL, EHIRCL, FHTL, EHSSHL & HEPL.	Repayable in 7 years in 24 equal quarterly instalments started from November 2020, post 1 year moratorium	HSBC 3 months MCLR+50 bps	2,471.86	548.82	542.41	50

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

I. Non-current borrowings (including current maturities)

(₹ in Lakhs)

Particulars Security and guarantee details	Repayment terms	Interest rate per annum	March 31, 2021 Non-current	March 31, 2021 Current	March 31, 2020 Non-current	March 31, 2020 Current
International Hospital Limited (IHL) Term loan facility from DBS Bank of ₹ 3,000.00 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of IHL and first and exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x. The loan is further guaranteed by corporate guarantees issued by FHsL, EHIRCL, FHTL, FHL & EHSSHL.	Repayable in 5 years in 16 equal quarterly instalments with 1 year moratorium with demand option w.e.f. Sep 1, 2023.	DBS 3 months MCLR+100bps	1,703.60	246.44	-	-
Fortis Hospotel Limited (FHTL) Term loan facility from HSBC Bank of ₹ 3,200.00 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHTL and exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram). The loan is further guaranteed by corporate guarantees issued by FHL, FHsL, EHIRCL, IHL, EHSSHL & HEPL.	Repayable in 7 years in 24 equal quarterly instalments started from November 2020, post 1 year moratorium	HSBC 3 months MCLR+50 bps	1,653.55	367.46	-	-
Fortis Hospotel Limited (FHTL) Term loan facility from DBS Bank of ₹ 2,500.00 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHTL and first and exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x. The loan is further guaranteed by corporate guarantees issued by FHsL, EHIRCL, IHL, FHL & EHSSHL.	Repayable in 5 years in 16 equal quarterly instalments with 1 year moratorium with demand option w.e.f. Sep 1, 2023.	DBS 3 months MCLR+100bps	147.85	21.12	-	-

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

I. Non-current borrowings (including current maturities)

(₹ in Lakhs)

Particulars Security and guarantee details	Repayment terms	Interest rate per annum	March 31, 2021 Non-current	March 31, 2021 Current	March 31, 2020 Non-current	March 31, 2020 Current
Fortis Healthcare Limited (FHL) Term loan facility from HSBC of ₹ 61,990.00 Lakhs [((i) ₹ 30,000.00 Lakhs, (ii) ₹ 2,510.00 Lakhs (*) and (iii) ₹ 29,480.00 Lakhs)] secured against the first pari-passu charge on moveable fixed and current assets of FHL and exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram) The loan is further guaranteed by corporate guarantees issued by FHTL, FHsL, EHIRCL, IHL, EHSSHL & HEPL. * During the year ended March 31, 2021, facility of ₹ 2,510.00 Lakhs has been foreclosed and refinanced through DBS Bank.	Facility (i): Repayable in 5 years in 3 equal instalments starting FY 2022-23, Facility (iii) in structured quarterly instalments in 11 years with put/ call option for loan exercisable on or after September 5, 2022	HSBC 3 months MCLR+50 bps	56,891.56	1,516.28	60,668.99	1,152.07
Fortis Healthcare Limited (FHL) Term loan facility from DBS Bank of ₹ 2,075.82 Lakhs secured against the first ranking (i) First pari passu charge over current assets and moveable fixed assets of the FHL (except vehicles under specific charge with ICICI and Kotak bank) and first and (ii) Exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x. The loan is further guaranteed by corporate guarantees issued by FHsL, EHIRCL, IHL, FHTL & EHSSHL.	Repayable in 5 years in structured monthly instalments with demand option w.e.f. Sep 1, 2023.	DBS 3 months MCLR+100bps	1,331.94	569.71	-	-

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

I. Non-current borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2021		March 31, 2020	
Security and guarantee details	**Repayment terms**	**Interest rate per annum**	**Non-current**	**Current**	**Non-current**	**Current**
Fortis Healthcare Limited (FHL) Term loan facility for capex from HSBC of ₹ 7,000.00 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHL and exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram). The loan is further guaranteed by corporate guarantees issued by FHTL, FHsL, EHIRCL, IHL, EHSSHL & HEPL.	Repayable in 7 years in 24 equal quarterly instalments started from November 2020, post 1 year moratorium	HSBC 3 months MCLR+50 bps	4,961.52	1,100.75	2,085.83	417.17
Fortis Healthcare Limited (FHL) Term loan facility for capex from DBS Bank of ₹ 4,000.00 Lakhs secured against first pari passu charge over current assets and moveable fixed assets of the FHL (except vehicles under specific charge with ICICI and Kotak bank) and first and charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x,. The loan is further guaranteed by corporate guarantees issued by FHsL, EHIRCL, IHL, FHTL & EHSSHL.	Repayable in 5 years in 16 equal quarterly instalments with 1 year moratorium.	DBS 3 months MCLR+100bps	181.83	25.98	-	-
Total (A)			**96,162.98**	**12,130.42**	**94,547.21**	**3,485.93**
B. Term loan from body corporate - Secured:						
Fortis Hospitals Limited (FHsL) The loan facility from De Lage Landen Financial Services Private Limited is secured by hypothecation of specific equipment of FHsL.	Repayable in 60 equated monthly instalments commenced after 3 months from the date of invoice.	9.00% p.a. payable monthly	95.08	73.95	169.03	67.65

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

I. Non-current borrowings (including current maturities)

(₹ in Lakhs)

Particulars			March 31, 2021		March 31, 2020	
Security and guarantee details	**Repayment terms**	**Interest rate per annum**	**Non-current**	**Current**	**Non-current**	**Current**
International Hospital Limited (IHL) The loan facility from SREI Equipment Financial Services Private Limited is secured by hypothecation of specific equipment of IHL.	The loan is repayable in 60 equated monthly instalments commencing after 1 months from the date of invoice.	11.50% p.a. payable monthly	-	-	307.61	101.41
Total (B)			**95.08**	**73.95**	**476.64**	**169.06**
C. Vehicle Loan - Secured:						
Fortis Hospitals Limited (FHsL) Secured against hypothecation of the specific vehicles purchased.	Repayable in equated monthly instalments over 4 years.	7.90% p.a.	-	2.50	2.50	14.36
Fortis Hospitals Limited (FHsL) Secured against hypothecation of the specific vehicles purchased.	Repayable in equated monthly instalments over 4 years.	7.45% to 7.90% p.a.	61.77	16.87	-	-
Fortis Healthcare Limited Secured against hypothecation of the specific vehicles purchased.	Repayable in equated monthly instalments in 4 years.	9.50% p.a.	22.64	12.70	46.57	15.39
Fortis Healthcare Limited Secured against hypothecation of the specific vehicles purchased.	Repayable in equated monthly instalments in 4 years.	9.50% p.a.	74.56	18.16	-	-
SRL Limited Secured against hypothecation of the specific vehicles purchased.	Repayable in equated monthly instalments in 4 years.	7.70% to 7.80%	85.36	28.30	-	-
Total (C)			**244.33**	**78.53**	**49.07**	**29.75**

I. Non-current borrowings (including current maturities)

(₹ in Lakhs)

	Particulars			March 31, 2021		March 31, 2020	
	Security and guarantee details	**Repayment terms**	**Interest rate per annum**	**Non-current**	**Current**	**Non-current**	**Current**
D.	**Deferred payment liabilities - Secured:**						
	Fortis Hospitals Limited (FHsL) Deferred payment facility taken is secured by first charge by way of hypothecation of specific equipment of FHsL.	The loan is repayable in 84 structured monthly instalments commenced from September 2017.	7.88% p.a. payable monthly	158.24	57.19	215.43	53.09
	Total (D)			**158.24**	**57.19**	**215.43**	**53.09**
E.	**Loan from a body corporate - Unsecured:**						
	Fortis Healthcare International Pte. Limited (FHIPL) The loan is repayable to Fortis Medicare International Limited			112.15	-	116.68	-
	Total (E)			**112.15**	**-**	**116.68**	**-**
	TOTAL(I=A+B+C+D+E)			**96,772.78**	**12,340.09**	**95,405.03**	**3,737.83**

II. Short term borrowings

(₹ in Lakhs)

	Security and guarantee details	Repayment terms	Interest rate	March 31, 2021	March 31, 2020
F.	**Bank overdrafts & Working Capital Demand Loan - Secured:**				
	Escorts Heart Institute and Research Centre Limited (EHIRCL) The facility of ₹ 2,500.00 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X on cumulative property value of Escorts Heart and Super Specialty Hospital Limited (Immovable property situated in Mohali), International Hospital Limited (Immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (Immovable property situated in Ludhiana), Fortis Hospotel Limited (Immovable property situated in Gurgaon). The loan is further guaranteed by corporate guarantees issued by FHL, IHL, FHTL, EHSSHL & HEPL.	Repayable on demand.	HSBC Bank payable on demand MCLR+70bps.	2,481.39	2,443.67
	Fortis Healthcare Limited (FHL) The facility of ₹ 10,000.00 Lakhs secured against the first pari-passu charge on moveable fixed and current assets of FHL and exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X on cumulative property value of Escorts Heart and Super Specialty Hospital Limited (Immovable property situated in Mohali), International Hospital Limited (Immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (Immovable property situated in Ludhiana), Fortis Hospotel Limited (Immovable property situated in Gurgaon). The loan is further guaranteed by corporate guarantees issued by FHsL, EHIRCL, IHL, FHTL, EHSSHL & HEPL.	Repayable on demand.	HSBC Bank overnight MCLR+70bps	1,733.45	8375.57
	Fortis Healthcare Limited (FHL) The facility of ₹ 6,000.00 Lakhs from HSBC secured against the first pari-passu charge on current assets of FHL.	Repayable by July 31, 2021	HSBC 1 month MCLR+ 50 bps	4,000.00	-

II. Short term borrowings (₹ in Lakhs)

Security and guarantee details	Repayment terms	Interest rate	March 31, 2021	March 31, 2020
Fortis Healthcare Limited (FHL) The facility of ₹ 5,000.00 Lakhs from DBS Bank secured against the first pari passu charge over current assets and moveable fixed assets of the FHL (except vehicles under specific charge with ICICI and Kotak bank and first and (ii) Exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x. The loan is further guaranteed by corporate guarantees issued by FHsL, EHIRCL, IHL, FHTL & EHSSHL.	Repayable on demand.	DBS overnight MCLR+125bps	2.22	-
Fortis Hospitals Limited (FHsL) The facility of ₹ 7,000.00 Lakhs (PY 10,900.00 Lakhs) secured by first pari-passu charge on movable fixed assets and current assets of the Company, exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of Escorts Heart and Super Speciality Hospital Limited (immovable property situated in Mohali), International Hospital Limited (immovable property situated in Faridabad and Noida), Hospitalia Eastern Private Limited (immovable property situated in Ludhiana), Fortis Hospotel Limited (immovable property situated in Gurugram) and corporate guarantee from Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Healthcare Limited and Fortis Hospotel Limited.	Repayable on demand	HSBC Bank payable on demand MCLR+70bps.	-	8,927.39
Fortis Hospitals Limited (FHsL) The facility of ₹ 9,000.00 Lakhs from HSBC secured against the first pari-passu charge on current assets of FHsL.	Repayable by July 31, 2021	HSBC 3 month MCLR+ 50 bps	5,500.00	-

II. Short term borrowings (₹ in Lakhs)

Security and guarantee details	Repayment terms	Interest rate	March 31, 2021	March 31, 2020
Fortis Hospitals Limited (FHsL) The facility of ₹ 10,000.00 Lakhs from DBS Bank secured by first pari passu charge over current assets and moveable fixed assets of the borrower (except vehicles under specific charge with Philips India Limited, De Lage Laden Financial Services P Limited, BMW Financial Services and ICICI bank), Exclusive charge over immovable fixed assets of International Hospital Limited located at Anandpur, Kolkata and BG Road, Bengaluru and Escorts Heart and Super Speciality Hospital Limited located at Jaipur, Rajasthan with a security cover of minimum 1.33x and corporate Guarantee from Fortis Healthcare Limited, Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Fortis Hospotel Limited and Escorts Heart and Super Speciality Hospital Limited.	Repayable on demand	DBS 1 month MCLR+100 bps	1,100.00	-
Fortis Hospitals Limited (FHsL) The facility from HSBC of ₹ 10,500.00 Lakhs (PY 16,390.00 Lakhs) secured against the first pari-passu charge on moveable fixed and current assets of FHsL and exclusive charge on cumulative fixed assets of IHL, FHTL, EHSSHL and HEPL equivalent to 1.33x. The loan is further guaranteed by corporate guarantees issued by FHL, EHIRCL, IHL, FHTL, EHSSHL & HEPL.	Repayable within 6 months	HSBC Bank MCLR+50bps	3,036.44	16,390.00
Total(F)			**17,847.40**	**36,136.63**
G. Loan from a body corporate - Unsecured:				
Fortis Healthcare International Pte. Limited Interest free loan has been taken from Fortis Medicare International Limited.	The loan is repayable on demand.		115.93	118.78
Total (G)			**115.93**	**118.78**
TOTAL (II= F+G)			**17,963.33**	**36,255.41**

12. COMMITMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account [net of capital advances of ₹ 394.25 Lakhs (as at March 31, 2020 ₹ 1,844.91 Lakhs)]	8,730.00	12,487.19

a. As part of Sponsor Agreement entered between The Trustee-Manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively for International Hospital Limited, Fortis Hospotel Limited, Escorts Heart and Super Specialty Hospitals Limited and Fortis Health Management Limited) (collectively referred as 'Indemnified parties') with the Company, the Company has undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, the Group has till date accrued ₹ 205.03 Lakhs (as at March 31, 2020 ₹ 205.03 Lakhs) as provision for contingency.

b. As per an Exit Agreement dated June 12, 2012, certain non-controlling shareholders of SRL Limited (subsidiary company) have the right to exercise a Put Option on the Company on the occurrence of certain events as described in the Exit Agreement. During the current year an amendment agreement to the shareholders' agreement was entered between the parties which also incorporated the new proposed exit rights. In accordance with the same the minority shareholders of subsidiary have agreed not to exercise the cash put option for a further period of 36 months from a relevant date (February 5, 2021) as defined in the amendment agreement in lieu of the new proposed exit rights. As at March 31, 2021, the Company has recorded a cumulative liability in its consolidated financial statements in accordance with the requirements of Ind AS 32 - "Financial Instruments: Presentation" with a corresponding debit to "other equity" for an amount of ₹ 162,100.00 Lakhs (as at March 31, 2020 ₹ 118,000.00 Lakhs).

c. Going concern support in form of funding and operational support letters has been issued by the Group in favor of Fortis C-Doc Healthcare Limited (Joint Venture).

d. The Group has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase / sale of services, employee's benefits. The Group does not have any long-term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

e. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

13. CONTINGENT LIABILITIES (NOT PROVIDED FOR):

(In addition, refer other litigations and claims assessed as contingent liabilities described in Note 14, 28, 29 and 30 below)

(₹ in Lakhs)

Particular	As at	
	March 31, 2021	March 31, 2020
Income tax	81,231.98	75,019.07
Medical negligence and related	42,249.64	41,994.84
Value Added Tax and luxury tax	6,920.93	4,123.17
Customs	678.00	678.00
Service Tax & GST	3,035.03	2,938.03
Others (refer note 14 (II) (iii) & 14 (III))	50,791.03	50,791.03
Grand Total	**184,906.61**	**175,544.14**

i. On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. The Group has been legally advised not to consider that there are any probable obligations for periods prior to date of aforesaid judgment.

ii. Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Group believes that none of the above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgments/decisions pending at various stages/forums.

14. OTHER LITIGATIONS AND CLAIMS ASSESSED AS CONTINGENT LIABILITIES AND NOT PROVIDED FOR, UNLESS OTHERWISE STATED:

I. 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 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) ₹ 1,800 Lakhs as per notices dated May 30, 2018 and June 1, 2018 (ii) ₹ 21,582 Lakhs as per notice dated June 4, 2018; and (iii) ₹ 1,962 Lakhs as per notice dated June 4, 2018. All these notices 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 Consolidated Financial Statement with respect to these claims.

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

i. Delhi Development Authority ('DDA') had terminated the lease deeds and allotment letters relating to land parcels on which a hospital of EHIRCL exists. The matter is currently pending before the Hon'ble High Court of Delhi. Consequent to termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. The eviction proceedings initiated before the Estate Officer were challenged before the Hon'ble Supreme Court. Supreme Court vide its order dated November 14, 2019 has quashed the Show Cause Notice for eviction proceedings. Based on the external legal counsel advice, the Company is of the understanding that EHIRCL will be able to suitably defend the termination of lease deeds and allotment letters and accordingly considers that no adjustments are required to the Consolidated Financial Statements.

ii. Further, there was tax demand against EHIRCL of ₹ 7,064 Lakhs [(after adjusting ₹ 15,905 Lakhs as at Mar 31, 2021) {As at March 31, 2020 ₹ 7,759 Lakhs (after adjustment ₹ 15,210 Lakhs as at March 31, 2020)} 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 ₹ 2,355 Lakhs 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.

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

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

IV. In respect of one of the subsidiaries ("Fortis Malar Hospitals Limited") ("FMHL"), a request for regularisation of the hospital building in which FMHL operates, was made earlier vide an application dated May 29, 1999 to the Chennai Metropolitan Development Authority (CMDA). In the year 2012, Land and hospital building was sold by Fortis Malar Hospitals Limited to Fortis Health Management Limited ("FHML"). FMHL and FHML had also simultaneously entered into a "Hospital and Medical Services Agreement" w.r.t. rendering of medical and healthcare services at the hospital premises (including right to use of the hospital building). CMDA by its Order dated March 18, 2016 (Rejection Order), rejected the regularisation application that was submitted in the year 1999. A statutory appeal was preferred in April 2016 before the Secretary to the Government of Tamil Nadu, Housing and Urban Development Authority ("Authority") challenging the said rejection. During the pendency of the statutory appeal, on May 3, 2016, CMDA served a "Lock & Seal" Notice stating that in view of Rejection Order, the construction at the site of the Hospital premises is unauthorised and called upon to restore the land to its original state within 30 days from the date of the Notice. A writ petition was filed before the Hon'ble High Court of Judicature at Madras which set aside the "Lock & Seal" Notice and ordered that no coercive steps should be taken by CMDA, till disposal of the statutory appeal. The said appeal is still subjudice.

At the request of FMHL, CMDA inspected the hospital building and issued a letter dated August 25, 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularisation. In this regard, an extension of time was sought in November 2020. Simultaneously, actions were initiated for collating/ obtaining requisitioned clearances and certificates which involves taking a number of actions and significant expenses and capital expenditures. During the ongoing pandemic, there have been lockdowns resulting in limited and restricted access to various offices all across, which has slowed down the progress of actions initiated. FMHL is taking bonafide steps to complete the process of submission of the clearances and certificates sought by CMDA. On May 20, 2021 an update has been sent to CMDA confirming that out of six requirements, as set out in the letter dated August 25, 2020, three have already been complied with and steps were underway for completion of the remaining actions. FMHL also continues to believe that all Orders / Notices issued by CMDA prima facie would not result in any significant adverse impact on its operations and accordingly considers that no adjustment is required to these Consolidated Financial Statements.

V. SRL, a subsidiary of the Company, has received a legal notice from an ex-employee on June 29, 2018 claiming a sum of ₹ 935.00 Lakhs with respect to Provident Fund, Variable Pay and ESOPs. Further SRL has also received a legal notice from the same ex-employee on June 29, 2018 claiming a sum of ₹ 1,923.00 Lakhs with respect to certain Technology transfer amounts allegedly due to him. On April 2, 2019, SRL received fresh legal notice under Insolvency and Bankruptcy Act from the ex-employee seeking amount of ₹ 3,638.00 Lakhs (₹ 1,131.00 Lakhs on account of technology Transfer Agreement and ₹ 1,341.00 Lakhs on account of short salary payment, ₹ 131.00 Lakhs on account of PF contribution of SRL; ₹ 310.00 Lakhs on account of performance bonus; ₹ 722.00 Lakhs towards loss of ESOPs (145,708 stock) which were granted to him under the ESOP 2009 Scheme of SRL.

Based on an advice of the in-house legal counsel on the merits of the claim, the Company and SRL are of the opinion that claims made by ex-employee are not sustainable. Accordingly, no adjustment is required to these Consolidated Financial Statements.

VI. There is a pending medical litigation against the Company or FHsL where the complainant had alleged negligence in the treatment given by the Company doctors. The complainant had filed a complaint with PS Sushant Lok, Gurgaon, based on which a FIR was registered against one of the treating doctors. The Complainant had also filed a Writ Petition before the Hon'ble Supreme Court of India wherein Company has also been made a party amongst others. In the Writ Petition, the Complainant has demanded ₹ 1,000 Lakhs alleging wrongful death of the patient and ₹ 10,000 Lakhs towards a fund to be set up in the name of the patient for treatment of under privileged pediatric cases. Company is contesting the said demand. Based on external legal advice, management believes that the claims are without legal basis and are not tenable.

VII. Based on the judgement passed by Hon'ble Supreme Court of India on January 29, 2016, Central Government constituted a Committee to make recommendations for improvement of working conditions and salaries of nurses in private hospitals and nursing homes which could be implemented by way of legislation. The Committee constituted by Ministry of Health and Family Welfare, Government of India made certain recommendations and pursuant thereto Government of NCT of Delhi passed an order dated June 25, 2018 directing all private hospitals /nursing homes in Delhi to comply with the recommendations of the Committee and submit compliance report. Said order was challenged by Association of Healthcare Providers (India) ("AHPI") on behalf of its members including the Company by filing a Writ Petition before Hon'ble High Court of Delhi which was dismissed vide order dated July 24, 2019. Subsequently, AHPI has appealed against the order dated July 24, 2019 before division bench of Delhi High Court which is pending adjudication. The impugned orders and the pending proceedings pertain to all hospitals and nursing homes in Delhi. The Group has informed AHPI that it is in compliance with the applicable Minimum Wages Act. Based on advice from external counsels, the Group believes that it has a good case on merits and the order dated June 25, 2018 passed by Government of NCT of Delhi in all likelihood will not adversely financially impact the Group.

15. SRL Diagnostics Private Limited ('SRLD') has disputed the coverage of Employees State Insurance Corporation (ESIC) for period prior to FY 2005-06 for its Kolkata unit as "Pathlabs" were not covered for Employee State Insurance Corporation (ESIC). Pending settlement of matter, provision is recognised every year for the ESI liability. The same will be paid once the matter is settled.

16. EMPLOYEE STOCK OPTION PLAN

i. The Company has provided share-based payment scheme to the eligible employees and then directors of the Company/ its subsidiaries and erstwhile Holding company. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company.

The details of activity under the Plan have been summarised below:

Particulars	March 31, 2021		March 31, 2020	
	Number of options	Weighted Average Exercise Price (₹ in Lakhs)	Number of options	Weighted Average Exercise Price (₹ in Lakhs)
Outstanding at the beginning of the year	158,950	152.94	2,756,550	162.04
Forfeited during the year	158,950	152.94	2,594,400	162.70
Exercised during the year	-	-	3,200	77.00
Outstanding at the end of the year	-	-	158,950	152.94
Exercisable at the end of the year	-	-	158,950	152.94

The details of exercise price for stock options outstanding at the end of the previous year are:

Particulars	March 31, 2020
Range of exercise prices	₹ 91.00 to 158.00
Number of options outstanding	1,58,950
Weighted average remaining contractual life of options (in years)	0.48
Weighted average fair value of options granted (in ₹)	56.66
Weighted average exercise price (in ₹)	152.94

There have been no grants made in the current year by the Company. The Black - Scholes valuation model has been used for computing the weighted average fair value for options exercised during the previous year considering the following inputs:

Particulars	March 31, 2020
Exercise Price	₹ 77.00
Expected Volatility	66.24%
Life of the options granted (Vesting and exercise period) in years	7 years
Average risk-free interest rate	7.50%

Expected volatility has been determined considering the daily volatility of the stock prices on National Stock Exchange, over a period prior to the date of grant, corresponding the expected life of the options.

Note:

1. The Company has recognised (income)/ expense in relation to employee stock option plan of ₹ Nil Lakhs (previous year ₹ Nil Lakhs).
2. In respect of fully vested option forfeited during the year amount aggregating to ₹ Nil Lakhs (previous year ₹ 2,545.67 Lakhs) has been transferred to general reserve.
3. In respect of fully vested option exercised during the year amount aggregating to ₹ Nil Lakhs (previous year ₹ 2.14 Lakhs) has been transferred to retained earnings.

ii. In case of Fortis Malar Hospital Limited (FMHL), employees (including senior executives) of FMHL and its Subsidiary receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Malar Employee Stock Option Plan 2008 (Scheme) was approved by the board of directors of FMHL on 31 July 2008/28 May 2009 and by shareholders in the annual general meeting held on 29 September 2008 /21 August 2009. The following are some of the important conditions to the scheme: The details of activity under the Plan have been summarised below:

Vesting Plan

- 25% of the option shall vest on the completion of 12 months from the grant date.
- 25% of the option shall vest on the completion of 24 months from the grant date.
- 25% of the option shall vest on the completion of 36 months from the grant date.
- 25% of the option shall vest on the completion of 48 months from the grant date.

Exercise Plan

There shall be no lock in period after the options have vested. The vested options will be eligible to be exercised on the vesting date itself. Notwithstanding any provisions to the contrary in this plan the options must be exercised before the end of the tenure of the plan.

Effective Date

The plan was effective from August 21, 2009.

The details of activity under the Scheme are summarised below:

Particulars	March 31, 2021		March 31, 2020	
	Number of options	Weighted Average Exercise Price (₹ in Lakhs)	Number of options	Weighted Average Exercise Price (₹ in Lakhs)
Outstanding at the beginning of the year	22,500	26.20	78,750	26.20
Granted during the year	-	-	-	-
Forfeited during the year	-	-	32,500	26.20
Exercised during the year	-	-	-	-
Expired during the year	11,250	26.20	23,750	26.20
Outstanding at the end of the year	11,250	26.20	22,500	26.20
Exercisable at the end of the year	11,250	26.20	22,500	26.20

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. For computing the weighted average fair value for options exercised during the previous year, following inputs have been considered:

Particular	March 31, 2021	March 31, 2020
Grant date share price	26.20	26.20
Exercise Price (in ₹)	26.20	26.20
Expected Volatility*	67.42%	67.42%
Life of the options granted (Vesting and exercise period) in years	5	5
Weighted average remaining contractual life of options (in years)	-	-
Average risk-free interest rate	7.50%	7.50%
Expected dividend rate	0%	0%

*Expected volatility has been determined considering the daily volatility of the stock prices on Bombay Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

iii. A subsidiary (SRL Limited) has provided share-based payment scheme to the eligible employees and then directors of SRL Limited, its subsidiary, Fortis Healthcare Limited (holding company) and RHC Holding Private Limited. The shareholders of SRL granted approval to 'Super Religare Laboratories Limited Employee Stock Option Plan 2009' and 'SRL Limited Employee Stock Option Scheme 2013'. SRL has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with SRL Limited. Details of these schemes are as follows:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII
Scheme	ESOP 2009	ESOP 2013	ESOP 2013	ESOP 2013	ESOP 2013	ESOP 2013	ESOP 2013
Date of grant	August 22, 2009	September 30, 2013	November 2, 2015	November 8, 2016	March 22, 2017	May 06, 2017	August 02, 2017
Date of Board Approval	August 22, 2009	August 23, 2013	August 23, 2013	August 23, 2013	August 23, 2013	August 23, 2013	August 23, 2013
Date of Shareholder's approval	August 17, 2009	September 30, 2013	September 30, 2013	September 30, 2013	September 30, 2013	September 20, 2013	September 20, 2013
Number of options granted	1,517,470	200,000	995,937	75,000	125,000	25,000	25,000
Number of options cancelled	875,736	134,000	724,437	75,000	125,000	25,000	-
Number of options exercised	154,716	66,000	-	-	-	-	-
Number of options not yet vested	-	-	-	-	-	-	16,667
Number of options not yet exercised	487,018	-	271,500	-	-	-	8,333
Vesting Period	22 August 2009 to 21 August 2012	30 September 2016 to 30 September 2018	2 November 2018 to 1 November 2020	7 November 2019 to 7 November 2021	22 March 2020 to 22 March 2022	26 May 2020 to 26 May 2022	02 August 2020 to 02 August 2022
Exercise Period	Up to August 21, 2019*	Up to September 29, 2022	Up to November 01, 2022	Up to November 01, 2022	Up to November 01, 2022	Up to November 01, 2022	Up to November 01, 2022
Grant value	40	201	428	674	674	674	674

The details of activity under the Plan have been summarised below:

Particulars	March 31, 2021		March 31, 2020	
	Number of options	Weighted Average Exercise Price (₹ in Lakhs)	Number of options	Weighted Average Exercise Price (₹ in Lakhs)
Outstanding at the beginning of the year	1,031,378	292.11	1,072,309	293.34
Granted during the year	-	-	-	-
Vested during the year				
Exercised during the year	-	-	-	-
Forfeited/ Cancelled during the year	247,860	640.99	40,931	324.38
Outstanding at the end of the year	783,518	194.68	1,031,378	292.11
Exercisable option at the end of the year	766,851	184.26	503,878	40.00
Weighted average remaining life (years)**	-		1.32	
Range of exercise price (₹)	40-674		40-674	

**SRL has extended the exercise period of all outstanding options (Grant I, Grant III and Grant VII) till a future event occurs (i.e. exit of existing private equity investors or any other listing event). Further, as per the revised terms, employees due to retire or getting superannuated prospectively will also be entitled to exercise the options before the future event. As there is no fixed time limit for future event, weighted average remaining life of such options has not been disclosed.

There are no options granted in current year. Black-Scholes Option Pricing Model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Grant II	Grant III	Grant IV- V	Grant VI- VII
Vesting Schedule	100%	292.11	1,072,309	293.34
Stock Price (S)	201	428	674	674
Exercise Price (X)	201	428	674	674
Volatility (s)	17.41%	15.54%	15.54%	16.19%
Risk-free Rate	8.70%	7.63%	7.63%	6.95%
Expected Option Life (T)	5yrs	5yrs	5yrs	5yrs
Dividend Yield	1.00%	0.47%	0.47%	0.47%
Option Value	**66.3**	**135.3**	**213**	**202.61**
Exit/Attrition Rate	16.50%	16.50%	16.50%	16.50%
Modified Option Value	**55.4**	**112.98**	**177.86**	**169.18**

Note:

1. SRL has recognised expense in relation to employee stock option plan of ₹ (94.29) Lakhs (previous year ₹ 149.33 Lakhs).
2. In respect of 231,000 (previous year 30,000) fully vested option forfeited during the year amount aggregating to ₹ 117.14 Lakhs (previous year 24.23) has been transferred to general reserve.
3. On the date of transition to Ind AS (i.e. April 1, 2015), SRL Limited had opted for optional exemption available under Ind AS 101 'First time adoption' and not recorded any stock option outstanding account for the options fully vested (ESOP Scheme 2009) as at transition date.

17. EMPLOYEE BENEFITS PLAN:

Defined contribution plan:

The Group's contribution towards its employee provident fund is a defined contribution retirement plan for qualifying employees. The provident fund contribution of certain employees of the Group is being deposited with "Fortis Healthcare Limited Provident Fund Trust" and "Escorts Heart Institute and Research Centre Limited PF Trust" which is recognised by the income tax authority (refer note below) and rest payment is made to provident fund commissioner.

The Group recognised ₹ 3,629.11 Lakhs (previous year ₹ 3,880.45 Lakhs) for Provident Fund, Employee state insurance and Superannuation fund contribution in the Consolidated Statement of Profit and Loss. The Contribution payable to the plan by the Group is at the rate specified in rules to the scheme.

Defined benefit plan

The Group companies have a defined benefit gratuity plan, whereby the employees are entitled to gratuity benefits based on last salary drawn and completed number of year of services. The gratuity plan for two subsidiaries of the Company is 100% funded with an insurance policy with Life Insurance Corporation of India.

The following table summarises the components of net benefit expenses recognised in the Statement of Profit and Loss and the amounts recognised in the Balance Sheet.

i. Movement in net liability

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of obligation at the beginning of the year	9,593.68	8,573.63
Current service cost	1,276.63	1,142.37
Interest cost	540.33	547.84
Amount recognised to OCI (actuarial (gain)/loss)	(635.78)	396.06
Obligation transferred to/ from subsidiary	(2.66)	(30.14)
Benefits paid	(1,007.96)	(1,036.08)
Present value of obligations at the end of the year	**9,764.24**	**9,593.68**
Present value of unfunded obligation		
Amounts in the Balance Sheet		
(a) Liabilities	9,764.24	9,593.68
(b) Assets	(651.26)	(732.64)
(c) Net liability/(asset) recognised in the balance sheet	**9,112.98**	**8,861.04**
Current liability	1,260.74	1,300.22
Non-current liability	7,852.24	7,560.82

ii. Change in fair value of plan assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at the beginning of the year	732.64	723.84
Return on plan assets	(6.95)	51.05
Contributions by employer	51.02	86.92
Benefit payments	(125.45)	(129.17)
Closing value of plan assets	**651.26**	**732.64**

iii. Expense recognised in Statement of Profit and Loss is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Amount recognised in employee benefit expense		
Service cost	1,276.63	1,142.36
Total	**1,276.63**	**1,142.36**
Amount recognised in finance cost		
Interest cost	540.33	547.84
Total	**540.33**	**547.84**
Grand Total	**1,816.96**	**1,690.20**

iv. Expense recognised in Statement of Other comprehensive income is as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net actuarial gain due to experience adjustment recognised during the year	(616.24)	(287.85)
Net actuarial (gain)/ loss due to assumptions changes recognised during the year	(19.54)	678.30
Net return on plan assets (excluding interest income)	6.95	5.61
(Income)/ Expense	**(628.83)**	**396.06**

The Principal assumptions used in determining gratuity obligation for the Group's plan are shown below:

Particulars	As at March 31, 2021	As at March 31, 2020
Discounting rate (p.a.)	5.65%-6.75%	5.55%-7.25%
Expected salary increase rate (p.a.)	6.00%-8.00%	6.00%-8.00%
Withdrawal rate (p.a.)		
Age up to 30 years	10.00%-39.00%	10.00%-39.00%
Age from 31 to 44 years	6.00% - 26.00%	6.00% - 26.00%
Age above 44 years	0.00% to 16.00%	0.00% to 16.00%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Notes:

1. The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. Significant actuarial assumption for the determination of the defined obligation are discount rate, expected salary escalation rate and withdrawal rate. The sensitivity analyses below have been determined by the actuarial based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constants.

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.5% to 1%	2,463.41	2,714.96	2,270.42	2,504.65
Change in salary increase rate by 1%	3,036.78	2,733.64	2,841.01	2,555.39
Change in withdrawal rate by 1% to 5%	2,487.24	2,530.65	2,291.12	2,333.39

3. Certain companies within the Group have invested in the schemes with Life Insurance Corporation of India (LIC) for the plan assets.

   The details of investments maintained by LIC are not available with the Company and therefore have not been disclosed.

4. Expected benefit payments for the future

(₹ in Lakhs)

Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026 to year ended March 31, 2031
1,075.48	856.72	1,077.11	1,002.19	6,584.36

Provident Fund:

The Group makes monthly contributions to provident fund managed by trust for qualifying employees. Such contribution for the current year are ₹ 798.16 Lakhs (previous year ₹ 898.75 Lakhs). Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Group is obliged to meet interest shortfall, if any, with respect to covered employees.

Key assumptions and other disclosures are as follows:

Assumptions:	March 31, 2021	March 31, 2020
Discount rate (p.a.)	6.75% p.a.	6.75% p.a.
Expected return on exempt fund	8.10% p.a. to 8.50%	8.50% p.a.
Expected EPFO return	8.50% p.a.	8.50% p.a.
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Withdrawal rate for primary categories of employees

Entity	Withdrawal Rate p.a.
Fortis Emergency Services Limited	Ages From 20 - 30 - 12.50%;
	Ages From 31 - 58 - 15.00%
Others	Ages From 20 - 30 - 18.00%;
	Ages From 31 - 44 - 6.00%;
	Ages From 45 - 58 - 2.00%

The assessed actuarial liability in respect of future anticipated shortfall is as follows:

(₹ in Lakhs)

Assets / Liabilities	As at March 31, 2021	As at March 31, 2020
Defined Benefit Obligation (DBO)	15,687.57	13,616.50
Fair Value of Plan Assets (FVA)	16,577.38	14,131.87
Funded status {Surplus/(Deficit)}	**889.81**	**515.37**

The Defined Benefit Obligation as at March 31, 2020 and March 31, 2021 includes obligation in respect of Interest Guarantee Shortfall in future. The obligation for Interest Guarantee Shortfall as at March 31, 2020 is ₹ 213.83 Lakhs and as at March 31, 2021 ₹ 817.82 Lakhs.

Asset allocation

Asset Category	March 31, 2021	March 31, 2020
Government of India Securities (Central and State)	53.12%	52.79%
High quality corporate bonds (including Public Sector Bonds)	39.48%	40.44%
Mutual Funds	7.24%	5.38%
Cash (including Special Deposits)	0.16%	1.39%
Total	**100.00%**	**100.00%**

18. FINANCIAL INSTRUMENTS

Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 6(xvii), 6(xviii), 6(xxi) and 10 offset by cash and cash equivalents) and total equity of the company.

The Group is not subject to any externally imposed capital requirements other than for covenants under various loan arrangements of the Group.

The Holding Company's Board of Directors reviews the capital structure of the Group on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2021 is as follows.

Gearing ratio

Particulars	As at March 31, 2021	As at March 31, 2020
Debt*	153,305.99	159,949.75
Cash and cash equivalents [refer note 6(xii)]	(26,123.48)	(18,185.93)
Net debt	**127,182.51**	**141,763.82**
Total equity	**671,781.12**	**720,558.63**
Net debt to equity ratio	**18.93%**	**19.67%**

*Debt is defined as long-term and short-term borrowings (including lease liabilities, interest accrued and due on borrowings and excluding derivative and contingent consideration).

19. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets including market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors manages the financial risk of the Group through internal risk reports which analyze exposure by magnitude of risk. The Group has limited exposure from the international market as the Group's operations are primarily in India. However, the Group has limited exposure towards foreign currency risk as it earns less than 10% of its revenue in foreign currency from international patients. Also, capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Group has not taken any derivative contracts to hedge the exposure. However, the exposure towards foreign currency fluctuation is partly hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

Market Risk

The Group's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates.

a) Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ in Lakhs)

Particulars	Foreign Currency	March 31, 2021		March 31, 2020	
		Foreign Currency Amount	₹	Foreign Currency Amount	₹
Trade payables	**USD**	20.52	1,502.04	5.81	438.02
	Euro	0.01	0.49	0.01	0.49
Cash and bank balances	**SGD**	1.01	54.87	1.38	72.98
	MUR	10.70	19.19	10.52	20.20
	AED	10.04	200.17	0.05	1.13
	Euro	0.00	0.01	0.00	.01
	USD	0.13	9.87	0.02	1.48
	LKR	10.65	3.90	123.17	48.96
Trade receivables	**USD**	19.36	1,417.22	8.25	622.01
	AED	4.55	90.70		
Loans taken				-	
	USD	2.60	190.52	1.58	119.41
	AED	0.47	9.46	5.63	115.52
Other receivables	**MUR**	26.98	48.42	26.89	51.66

Foreign currency sensitivity analysis

The group is mainly exposed to USD, SGD, EURO, LKR, AED & MUR currency.

The following table details the Group's sensitivity to a 5% increase and decrease in ₹ against each foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(₹ in Lakhs)

If increase by 5%	Currency Impact USD	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Increase / (decrease) in profit or loss for the year	(13.27)	3.30
Increase / (decrease) in total equity	(8.64)	2.15

If decrease by 5%	Currency Impact USD	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Increase / (decrease) in profit or loss for the year	13.27	(3.30)
Increase / (decrease) in total equity	8.64	(2.15)

(₹ in Lakhs)

If increase by 5%	Currency impact EURO	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Increase / (decrease) in profit or loss for the year	(0.02)	(0.02)
Increase / (decrease) in total equity	(0.02)	(0.02)

If increase by 5%	Currency impact EURO	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Increase / (decrease) in profit or loss for the year	0.02	0.02
Increase / (decrease) in total equity	0.02	0.02

(₹ in Lakhs)

If increase by 5%	Currency impact SGD	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Increase / (decrease) in profit or loss for the year	2.74	3.65
Increase / (decrease) in total equity	1.78	2.37

If increase by 5%	Currency impact SGD	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Increase / (decrease) in profit or loss for the year	(2.74)	(3.65)
Increase / (decrease) in total equity	(1.78)	(2.37)

(₹ in Lakhs)

If increase by 5%	Currency impact AED	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Increase / (decrease) in profit or loss for the year	14.07	(5.72)
Increase / (decrease) in total equity	9.15	(3.72)

If increase by 5%	Currency impact AED	
Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Increase / (decrease) in profit or loss for the year	14.07	5.72
Increase / (decrease) in total equity	(915)	3.72

(₹ in Lakhs)

If increase by 5%	Currency impact MUR	
Particulars	As at March 31, 2021	As at March 31, 2020
Increase / (decrease) in profit or loss for the year	3.38	3.59
Increase / (decrease) in total equity	2.20	2.34

If increase by 5%	Currency impact MUR	
Particulars	As at March 31, 2021	As at March 31, 2020
Increase / (decrease) in profit or loss for the year	(3.38)	(3.59)
Increase / (decrease) in total equity	(2.20)	(2.34)

(₹ in Lakhs)

If increase by 5%	Currency impact LKR	
Particulars	As at March 31, 2021	As at March 31, 2020
Increase / (decrease) in profit or loss for the year	0.19	2.45
Increase / (decrease) in total equity	0.13	1.59

If increase by 5%	Currency impact LKR	
Particulars	As at March 31, 2021	As at March 31, 2020
Increase / (decrease) in profit or loss for the year	(0.19)	(2.45)
Increase / (decrease) in total equity	(0.13)	(1.59)

Interest rate risk management

The Group is exposed to interest rate risk because Group borrow funds at both fixed and floating interest rates. The interest rate on the Group's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(₹ in Lakhs)

If increase by 50 basis point	Interest impact	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Increase / (decrease) in profit or loss for the year	(545.60)	(507.73)
Increase / (decrease) in total equity	(545.60)	(507.73)

If increase by 50 basis point	Interest impact	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Increase / (decrease) in profit or loss for the year	545.60	507.73
Increase / (decrease) in total equity	545.60	507.73

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group takes due care while extending any credit as per the approval matrix approved by Board of Directors.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note given below sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

As at March 31, 2021

(₹ in Lakhs)

Particulars	Sanctioned limit	Undrawn limit
HSBC Bank (Term Loan)	101,162.88	4,550.52
HSBC Bank (Overdraft/ Short Term Loan)	30,000.00	22,806.56
DBS Bank (Term Loan)	34,485.37	13,070.79
DBS Bank (Overdraft/ Short Term Loan)	10,500.00	9,397.78
HDFC Bank (Overdraft/ Short Term Loan)	1,400.00	1,400.00
Kotak Bank (Overdraft/ Short Term Loan)	2,500.00	-
Others Bank (Overdraft/ Short Term Loan)	593.66	-

As at March 31, 2020:

(₹ in Lakhs)

Particulars	Sanctioned limit	Undrawn limit
HSBC Bank (Term Loan)	115,480.00	17,372.20
HSBC Bank (Overdraft/ Short Term Loan)	41,190.00	7,327.80

Liquidity and interest risk

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The Group has funds available of ₹ 41,658.06 Lakhs (gross of bank and book overdraft) and unutilised borrowing facilities sanctioned by banks amounting to ₹ 51,225.64 Lakhs.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

(₹ in Lakhs)

Particulars	Within 1 year	More than 1 year	Total	Carrying amount
As at March 31, 2021				
Borrowings (current and non-current)	38,410.89	117,610.87	156,021.76	127,076.20
Lease liabilities (current and non-current)	5,017.11	50,448.29	55,465.40	25,979.06
Trade payables	54,820.17	-	54,820.17	54,820.17
Other financial liabilities (current and non-current) other than current maturities of non-current borrowings and put option	12,237.87	711.83	12,949.70	12,949.70
Put option [refer note 12(b)]	-	162,100.00	162,100.00	162,100.00
Total	**110,486.04**	**330,870.99**	**441,357.03**	**382,925.13**

(₹ in Lakhs)

Particulars	Within 1 year	More than 2 years	Total	Carrying amount
As at March 31, 2020				
Borrowings (current and non-current)	48,646.33	105,108.56	153,754.89	135,398.27
Lease liabilities (current and non-current)	4,314.48	48,628.33	52,942.81	24,029.34
Trade payables	59,763.03	-	59,763.03	59,763.03
Other financial liabilities (current and non-current) other than current maturities of non-current borrowings and put option	13,487.14	947.49	14,434.63	14,434.63
Put option [refer note 12(b)]	118,000.00	-	118,000.00	118,000.00
Total	**244,210.98**	**154,684.38**	**398,895.36**	**351,625.27**

Also refer note 36 for disclosures on Going Concern and the working capital position of the Group.

20. FAIR VALUE MEASUREMENT

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at March 31, 2021

(₹ in Lakhs)

Particulars	Note	Carrying value*			Fair value measurement using*
		Fair value through profit and loss (FVTPL)	Amortised cost	Total	Level 3
Financial assets					
Loans (Non-current)	(b)	-	2,989.76	2,989.76	-
Other financial assets (Non-current)	(b)	-	517.36	517.36	-
Trade receivables	(a)	-	38,989.32	38,989.32	-
Cash and cash equivalents	(a)	-	26,123.48	26,123.48	-
Other bank balances	(a)	-	15,534.58	15,534.58	-
Loans (current)	(a)	-	1,369.45	1,369.45	-
Other financial assets (current)	(a)	-	7,931.15	7,931.15	-
Total		**-**	**93,455.10**	**93,455.10**	**-**

(₹ in Lakhs)

Particulars	Note	Carrying Value			Fair value measurement using*
		Fair value through profit and loss (FVTPL)/ equity	Amortised cost	Total	Level 3
Financial Liabilities					
Borrowings – non-current	(c)	-	109,112.87	109,112.87	-
Borrowings – Current	(a)	-	17,963.33	17,963.33	-
Lease liabilities -- Non-Current	(e)	-	23,158.40	23,158.40	
Lease liabilities -- Current	(a)/(e)	-	2,820.66	2,820.66	
Trade payables – Current	(a)	-	54,820.17	54,820.17	-
Other financial liabilities – Non-Current	(b)/(d)	162,100.00	711.83	162,811.83	162,100.00
Other financial liabilities – Current	(a)	-	12,237.87	12,237.87	-
Total		**162,100.00**	**220,825.13**	**382,925.13**	**162,100.00**

As at March 31, 2020

(₹ in Lakhs)

Particulars	Note	Carrying value			Fair value measurement using*
		Fair value through profit and loss (FVTPL)	Amortised cost	Total	Level 3
Financial assets					
Loans (Non-current)	(b)	-	3,003.37	3,003.37	-
Other financial assets (Non-current)	(b)	-	8,436.89	8,436.89	-
Trade receivables	(a)	-	45,878.20	45,878.20	-
Cash and cash equivalents	(a)	-	18,185.93	18,185.93	-
Other bank balances	(a)	-	8,409.50	8,409.50	-
Loans (current)	(a)	-	1,738.81	1,738.81	-
Other financial assets (current)	(a)	-	4,746.20	4,746.20	-
Total		**-**	**90,398.90**	**90,398.90**	**-**

(₹ in Lakhs)

Particulars	Note	Carrying value			Fair value measurement using*
		Fair value through profit and loss (FVTPL)/ equity	Amortised cost	Total	Level 3
Financial Liabilities					
Borrowings – non-current	(c)	-	99,142.86	99,142.86	-
Borrowings – Current	(a)	-	36,255.41	36,255.41	-
Lease liabilities -- Non-Current	(e)	-	21,249.77	21,249.77	
Lease liabilities -- Current	(a)/(e)	-	2,779.57	2,779.57	
Trade payables – Current	(a)	-	59,763.03	59,763.03	-
Other financial liabilities – Non-Current	(b)	-	947.49	947.49	-
Other financial liabilities – Current	(a)/(d)	118,000.00	13,487.14	131,487.14	118,000.00
Total		**118,000.00**	**233,625.27**	**351,625.27**	**118,000.00**

The following methods / assumptions were used to estimate the fair values:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.

(b) Fair valuation of non-current financial assets and liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value. The carrying value of fixed deposits are at marked rate of interest. Accordingly, fixed deposits approximates fair value

(c) The Group's borrowings have been contracted at floating rates of interest, which are reset at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

(d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.

(e) Fair value measurement of lease liabilities is not required.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2021 and March 31, 2020.

Financial Instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Valuation technique used to determine fair value of Put option liability (Other financial liabilities):

The management has used average of Comparable Companies' Quoted Multiple Method (CCM) and Discounted Cash Flow Method (DCF) for determining the fair value of the put option.

The key assumption used in the estimation of fair value is as follows:

i) **CCM approach:** Fair value of the instrument is the value of Enterprise value/ Earnings before interest, tax, depreciation and amortisation (EV/ EBITDA) multiple. As at March 31, 2021 the weighted average EV/ EBITDA multiple has been determined at 29.62x (previous year 28.46x).

ii) **DCF approach:** Fair value of the instrument is the value of discounted cash flow based on financial budgets approved by management. Key assumptions used for value in use calculations are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Compound average net sales growth rate	15%	15%
EV/ EBITDA multiple used for terminal value	29.62x	28.46x
Discount rate	17%	17%

Management has identified that a reasonable possible change in the key assumption could cause a change in fair value of the instrument.

The following table shows the amount by which the fair value would change on change in this assumption by 1x all other factors remaining constant.

(₹ in Lakhs)

Increase/ (decrease) in fair value	As at March 31, 2021	As at March 31, 2020
EV/ EBITDA multiple		
Increase by 1x	7,725.00	3,723.00
Decrease by 1x	(7,725.00)	(3,723.00)

Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2021 and March 31, 2020:

(₹ in Lakhs)

Particulars	Put option
As at April 1, 2019	**118,000.00**
Addition during the year (refer note 12 b)	-
As at March 31, 2020	**118,000.00**
Addition during the year (refer note 12 b)	44,100.00
As at March 31, 2021	**162,100.00**

21. DUING THE YEAR, THE GROUP HAS CAPITALISED THE FOLLOWING EXPENSES UNDER THE INTANGIBLE ASSETS UNDER DEVELOPMENT:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance (A)	**676.38**	**9,198.62**
Employee benefits expense (B)		
Salaries, wages and bonus	231.87	322.22
Total (B)	**231.87**	**322.22**
Other expenses(C)		
Travel and conveyance	1.23	57.62
Communication expenses	0.13	0.26
Miscellaneous expenses	-	4.68
Total (C)	**1.36**	**62.56**
Total (D=A+B+C)	**909.61**	**9,583.40**
Amount capitalised to Intangible Assets (E)	909.61	(8,907.02)
Carried forward to intangible assets under development (G=D-E)	**-**	**676.38**

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

22. EXCEPTIONAL GAIN

The Company through its wholly owned subsidiary Fortis Hospitals Limited has invested (Equity and loan) in Fortis C-Doc Healthcare Limited which is a joint venture in which Fortis holds 60% stake at an amount of ₹ 622.85 Lakhs through equity shares and amount of ₹ 1,623.34 Lakhs (including interest accrued of ₹ 180.61 Lakhs) through loan. During the year ended March 31, 2018, considering the recoverability of the investment and uncertainty in recoverability of loan with no foreseeable chances of recovery of the amount, an impairment loss of ₹ 1,623.34 Lakhs was recognised.

During the previous year, the Company have received an amount of ₹ 50.00 Lakhs from Fortis C-Doc Healthcare Limited and recorded the same as an exceptional gain.

23. During the previous year, wholly owned subsidiary of the Company in Mauritius sold its entire shareholding in C-Care, Mauritius (formerly known as Medical and Surgical Centre Limited) post receipt of approval by the Company's shareholders. The sale resulted in a gain of ₹ 3,856.90 Lakhs recorded under the head exceptional items.

24. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013 and rules therein, the Companies within the Group are required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibility expenditures as certified by Management are as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance to be spent as per previous year (A)	267.29	625.85
Amount required to be spent for current year (B)	1,158.16	579.00
Gross amount required to be spent (A+B)	1,425.45	1,204.85
Spent during the year		
(i) construction/acquisition of any asset	-	-
(ii) on purposed other than (i) above	1,425.45	937.56
Balance unspent at end of the year	-	267.29

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

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

However, there are unutilised amounts lying with FCF which have not been spent and neither refunded by FCF despite several reminders and notices. Accordingly, civil recovery action has been initiated for recovery of unutilised amount of ₹ 182.00 Lakhs.

26. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

27. ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013:

(₹ in Lakhs)

S. No.	Name of the entity	Net assets, i.e. total assets minus total liabilities		Share in PAT		Share in OCI		Share in TCI	
		As % of consolidated net assets	Amount	As % of consolidated net PAT	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Parent								
	Fortis Healthcare Limited	145.13%	888,153.08	-7.46%	419.21	-1.19%	(12.35)	-8.88%	406.87
	Subsidiaries								
	Indian								
1	Escorts Heart Institute And Research Centre Limited	9.45%	57,836.24	52.55%	(2,951.77)	12.13%	125.42	61.67%	(2,826.35)
2	Fortis Hospitals Limited	-8.38%	(51,290.30)	478.06%	(26,851.82)	33.07%	341.78	578.42%	(26,510.04)
3	Fortis Malar Hospitals Limited	1.42%	8,661.55	14.27%	(801.38)	1.97%	20.33	17.04%	(781.06)
4	Malar Stars Medicare Limited	0.04%	217.90	-0.26%	14.48	0.01%	0.06	-0.32%	14.54
5	Fortis HealthStaff Limited	-0.20%	(1,209.90)	4.74%	(266.22)	0.00%	-	5.81%	(266.22)
6	Fortis Lafemme Limited	-0.01%	(86.93)	0.14%	(8.04)	0.00%	-	0.18%	(8.04)
7	Fortis Cancer Care Limited	-0.61%	(3,725.30)	5.25%	(294.98)	0.00%	-	6.44%	(294.98)
8	Fortis Health Management (East) Limited	-0.20%	(1,199.98)	1.90%	(106.53)	0.00%	-	2.32%	(106.53)
9	Hiranandani Healthcare Private Limited	0.73%	4,496.91	2.67%	(150.05)	1.41%	14.54	2.96%	(135.51)
10	SRL Limited	17.37%	106,273.44	-123.22%	6,920.87	-7.08%	(73.17)	-149.41%	6,847.71
11	SRL Diagnostics Private Limited	3.06%	18,749.38	271.12%	2,802.40	6.70%	69.30	-62.66%	2,871.70
12	SRL Reach Limited	0.03%	196.60	-15.91%	(164.44)	0.11%	1.12	3.56%	(163.32)
13	Birdie and Birdie Realtors Private Limited	-2.38%	(14,567.59)	32.73%	(1,838.68)	0.00%	-	40.12%	(1,838.68)
14	Stellant Capital Advisory Services Private Limited	0.77%	4,730.55	18.25%	(1,024.83)	0.14%	1.41	22.33%	(1,023.42)
15	Fortis Hospotel Limited	33.64%	205,890.77	-180.88%	10,160.03	-0.92%	(9.51)	-221.47%	10,150.52
16	Fortis Emergency Services Limited	-1.17%	(7,185.25)	11.76%	(660.54)	0.03%	0.29	14.41%	(660.25)
17	Escort Heart and Super Speciality Hospital Limited	2.06%	12,611.77	28.56%	(1,604.03)	-0.54%	(5.58)	35.12%	(1,609.61)
18	International Hospital Limited	15.37%	94,030.97	-4.30%	241.69	-0.14%	(1.45)	-5.24%	240.24
19	Hospitalia Eastern Private Limited	-2.01%	(12,292.12)	30.31%	(1,702.34)	0.00%	-	37.14%	(1,702.34)
20	Fortis Health Management Limited	-9.57%	(58,557.62)	138.73%	(7,792.25)	0.20%	2.06	169.97%	(7,790.19)
	Foreign								
21	Fortis Asia Healthcare Pte Limited	-17.76%	(108,707.26)	50.10%	(2,813.94)	326.96%	3,379.64	-12.34%	565.70
22	Fortis Healthcare International Limited	0.30%	1,856.18	0.70%	(39.25)	-8.44%	(87.28)	2.76%	(126.53)

(₹ in Lakhs)

S. No.	Name of the entity	Net assets, i.e. total assets minus total liabilities		Share in PAT		Share in OCI		Share in TCI	
		As % of consolidated net assets	Amount	As % of consolidated net PAT	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
23	Fortis Global Healthcare (Mauritius) Limited	-5.51%	(33,707.89)	25.84%	(1,451.29)	93.48%	966.22	10.58%	(485.07)
24	SRL Diagnostics FZ-LLC	0.05%	331.32	-76.55%	(791.26)	4.99%	51.63	16.14%	(739.63)
25	Fortis Healthcare International Pte Limited	-0.61%	(3,737.98)	2.16%	(121.27)	-83.57%	(863.78)	21.49%	(985.05)
26	Mena Healthcare Investment Company Limited	-0.16%	(967.21)	0.00%	-	0.00%	-	0.00%	-
27	Medical Management Company Limited	0.14%	850.23	0.00%	-	0.00%	-	0.00%	-
28	RHT Health Trust Manager Pte Limited	1.75%	10,679.20	7.59%	(426.21)	3.63%	37.47	8.48%	(388.74)
	Associates (investment as per the equity method)								
	Foreign								
1	RHT Health Trust	0.40%	2,468.24	1.57%	(88.11)	12.49%	129.06	-0.89%	40.95
2	Medical and Surgical Centre Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3	Lanka Hospitals Corporate Plc	1.72%	10,547.73	-8.67%	487.03	0.00%	0.00	-10.63%	487.03
	Joint Ventures (as per the equity method)								
	Indian								
1	Fortis C-Doc Healthcare Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
2	Fortis Cauvery	0.01%	53.81	0.00%	-	0.00%	-	0.00%	-
3	DDRC SRL Diagnostics Private limited	0.87%	5,299.09	-77.25%	4,339.30	0.58%	6.04	-94.81%	4,345.34
	Foreign								
4	SRL Diagnostics Nepal Private Limited	0.05%	288.38	-0.31%	17.65	0.00%	-	-0.39%	17.65
	Consolidation adjustments	-85.79%	(525,006.88)	-471.02%	26,456.33	-396.00%	(4,093.26)	-489.90%	22,453.30
	Total	**100.00%**	**611,981.12**	**100.00%**	**(5,616.87)**	**100.00%**	**1,033.65**	**100.00%**	**(4,583.22)**
	Non controlling interests in all subsidiaries								
	Indian								
1	Fortis Malar Hospitals Limited	0.53%	3,229.89	5.32%	(298.83)	0.73%	7.58	6.35%	(291.25)
2	Malar Star Medicare Limited	0.01%	81.25	-0.10%	5.40	0.00%	0.02	-0.12%	5.42
3	SRL Limited	9.24%	56,516.63	-100.64%	5,652.74	2.29%	23.65	-123.85%	5,676.39
	Foreign								
4	Mena Healthcare Investment Company Limited, and Medical Management Company Limited	0.00%	(27.77)	0.00%	-	0.00%	-	0.00%	-
	Total non-controlling interest	**9.77%**	**59,800**	**-95.41%**	**5,359.31**	**3.02%**	**31.25**	**-117.62%**	**5,390.56**

28. INVESTIGATION INITIATED BY THE ERSTWHILE AUDIT AND RISK MANAGEMENT COMMITTEE:

A. Background

(i) As disclosed in the financial statements for the years ended March 31, 2018, March 31, 2019 and March 31, 2020, during the year ended March 31 2018, there were reports in the media and enquiries from, inter alia, the stock exchanges received by the Company about certain inter- corporate loans given by a wholly owned subsidiary of the Company. The erstwhile Audit and Risk Management Committee of the Company decided to carry out an independent investigation through an external legal firm on this matter. The terms of reference of the investigation, inter alia, comprised: (i) ICDs amounting to a total of ₹ 49,414 Lakhs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 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. Limited, Singapore and Fortis Global Healthcare (Mauritius) Limited) ; (v) certain other transactions involving acquisition of Fortis Healthstaff Limited ("Fortis Healthstaff") from an erstwhile promoter group company, and subsequent repayment of loan by said subsidiary to the erstwhile promoter group company. The investigation report 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 specialised forensic skills to assist with the Additional Procedures/Enquiries and provide inputs and expert advice in connection therewith. The independent experts submitted their report which was discussed and considered by the Board in its meeting held on September 16, 2020.

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

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

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

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

The Investigation Report indicated that the placement of the ICDs, including the method of such placement, their subsequent assignment and the cancellation of such assignment were done without following the normal treasury operations and treasury mandate; and without specific authorisation by the Board of FHsL. (Also refer note 29 on SEBI Order).

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

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

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

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

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

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

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

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

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

Complaint has been filed in this regard, with the EOW in November 2020 against erstwhile promoters / erstwhile promoters group company and EOW is investigating the matter.

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

Complaint has been filed with the EOW in November 2020 against erstwhile promoters / erstwhile promoters group company and EOW is investigating the matter.

(vi) **Remuneration to ex-chairman**

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

In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for remuneration & other reimbursements), aggregating to ₹ 2,002.39 Lakhs was recognised as recoverable in the Consolidated Financial Statements of the Company for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts, a provision of ₹ 2,002.39 Lakhs was made in the Consolidated Financial Statements for the year ended March 31, 2018. The Company has filed a complaint against the erstwhile Executive Chairman before EOW on account of both of the above payments and EOW is investigating the matter.

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

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

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

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

There have been certain queries raised on this transaction by the SFIO. The Company has responded to the said queries. Further, in the above referred Complaint filed with the EOW in November 2020 against erstwhile promoters, SFIO enquiries and the Company's responses have been mentioned and EOW is investigating the matter.

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

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

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

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

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.

29. 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 ₹ 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 ₹ 40,300 Lakhs 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 ₹ 40,300 Lakhs 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 ₹ 40,300 Lakhs along with due interest from erstwhile-promoters and various other entities, as mentioned in the Order.

Company and FHsL had filed necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile-promoters and varisous other entities to the Company and FHsL. SEBI vide its letter dated June 14, 2019 has stated that provisions of Section 28A of SEBI Act, 1992 cannot be invoked at this stage hence, Company and FHsL may take necessary steps to comply with SEBI’s direction. Accordingly, FHsL has filed a civil suit for recovery of ₹ 52,019 Lakhs

before Hon’ble Delhi High Court against the parties, named in the orders passed by SEBI.

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

By an order dated November 12, 2020, SEBI revoked its Interim orders read with Confirmatory Order qua Best Healthcare Private Limited, Fern Healthcare Private Limited and Modland Wears Private Limited and directed that the ongoing proceedings against them be substituted with adjudication proceedings. The order expressly clarified that the Company and FHsL were at liberty to pursue remedies under law, as deemed appropriate by them, against the abovementioned entities in respect of their role in the diversion of funds. A Show-Cause Notice (SCN) was issued by SEBI to various entities including the Company and FHsL on November 20, 2020. In the SCN, it was inter-alia alleged that the consolidated financials of the Company at the relevant period were untrue and misleading for the shareholders of the Company and the Company had circumvented certain provisions of the SEBI Act, Securities Contracts (Regulation) Act, 1956, and certain SEBI regulations. In response, a joint representation/reply was filed by the Company and FHsL on December 28, 2020 praying for quashing of the SCN by inter alia 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. Limited) 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 9, 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 ₹ 567 Crores was lent by the Company to EHIRCL in 2011, which was subsequently transferred by EHIRCL to Lowe Infra and Wellness Private Limited (“Lowe”) in multiple transactions for the purchase of a land parcel. This land parcel, which was allegedly indirectly to be acquired by the Company through its subsidiary EHIRCL and another entity Lowe, was then transferred to RHC Holdings Private Limited (“RHC Holdings”). It has been stated in the said Show cause notice that a structured rotation of funds was carried out to portray that the loan extended by the Company for the purchase of land had been paid back with interest in the year 2011. It is alleged that the Company was actually paid back by RHC Holding over a period of four years ending on July 31, 2015. In this respect, the Company and FHsL funds were allegedly routed through various layers in order to camouflage the transactions, and to circumvent legal provisions with respect to related party transactions.

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

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.

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 current year for any contingency that may arise from the aforesaid issues. The Company being a parent entity for EHIRCL, FHsL has undertaken that it will reimburse such penalty/fine which shall finally payable by EHIRCL and/or FHsL, if required after exhausting available legal remedies. This is not to be regarded as admission in any manner whatsoever by the Company of any of the violations, as alleged by any of the authorities or otherwise, against it. Further, as per the management and in consultation with external legal counsel it is believed that the likelihood of additional impact, if any, is low and is not expected to be material.

30. The Board of Directors, after seeking inputs from reputed investment bankers, had approved an equity infusion of ₹ 400,000 Lakhs at a price of ₹ 170 per equity share into the Company by Northern TK Venture Pte Limited Singapore (NTK) ("Acquirer"), a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue"), subject to approval of the shareholders and other regulatory approvals which constituted 31.1% share capital of the Company. The shareholders of the Company approved the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. The Acquirer had received the approval from Competition Commission of India (CCI) on October 30, 2018 and the preferential allotment was made on November 13, 2018. Pursuant to the consummation of the same, Northern TK Venture Pte Limited, had appointed 2/3 of the directors on the Board of Directors of the Company, thereby acquiring control over the Company. Consequently, the Company has become a subsidiary of Northern TK Venture Pte Limited Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Limited is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare 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. The public shareholder has inter alia prayed for allowing the Mandatory Open Offer. 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 Consolidated Financial Statements.

Further during the current year, 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 end, the Brand License Agreements have expired. The Company is awaiting order(s) of the Hon'ble Supreme court.

31. During the year ended March 31, 2019, SRL Limited ('SRL' or 'Company') had provided ₹131.35 Lakhs managerial remuneration to erstwhile Executive Chairman, Mr. Malvinder Mohan Singh, in respect of his full and final settlement in the books of accounts. The amount paid in excess of the limits aggregating to ₹ 47.96 Lakhs in FY 2017-18 has been shown as advances recoverable as part of other financial assets. As the Executive Chairman was associated with the Company in his capacity of a Whole Time Director till May 27, 2018, the Company has adjusted the excess amounts paid to him for the year ended March 31, 2018 from the amounts payable to him for the period April 1, 2018 to May 27, 2018.

32. The Group has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under Section 92D for its international transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2021 is to be conducted on or before due date of the filing of return and the company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.

33. The Group has entered in various agreements with equipment manufacturer suppliers. As per agreements, the Group will get equipment free of cost and reagents have to be purchased from those specific vendors only. These equipment can be replaced at any point of time as per the discretion of the respective vendors.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

34. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT, 2006

The Ministry of Micro and Small Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the micro enterprises and the small enterprises should mention in their correspondences with their customers the Entrepreneur Memorandum Number as allocated after filing of the memorandum. Accordingly, the below information regarding dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in Lakhs)

Particulars	As at March 31, 21	As at March 31, 20
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
-Principal amount due to micro and small enterprises (including payable against PPE)	6,124.39	6,392.22
-Interest due on above	3.67	12.94
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	9.30	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	12.97	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

*Including payable to micro enterprises and small enterprises included in other financial liabilities [refer note 6(xviii)]

35. The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions specified in the said section. The Group has taken provision for taxation for the current year based on the new tax rates for certain group companies.

36. GOING CONCERN

During the later part of the year ended March 31, 2021 both the operational performance and cash flows of the group further improved as compared to earlier period during the year which was due to impact of COVID-19 (as explained in Note 37). As at March 31, 2021, the Group has funds available of ₹ 41,658.06 Lakhs and unutilised borrowing facilities sanctioned by banks amounting to ₹ 51,225.65 Lakhs. Further, during the current quarter in respect of the cash put option issued to minority shareholder of subsidiary, an amendment agreement to the shareholders' agreement was entered between the parties which also incorporated the new proposed exit rights. In accordance with the same the minority shareholders of subsidiary have agreed not to exercise the cash put option for a further period of 36 months from a relevant date (February 5, 2021) as defined in the amendment agreement in lieu of the new proposed exit rights. Accordingly, the financial liability for cash put option has been classified as non-current liability as at March 31, 2021 and the Group's current liabilities are higher than its current assets by ₹ 19,623.43 Lakhs. Further, the Group also has sufficient unencumbered assets that can be utilised for any additional funding requirements in future. Additionally, as explained in note 30, 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.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 audited consolidated financial statements is appropriate. In view of the aforesaid, the management has considered it appropriate to prepare these consolidated financial statements on a going concern basis.

37. During the earlier part of the current year, the COVID – 19 pandemic impacted the revenues and profitability of the Group with a decline in occupancy impacting significantly the hospital business revenues, profitability and cash flows. The diagnostics business of the Group also witnessed a significant drop in volumes during the earlier part of the year. The Group took various initiatives to support operations and optimise the cost. With a slew of these measures, the Group has been able to significantly reduce the negative impact on its business.

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

During the quarter ended March 31, 2021, the Group has further witnessed improvement in both hospital and diagnostic business and it has gradually moved towards normalisation of business during the current financial year. The Group has considered internal and external information while finalizing various estimates in relation to these financial statements. Going forward, the actual impact of the Covid-19 pandemic may still be different from that what has been estimated, as the COVID-19 situation is further evolving in India and globally and with the surge in number of cases in India. However, the Group is and will continue to closely monitor any material changes to future economic conditions.

38. The Board of Directors at its meeting held on July 13, 2018, approved re-classification of the then promoter holding under the category of 'Public Shareholding'. This was approved by the shareholders at their Extra Ordinary General Meeting dated August 13, 2018. During the year ended March 31, 2020, the Company received approval from SEBI for re-classification of erstwhile promoters as "public shareholder". SEBI has also reclassified the erstwhile promoters as "public shareholder".

39. During the year, SRL Limited (subsidiary company) entered into a business purchase agreement to acquire a lab owned by Dr. S P Singh located at Patiala for a purchase consideration of ₹ 145.50 Lakhs.

The following table summarises the recognised amount of assets acquired:

(₹ in Lakhs)

Particulars	Fair Value
Trademark	40.50
Laboratory Equipment	7.52
Office Equipment	1.21
Air Conditioners	0.28
Furnitures & Fittings	0.56
Computers and accessories	0.29
Net assets acquired	50.35

Goodwill arising from acquisition has been determined as follows:

(₹ in Lakhs)

Particulars	Amount
Consideration transferred	145.50
Fair value of net identifiable assets	50.35
Goodwill	**95.15**

Deferred consideration of ₹ 75.50 Lakhs is payable over a period of 27 months from the date of acquisition (i.e. April 1, 2020)

The Goodwill is attributable mainly to the synergies expected to be achieved by integrating the entities into the Company's existing diagnostic business. None of the goodwill recognised is deductible for income tax purposes.

40. 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 previous 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 previous year 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 current year 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 these financial statements, the criteria for principal business test is not met as at March 31, 2021.

41. The Shareholders' of the Company have 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 ₹ 35,000.00 Lakhs. Subsequent to the year ended March 31, 2021, 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 shall be 100% subsidiary of SRL Limited.

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : May 29, 2021

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : May 29, 2021

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Fortis

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