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

FHL/SEC/2022-23 **August 5, 2022**

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

BSE Limited
Scrip Code:532843

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

Dear Madam / Sir,

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, this is to inform you that the Board of Directors of the Company at its meeting held today i.e. August 5, 2022, *inter-alia*, considered and approved the following:

(i) Standalone and Consolidated un-audited financial results of the Company for the quarter ended on June 30, 2022.

Accordingly, please find enclosed standalone and consolidated un-audited financial results along with limited review report given by the Statutory Auditor of the Company for the quarter ended on June 30, 2022. Further, a copy of the press release and investor presentation being issued in this regard is also enclosed.

(ii) Amalgamation of Fortis Asia Healthcare Pte Limited ('FAHPL') and Fortis Healthcare International Pte Limited ('FHIPL'), step-down wholly-owned subsidiaries of the Company.

Further, the detailed disclosure as required under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/ CFD /CMD/4/2015 dated September 9, 2015 is enclosed**.**

The meeting commenced at 1400 Hours IST and concluded at 2035 Hours IST.

This is for your information and record.

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

murlee manohar jain
Digitally signed by murlee manohar jain
Date: 2022.08.05 20:38:36 +05'30'

Murlee Manohar Jain
Company Secretary
ICSI Membership: F9598

Encl: a/a

B S R & Co. LLP

Chartered Accountants

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

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Limited Review Report on unaudited standalone financial results of Fortis Healthcare Limited for the quarter ended 30 June 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Fortis Healthcare Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Fortis Healthcare Limited ("the Company") for the quarter ended 30 June 2022 ("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.

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

4. Attention is drawn to the fact that the figures for the three months ended 31 March 2022 as reported in these unaudited standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

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

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

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

   As explained in the said note, the Group had recorded significant adjustments/ provisions in its books of account during the year ended 31 March 2018. The Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing

('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Group. Further, based on management's detailed analysis and consultation with external legal counsel, a further provision has been made and recognised in the year ended 31 March 2021 for any contingency that may arise from the aforesaid issues. As per the management, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

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

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Rajesh Arora

Partner

Membership No.: 076124

UDIN:22076124AOHXQV6079

Bengaluru

05 August 2022

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

(Rupees in lacs)

Particulars	Standalone			
	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited	Unaudited	Audited
1. Revenue from operations	24,715	21,026	20,352	86,261
2. Other income	3,169	3,211	3,349	13,410
3. Total income (1+2)	**27,884**	**24,237**	**23,701**	**99,671**
4. Expenses				
(a) Purchases of medical consumable and drugs	6,306	5,147	5,616	20,930
(b) Changes in inventories of medical consumable and drugs	(163)	(245)	(485)	(501)
(c) Employee benefits expense	4,213	3,712	4,095	15,423
(d) Finance costs	2,791	3,324	3,272	12,958
(e) Hospital service fee expense	1,734	1,429	1,393	5,911
(f) Professional charges to doctors	4,853	4,299	3,501	16,081
(g) Depreciation and amortisation expense	2,843	2,849	2,793	11,263
(h) Other expenses	4,580	4,746	3,750	16,877
Total expenses	**27,157**	**25,261**	**23,935**	**98,942**
5. Net profit / (loss) from continuing operation before exceptional items and tax (3-4)	**727**	**(1,024)**	**(234)**	**729**
6 Exceptional gain / (loss) (refer note 4)	(1,233)	(1,628)	-	(1,628)
7. Profit / (loss) before tax from continuing operations (5-6)	**(506)**	**(2,652)**	**(234)**	**(899)**
8. Tax expense / (credit)	257	(228)	(61)	426
9. Net profit / (loss) for the period from continuing operations (7-8)	**(763)**	**(2,424)**	**(173)**	**(1,325)**
10. Profit / (loss) before tax from discontinued operations	-	-	-	-
11. Tax expense of discontinued operations	-	-	-	-
12. Net profit / (loss) for the period from discontinued operations (10-11)	-	-	-	-
13. Net profit / (loss) for the period (9+12)	**(763)**	**(2,424)**	**(173)**	**(1,325)**
14. Other Comprehensive Income / (loss) (after tax)	47	34	(24)	28
15. Total comprehensive income / (loss) for the period (13+14)	**(716)**	**(2,390)**	**(197)**	**(1,297)**
16. Paid-up equity share capital (Face Value Rupees 10 per Share)	75,496	75,496	75,496	75,496
17 Other equity as per the audited balance sheet				811,360

Fortis Healthcare Ltd.

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

(Rupees in lacs)

Particulars	Standalone			
	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited	Unaudited	Audited
18. Earnings per equity share for continuing operations (not annualised)				
Basic earnings / (loss) per share - In Rupees	(0.10)	(0.33)	(0.02)	(0.18)
Diluted earnings / (loss) per share - In Rupees	(0.10)	(0.33)	(0.02)	(0.18)
19. Earnings per equity share for discontinued operations (not annualised)				
Basic earnings / (loss) per share - In Rupees	-	-	-	-
Diluted earnings / (loss) per share - In Rupees	-	-	-	-
20. Earnings per equity share from continuing and discontinued operations (not annualised)				
Basic earnings / (loss) per share - In Rupees	(0.10)	(0.33)	(0.02)	(0.18)
Diluted earnings / (loss) per share - In Rupees	(0.10)	(0.33)	(0.02)	(0.18)
21. Earnings before depreciation and amortisation expense, finance costs, exceptional items and tax expense (EBITDA) (refer note 3)	6,361	5,149	5,831	24,950

Notes to the results

1. The above unaudited Standalone Financial Results of Fortis Healthcare Limited ("the Company") for the quarter ended June 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 05, 2022. The unqualified limited review report of the Statutory Auditors is being filed with BSE Limited and National Stock Exchange of India Limited. For more details on standalone results, visit investors section of our website at www.fortishealthcare.com and Financial Results at Corporate Section of www.nseindia.com and www.bseindia.com.

2. Figures for the quarter ended March 31, 2022, included in the Standalone Statement, is the balancing figure between audited figure in respect of the full financial year and the unaudited published year to date figures up to December 31, 2021 being the end of the third quarter of the financial year.

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

Fortis Healthcare Ltd. *

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

(Rupees in lacs)

Particulars	Quarter ended			Year ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited	Unaudited	Audited
a) Impairment of investment in Subsidiary Company	(1,233)	(1,628)	-	(1,628)
Net exceptional loss	**(1,233)**	**(1,628)**	**-**	**(1,628)**

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

   The Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Third Party. The matter is pending adjudication before District Court, Delhi. The Third Party has approached Delhi High Court for seeking certain interim reliefs against the Company under the provisions of The Arbitration and Conciliation Act, 1996 This Third party had also filed a claim for damages and injunctive reliefs against the Company before International Chamber of Commerce (ICC). The Company has invited the attention of ICC to the aforesaid pending litigations before various Courts and non-maintainability of claim raised by said Third party. Proceedings before Delhi High Court have been withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC has also been withdrawn by Third Party on February 23, 2020 and the same has been closed by ICC on February 28, 2020. The Company has filed an application for perjury against the Third Party and other entities which is pending before the Delhi High Court. During the year ended March 31, 2022, signatories of Third Party to the Term Sheet have also filed a duly affirmed affidavit before Delhi High Court stating that Term Sheet was neither signed on behalf of the Company before them nor did it ever come in force.

   During the year ended March 31, 2022, another Party, claiming to be one of the assignee of Third Party has filed a case against 28 named defendants, including the Company and its ultimate parent Company IHH, and 21 non-party defendants, including the Company in the United States District Court District of New Jersey, USA. Notice of the case has not yet been served on the Company under the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. In December 2021, a notice of this case was served to IHH which was subsequently disclosed by it to Bursa Stock Exchange, Malaysia. Company is given to understand that the case has been filed for alleged violation of, inter-alia, the U.S. Racketeer, Influenced and Corrupt Organizations Act, copyright infringement, tortious interference with contracts, etc. and Party has claimed damages in excess of USD 6.5 billion against all the defendants. Company has made disclosure about this case to stock exchange. It has also sought legal advice and will pray for dismissal of this case, as and when served.

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

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

Fortis Healthcare Ltd. ★

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

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

6. The Board of Directors, after seeking inputs from reputed investment bankers, had approved an equity infusion of Rupees 400,000 lacs at a price of Rupees 170 per equity share into the Company by Northern TK Venture Pte Ltd Singapore (NTK) ("Acquirer"), a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue"), subject to approval of the shareholders and other regulatory approvals which constituted 31.1% share capital of the Company. The shareholders of the Company approved the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. The Acquirer had received the approval from Competition Commission of India (CCI) on October 30, 2018 and the preferential allotment was made on November 13, 2018. Pursuant to the consummation of the same, Northern TK Venture Pte Ltd. had appointed 2/3 of the directors on the Board of Directors of the Company, thereby acquiring control over the Company. Consequently, the Company has become a subsidiary of Northern TK Venture Pte Ltd. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Ltd is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare Limited to Malaysian IHH Healthcare Berhad be maintained, the Mandatory Open offer was kept in abeyance and continues to be in abeyance as on date, and remains subject to further orders by the Hon'ble Court. The Company had accordingly filed an application seeking for modification of the said order.

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

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

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

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

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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. During the previous year ended March 31, 2022, the Brand License Agreements have expired. The Company is awaiting order(s) of the Hon'ble Supreme court.

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

A. **Background**

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

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

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

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

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

B. **Additional procedures/enquiries by the reconstituted Board**

(i) The Company's Board of Directors initiated additional procedures/ enquiries of certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm. Pending the additional procedures/ enquiries ("**Additional Procedures/ Enquiries**") and since the investigation was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report, as disclosed in the audited financial statements for the years

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ended March 31, 2018, March 31, 2019 and March 31, 2020 certain audit qualifications were made in respect of FHL's financial statements for those financial years, as the statutory auditors were unable to comment on the nature of those matters, the provisions established thereof, or any further potential impact on the financial statements. In order to resolve the same, the Board mandated the management to undertake review of certain areas in relation to historical transactions for the period April 1, 2014 to September 30, 2018 involving additional matters by engaging independent experts with specialized forensic skills to assist with the Additional Procedures/Enquiries and provide inputs and expert advice in connection therewith. The independent experts submitted their report which was discussed and considered by the Board in its meeting held on September 16, 2020.

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

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

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

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

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

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

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

Fortis Healthcare Ltd.

Resolution Professional (IRP) appointed by NCLT in a matter filed by one of creditors of Lessor IRP is currently adjudicating the claims of various creditors of the Lessor including that of the Company.

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

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

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

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

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

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

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

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

(v) During the year ended March 31, 2018, the Company through its subsidiary (i.e. Fortis Hospitals Limited ("FHsL")), purchased further 51% equity interest in Fortis Emergency Services Limited (FESL) at an aggregate consideration of Rupees 0.255 lacs from erstwhile promoter group company. Subsequently, FHsL advanced a loan to FESL, which was used to repay the outstanding unsecured loan amount of Rupees 215 lacs to an erstwhile promoter group company. Certain documents suggest that the loan

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repayment by FESL and some other payments to the erstwhile promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs /vendor advance to FHsL / Company. Further, FESL was not in a position to repay loan to the erstwhile promoter group company. FHsL also could not directly takeover the loan, as FHsL (holding 49%) could not have taken over the burden of the entire debt of FESL. Therefore, this transaction was in a way to help the erstwhile promoter group company (51% shareholders) to avoid making payment for its share, and place FHsL in a situation where it would find it hard to recover from its own now wholly owned subsidiary Further, the said loan advanced by FHsL to FESL was impaired in the books of account of FHsL due to anticipated chances of non-recovery.

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

(vi) Remuneration to ex-chairman

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

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

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

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

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

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

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

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

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

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

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

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

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compliance with regulatory requirements and systems design & control enhancement for which the assessment work was done and corrective action plans were implemented.

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

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

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

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

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

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

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

By an order dated November 12, 2020, SEBI revoked its Interim orders read with Confirmatory Order qua Best Healthcare Pvt. Ltd., Fern Healthcare Pvt. Ltd. and Modland Wears Pvt. Ltd. and directed that the ongoing proceedings against them be substituted with adjudication proceedings. The order expressly clarified that the Company and FHsL were at liberty to pursue remedies under law, as deemed appropriate by them, against the abovementioned entities in respect of their role in the diversion of funds. A Show-Cause Notice (SCN-1) was issued by SEBI to various entities including the Company and FHsL on November 20, 2020. In the SCN-1, it was inter-alia alleged that the consolidated financials of the Company at the relevant period were untrue and misleading for the shareholders of the Company and the Company had circumvented certain provisions of the SEBI Act. Securities Contracts (Regulation) Act, 1956, and certain SEBI regulations. In response, a joint representation/reply was filed by the Company and FHsL on December 28, 2020 praying for quashing of the SCN-1 by inter alia reiterating that the Company and FHsL, were in fact victims of the schemes of the erstwhile Promoters (Malvinder Mohan Singh and Shivinder Mohan Singh) and justice, equity and fairness demands that the victim ought not be punished for the offences of the wrongdoers. All acts impugned in the SCN-1 relate to the period when the erstwhile Promoters controlled the affairs of Company and FHsL and the erstwhile Promoters are no longer involved in the affairs of the Company and FHsL. The erstwhile Promoters were responsible for financial misrepresentation and not the Company and FHsL. Post resignation of the erstwhile Promoters in February 2018 the Board of Directors of the Company, solely comprising independent Directors looked after its welfare until a new promoter, invested and took control of the Company, till such time as the new promoters of the Company (i.e. NTK Venture Pte. Ltd.) assumed control of the Company pursuant to a preferential allotment which was approved by the Competition Commission of India and SEBI which approved the open offer which was triggered by such preferential allotment. Any adverse orders against the Company and FHsL would harm their existing shareholders, employees and creditors. The Company and FHsL have taken substantial legal actions against the erstwhile Promoters and significant steps to recover the diverted amounts. Oral submissions in response to the SCN were made in a personal hearing before the SEBI Whole Time Member on January 20, 2021 and written submissions were filed. SEBI has passed an order dated April 19, 2022 w.r.t SCN -1 and directed the Company & FHsL to pursue the measures taken to recover the amount of INR 397.12 Crores (approx.) along with the interest from erstwhile Promoters; & Audit Committee to regularly monitor the progress of such measures and report the same to Board of Directors at regular intervals. SEBI has imposed a penalty of Rupees 100 lacs and Rupees 50 lacs on Company and FHsL respectively. The Company and FHsL have filed an appeal against the order dated April 19, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai. SEBI has been directed to file its response to the said appeal.

On April 09, 2021, SEBI issued another Show cause notice (SCN-2) to various noticees including Escorts Heart Institute and Research Centre Limited ("EHIRCL") In the said SCN-2, with respect to EHIRCL, it has been alleged that Rupees 567 crore was lent by the Company to EHIRCL in 2011, which was subsequently transferred by EHIRCL to Lowe Infra and Wellness Private Limited ("Lowe") in multiple transactions for the purchase of a land parcel. This land parcel, which was allegedly indirectly to be acquired by the Company through its subsidiary EHIRCL and another entity Lowe. was then transferred to RHC Holdings Private Limited ("RHC Holdings"). It has been stated in the said SCN-2 that a structured rotation of funds was carried out to portray that the loan extended by the Company for the purchase of land had been paid back with interest in the year 2011 It is alleged that the Company was actually paid back by RHC Holding over a period of four years ending on July 31, 2015. In this respect, the Company and FHsL funds were allegedly routed through various layers in order to camouflage the transactions, and to circumvent legal provisions with respect to related party transactions.

In the SCN-2, EHIRCL has been clubbed along with the other noticees. and has been painted with the same brush as the other notices in alleging that certain noticees, including EHIRCL, were part of a fraudulent and deceptive device wherein they acted in fraudulent manner which led to the misuse and/or diversion of funds from a listed company i.e. FHL, amounting to approximately Rupees 397 12 crore for the ultimate benefit of RHC Holdings and the erstwhile promoters. Thereby, it is alleged,

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that EHIRCL has aided and abetted the routing of funds from the Company, ultimately to RHC Holdings, for the benefit of the promoter entities.

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

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

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

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

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

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

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

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

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

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

11. The main object of the Company is to carry on the business of healthcare and other related activities either directly or through its subsidiaries. During the year ended March 31, 2020, due to significant amount of dividend received by the Company from a wholly owned overseas subsidiary, the Company's 'income from financial assets' constituted more than 50 per cent of the gross income for the financial year ended March 31, 2020. Further, the 'financial assets' of the Company were also more than 50 per cent of its total assets as at March 31, 2020 (mainly investment and financing in wholly owned subsidiaries). Accordingly, the Company technically met 'Principal business' test as per the press release by Reserve Bank of India ("RBI") vide No. 1998-99/1269 dated April 8, 1999 for being classified as a Non-Banking Financial Company (NBFC) from April 1, 2020. However, the significant amount of dividend in the year ended March 31, 2020 was largely on account of a one-off transaction which led to dividend payment and the Company does not expect dividend of such a significant amount to be recurring in future The Board has also noted and confirmed that such dividend does not represent income from ordinary activities of the Company and that the Company does not intend to carry on the business as an NBFC. The Company has made a representation to the RBI in November 2019 that while the Company technically would meet the Principal Business Test due to this significant dividend on account of the one-off transaction, it does not, and does not intend to, carry on the business as an NBFC and hence keeping in view the objective behind the test, its registration as a NBFC should not be required. As per the RBI's 'Master Direction- Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016', on the issue of NBFC registration, the statutory auditor is to examine whether the Company has obtained a Certificate of Registration from the RBI when the "company is engaged in the business of nonbanking financial institution as defined in section 45-I(a) of the RBI Act and meeting the Principal Business Criteria (Financial Asset/ income pattern)". Subsequent to the completion of audit of the financial statements of the Company for the year ended March 31, 2020, the statutory auditor of the Company has also intimated the RBI regarding the Company technically meeting the Principal Business Test and regarding the above referred representation by the Company to the RBI which inter alia stated that the Company is primarily engaged in the healthcare business and that the Company has represented to the RBI that it does not presently or in future intend to undertake the business of non-banking financial institution. Further, during the quarter ended September 30, 2020 the Company wrote a letter to RBI with a request to confirm that no such registration as a NBFC is required. It also requested for a meeting to give an opportunity to the Company to explain its position on the matter During the quarter ended March 31, 2021 RBI advised the Company to submit to it the financial results for the quarter ended June 30 2020, September 30, 2020 and December 31, 2020 which was duly submitted. Further, as evident from those financial results, the criteria for principal business test was not met as at March 31, 2021 and also as at March 31, 2022.

12. During the year, the operational performance of the Company has further improved as compared to previous year. As at June 30, 2022, the Company has funds available of Rupees 66 lacs and unutilized borrowing facilities sanctioned by banks amounting to Rupees 6,053 lacs. The Company's current liabilities are higher than its current assets by Rupees 17,131 lacs. Further, the Company also has sufficient unencumbered assets that can be utilized for any additional funding requirements n future. Additionally, as explained in note 6, the ongoing litigation at the Hon'ble Supreme Court has delayed the ability of the Group to carry out planned restructuring activities, which could further strengthen the financial position of the Company.

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

13. During the early part of the year ended March 31, 2021, the COVID – 19 pandemic impacted the revenues and profitability of the Company. The Company took various initiatives to support operations and optimize the cost. With a slew of these measures, the Company was able to significantly reduce the negative impact on its business and moved towards its normalization.

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

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

14. During the quarter ended March 31, 2021, the Shareholders' of the Company approved the postal ballot resolution on March 14, 2021 to acquire additional 50% stake equivalent to 2,50 000 equity shares in 'DDRC SRL Diagnostics Private Limited' (DDRC SRL) by SRL Limited, a material subsidiary for a cash consideration of Rs 350 crores. The said transaction was consummated on April 5, 2021. The acquisition has been made by SRL Limited, which is in the same line of business

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as that of entity being acquired. Post this acquisition DDRC SRL has become 100% indirect subsidiary of SRL Limited (subsidiary of Fortis Healthcare Limited).

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

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

Date: August 05, 2022

Place: Bengaluru

For and on behalf of the Board of Directors

Ashutosh

Dr. Ashutosh Raghuvanshi
Managing Director & CEO
DIN: 02775637

Fortis Healthcare Ltd

B S R & Co. LLP

Chartered Accountants

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Limited Review Report on unaudited consolidated financial results of Fortis Healthcare Limited for the quarter ended 30 June 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Fortis Healthcare Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Fortis Healthcare Limited ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit after tax and total comprehensive income of its associates and joint ventures for the quarter ended 30 June 2022 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

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

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

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

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

   Parent:

   (i) Fortis Healthcare Limited

   Subsidiaries:

   (i) Escorts Heart Institute and Research Centre Limited ("EHIRCL")

   (ii) Fortis Hospitals Limited

   (iii) Fortis Asia Healthcare Pte Limited

   (iv) Fortis Healthcare International Limited

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

(v) Fortis Global Healthcare (Mauritius) Limited

(vi) Fortis Malar Hospitals Limited

(vii) Malar Stars Medicare Limited

(viii) Fortis Health Staff Limited

(ix) Fortis Cancer Care Limited

(x) Fortis La Femme Limited

(xi) Fortis Health Management (East) Limited

(xii) Hiranandani Healthcare Private Limited

(xiii) SRL Limited

(xiv) SRL Diagnostics Private Limited

(xv) SRL Reach Limited

(xvi) SRL Diagnostics FZ- LLC

(xvii) Fortis Healthcare International Pte Limited ('FHIPL')

(xviii) Birdie and Birdie Realtors Private Limited

(xix) Stellant Capital Advisory Services Private Limited

(xx) RHT Health Trust Manager Pte Limited

(xxi) Fortis Emergency Services Limited

(xxii) Fortis Hospotel Limited

(xxiii) Escort Heart and Super Speciality Hospital Limited

(xxiv) International Hospital Limited

(xxv) Hospitalia Eastern Private Limited

(xxvi) Fortis Health Management Limited

(xxvii) Medical Management Company Limited

(xxviii) Mena Healthcare Investment Company Limited

(xxix) DDRC SRL Diagnostics Limited

Joint ventures:

(i) Fortis Cauvery

(ii) Fortis C- Doc Healthcare Limited

(iii) SRL Diagnostics (Nepal) Private Limited

Associates:

(i) Lanka Hospitals Corporate Plc

(ii) THR Infrastructure Pte Ltd

(iii) RHT Health Trust

5. Attention is drawn to the fact that the figures for the three months ended 31 March 2022 as reported in these unaudited consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit

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

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

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

      As explained in the said note, the Group had recorded significant adjustments/ provisions in its books of account during the year ended 31 March 2018. The Company has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Group. Further, based on management's detailed analysis and consultation with external legal counsel, a further provision has been made and recognised in the year ended 31 March 2021 for any contingency that may arise from the aforesaid issues. As per the management, any further financial impact, to the extent it can be reliably estimated as at present, is not expected to be material.

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

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

8 The Statement includes the interim financial information of fifteen subsidiaries which have not been reviewed, whose interim financial information reflects total revenues of Rs. 319 lacs (before consolidation adjustments), total net loss after tax of Rs. 964 lacs (before consolidation adjustments) and total comprehensive loss of Rs. 963 lacs (before consolidation adjustments), for the quarter ended 30 June 2022, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of Rs. 1,002 lacs and total comprehensive income of Rs. 1,002 lacs, for the quarter ended 30 June 2022 as considered in the unaudited consolidated financial results, in respect of three associates and three joint ventures, based on their interim financial information which have not been reviewed. According to the information and explanations given to us by the Parent's management, these interim financial information are not material to the Group.

Our conclusion is not modified in respect of this matter

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Rajesh Arora

Partner

Membership No.: 076124

UDIN:22076124AOHXSO8613

Bengaluru

05 August 2022

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

(Rupees in lacs)

Particulars	Consolidated			
	Quarter Ended			Year Ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited	Unaudited	Audited
1. Revenue from operations	148,785	137,810	141,031	571,761
2. Other income	2,070	599	784	2,734
3. Total income (1+2)	**150,855**	**138,409**	**141,815**	**574,495**
4. Expenses				
(a) Purchases of medical consumable and drugs	34,651	33,274	39,699	140,337
(b) Changes in inventories of medical consumable and drugs	265	(956)	(4,739)	(4,614)
(c) Employee benefits expense	25,527	23,788	24,830	97,294
(d) Finance costs	3,120	3,002	3,843	14,685
(e) Professional charges to doctors	30,970	28,157	24,481	110,130
(f) Depreciation and amortisation expense	7,429	7,728	7,291	30,084
(g) Other expenses	32,262	31,426	29,235	121,718
Total expenses	**134,224**	**126,417**	**124,640**	**509,634**
5. Net profit / (loss) from continuing operations before share in profit / (loss) of associates and joint ventures, exceptional items and tax (3-4)	**16,631**	**11,992**	**17,175**	**64,861**
6. Add:Share in profit of associate companies and joint ventures	1,002	633	850	2,415
7. Net profit / (loss) before exceptional items and tax (5+6)	**17,633**	**12,625**	**18,025**	**67,276**
8. Exceptional gain (refer note 5)	-	20	30,614	31,503
9. Profit / (loss) before tax from continuing operations (7+8)	**17,633**	**12,645**	**48,639**	**98,779**
10. Tax expense / (credit)	4,202	3,942	5,578	19,784
11. Net profit / (loss) for the period from continuing operations (9-10)	**13,431**	**8,703**	**43,061**	**78,995**
12. Profit / (loss) before tax from discontinued operations	-	-	-	-
13. Tax expense of discontinued operations	-	-	-	-
14. Net profit / (loss) for the period from discontinued operations (12-13)	-	-	-	-
15. Net profit / (loss) for the period (11+14)	**13,431**	**8,703**	**43,061**	**78,995**
16. Profit / (loss) from continuing operations attributable to:				
Owners of the Company	12,225	6,797	26,355	55,512
Non-Controlling Interest	1,206	1,906	16,706	23,483
17. Profit / (loss) from discontinuing operations attributable to:				
Owners of the Company	-	-	-	-
Non-Controlling Interest	-	-	-	-

Fortis Healthcare Ltd.

FORTIS HEALTHCARE LIMITED
CIN: L85110PB1996PLC045933
Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

(Rupees in lacs)

Particulars	Consolidated			
	Quarter Ended			Year Ended
	June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
	Unaudited	Audited	Unaudited	Audited
18. Other Comprehensive Income (including OCI relating to associates and joint venture) (after tax)	(2319)	(5051)	(107)	(4650)
19. Other comprehensive Income/(Loss) attributable to:				
Owners of the Company	(2324)	(5089)	(96)	(4640)
Non Controlling interest	5	38	(11)	(10)
20. Total comprehensive Income/(Loss) (15+18)	**11,112**	**3,652**	**42,954**	**74,345**
21. Total comprehensive Income/(Loss) attributable to:				
Owners of the Company	9,901	1,708	26,259	50,872
Non-Controlling interest	1,211	1,944	16,695	23,473
22. Paid-up equity share capital (Face Value Rupees 10 per Share)	75,496	75,496	75,496	75,496
23. Other equity as per the audited balance sheet				542,328
24. Earnings per equity share for continuing operations (not annualised)				
Basic earnings per share - In Rupees	1.62	0.90	3.49	7.35
Diluted earnings per share - In Rupees	1.62	0.90	3.49	7.35
25. Earnings per equity share for discontinued operations (not annualised)				
Basic earnings per share - In Rupees	-	-	-	-
Diluted earnings per share - In Rupees	-	-	-	-
26. Earnings per equity share from continuing and discontinued operations				
Basic earnings per share - In Rupees	1.62	0.90	3.49	7.35
Diluted earnings per share - In Rupees	1.62	0.90	3.49	7.35
27. Earnings before depreciation and amortization expense, finance costs, exceptional items, tax expenses and share in profit /(loss) of associate companies and joint ventures (EBITDA) (Refer note 4)	27,180	22,722	28,309	109,630

Fortis Healthcare Ltd.

FORTIS HEALTHCARE LIMITED
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Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

Notes to the results

1. The above unaudited Consolidated Financial Results of Fortis Healthcare Limited ("the Company") and its subsidiaries (Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures for the quarter ended June 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 5, 2022. The unmodified limited review report of the Statutory Auditors is being filed with BSE Limited and National Stock Exchange of India Limited. For more details on consolidated results, visit investors section of our website at www.fortishealthcare.com and Financial Results at Corporate Section of www.nseindia.com and www.bseindia.com.

2. Figures for the quarter ended March 31, 2022, included in the Consolidated Statement, is the balancing figure between audited figure in respect of the full financial year and the unaudited published year to date figures up to December 31, 2021 being the end of the third quarter of the financial year.

3. **Segment Reporting**

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

(Rupees in lacs)

S.No	Particulars	Quarter ended			Year Ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Audited	Unaudited	Audited
1	**Segment value of sales and services (revenue)**				
	- Healthcare	119,236	104,078	100,630	426,364
	-Diagnostics	33,264	37,234	44,142	160,491
	Gross value of sales and services	152,500	141,312	144,772	586,855
	Less : inter segment sales and services	(3,715)	(3,502)	(3,741)	(15,094)
	Value of sales and services	148,785	137,810	141,031	571,761
	Less : GST recovered	-	-	-	-
	Revenue from operations	**148,785**	**137,810**	**141,031**	**571,761**
2	**Segment results**				
	- Healthcare	13,805	8,574	8,912	43,648
	-Diagnostics	3,876	5,822	11,322	33,164
	Total segment profit / (loss) before interest and tax	17,681	14,396	20,234	76,812
	(i) Finance cost	(3,120)	(3,002)	(3,843)	(14,685)
	(ii) Exceptional items and unallocable expenditure (net of unallocable income)	2,070	618	31,398	34,237
	(iii) Share of profit / (loss) of associates and joint ventures (net)	1,002	633	850	2,415
	Profit / (loss) before tax	**17,633**	**12,645**	**48,639**	**98,779**
3	**Segment assets**				
	- Healthcare	873,278	866,083	876,782	866,083
	-Diagnostics	183,400	181,751	180,646	181,751
	-Unallocable assets	148,198	143,386	128,919	143,386
	Total assets	1,204,876	1,191,220	1,186,347	1,191,220

Fortis Healthcare Ltd

FORTIS HEALTHCARE LIMITED
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Fortis Hospital, Sector 62 Phase – VIII, Mohali - 160062
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

(Rupees in lacs)

S.No	Particulars	Quarter ended			Year Ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Audited	Unaudited	Audited
	Less : inter segment assets	(3,225)	(2,745)	(3,640)	(2,745)
	Total segment assets	**1,201,651**	**1,188,475**	**1,182,707**	**1,188,475**
4	**Segment liabilities**				
	- Healthcare	318,331	320,993	262,929	320,993
	-Diagnostics	33,705	34,225	35,364	34,225
	-Unallocable liabilities	140,891	135,177	173,282	135,177
	Total liabilities	492,927	490,395	471,575	490,395
	Less : inter segment liabilities	(3,225)	(2,745)	(3,640)	(2,745)
	Total segment liabilities	**489,702**	**487,650**	**467,935**	**487,650**

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

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

(Rupees in lacs)

S. No.	Particulars	Quarter ended			Year Ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Audited	Unaudited	Audited
(a)	Gain on remeasurement of previously held equity interest (refer note 16)	-	-	30,614	30,614
(b)	Reversal of allowance for loan given to Fortis C-Doc Healthcare Limited	-	20	-	80
(c)	Profit on sale of land & building (net of goodwill written off of Rs 1,231 lacs)	-	-	-	809
	Net exceptional gain / (loss)	**-**	**20**	**30,614**	**31,503**

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

A. **Background**

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

Fortis Healthcare Ltd.

subsequent repayment of loan by said subsidiary to the erstwhile promoter group company. The investigation report was submitted to the re-constituted Board in June 2018.

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

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

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

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

B. Additional procedures/enquiries by the reconstituted Board

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

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

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

Fortis Healthcare Ltd.

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

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

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

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

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

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

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

Fortis Healthcare Ltd. *

Company for certain other matters, in which a reference has been made to such SFIO enquiries as well as to the Company's responses thereto and EOW is investigating the matter. A First Information Report (FIR) was registered by EOW in July 2021 against the above complaint.

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

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

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

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

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

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

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

Fortis Healthcare Ltd. *

to recover from its own now wholly owned subsidiary Further, the said loan advanced by FHsL to FESL was impaired in the books of account of FHsL due to anticipated chances of non-recovery.

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

(vi) Remuneration to ex-chairman

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

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

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

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

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

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

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

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

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

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

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

Therefore, with this conclusion, the initial investigation, which was subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers has been addressed through the additional procedures/enquiries by independent experts. In addition, the current Board had initiated specific improvement projects to strengthen the process and control environment. The projects included revision of authority levels, both operational and financial and oversight of the Board, review of Financial Reporting

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processes, assessment of secretarial documentation w.r.t compliance with regulatory requirements and systems design & control enhancement for which the assessment work was done and corrective action plans were implemented.

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

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

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

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

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

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.

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Accordingly, FHsL has filed a civil suit for recovery of Rupees 52,019 lacs before Hon'ble Delhi High Court against the parties, named in the orders passed by SEBI.

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

By an order dated November 12, 2020, SEBI revoked its Interim orders read with Confirmatory Order qua Best Healthcare Pvt. Ltd., Fern Healthcare Pvt. Ltd. and Modland Wears Pvt. Ltd. and directed that the ongoing proceedings against them be substituted with adjudication proceedings. The order expressly clarified that the Company and FHsL were at liberty to pursue remedies under law, as deemed appropriate by them, against the abovementioned entities in respect of their role in the diversion of funds. A Show-Cause Notice (SCN-1) was issued by SEBI to various entities including the Company and FHsL on November 20, 2020 In the SCN-1, it was inter-alia alleged that the consolidated financials of the Company at the relevant period were untrue and misleading for the shareholders of the Company and the Company had circumvented certain provisions of the SEBI Act, Securities Contracts (Regulation) Act, 1956, and certain SEBI regulations. In response, a joint representation/reply was filed by the Company and FHsL on December 28, 2020 praying for quashing of the SCN-1 by inter alia reiterating that the Company and FHsL, were in fact victims of the schemes of the erstwhile Promoters (Malvinder Mohan Singh and Shivinder Mohan Singh) and justice, equity and fairness demands that the victim ought not be punished for the offences of the wrongdoers. All acts impugned in the SCN-1 relate to the period when the erstwhile Promoters controlled the affairs of Company and FHsL and the erstwhile Promoters are no longer involved in the affairs of the Company and FHsL. The erstwhile Promoters were responsible for financial misrepresentation and not the Company and FHsL. Post resignation of the erstwhile Promoters in February 2018, the Board of Directors of the Company, solely comprising independent Directors looked after its welfare until a new promoter, invested and took control of the Company, till such time as the new promoters of the Company (i e NTK Venture Pte Ltd.) assumed control of the Company pursuant to a preferential allotment which was approved by the Competition Commission of India and SEBI which approved the open offer which was triggered by such preferential allotment. Any adverse orders against the Company and FHsL would harm their existing shareholders, employees and creditors. The Company and FHsL have taken substantial legal actions against the erstwhile Promoters and significant steps to recover the diverted amounts. Oral submissions in response to the SCN-1 were made in a personal hearing before the SEBI Whole Time Member on January 20, 2021 and written submissions were filed. SEBI has passed an order dated April 19, 2022 w.r.t SCN -1 and directed the Company & FHsL to pursue the measures taken to recover the amount of INR 397.12 Crores (approx.) along with the interest from erstwhile Promoters; & Audit Committee to regularly monitor the progress of such measures and report the same to Board of Directors at regular intervals Based on the aforesaid allegations and actions taken by the Company against the erstwhile promoters and related entities, SEBI has imposed a penalty of Rs 100 lacs and Rs 50 lacs on Company and FHsL respectively. The Company and FHsL have filed an appeal against the order dated April 19, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai. SEBI has been directed to file its response to the said appeal.

On April 09, 2021, SEBI issued another Show cause notice (SCN-2) to various noticees including Escorts Heart Institute and Research Centre Limited ("EHIRCL"). In the said SCN-2, with respect to EHIRCL, it has been alleged that INR 567 crore was lent by the Company to EHIRCL in 2011, which was subsequently transferred by EHIRCL to Lowe Infra and Wellness Private Limited ("Lowe") in multiple transactions for the purchase of a land parcel. This land parcel, which was allegedly indirectly to be acquired by the Company through its subsidiary EHIRCL and another entity Lowe, was then transferred to RHC Holdings Private Limited ("RHC Holdings"). It has been stated in the said SCN-2 that a structured rotation of funds was carried out to portray that the loan extended by the Company for the purchasa 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.

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In the SCN-2, EHIRCL has been clubbed along with the other noticees, and has been painted with the same brush as the other noticees in alleging that certain noticees, including EHIRCL, were part of a fraudulent and deceptive device wherein they acted in fraudulent manner which led to the misuse and/or diversion of funds from a listed company i.e. FHL, amounting to approximately Rupees 397.12 crore for the ultimate benefit of RHC Holdings and the erstwhile promoters. Thereby, it is alleged, that EHIRCL has aided and abetted the routing of funds from the Company, ultimately to RHC Holdings, for the benefit of the promoter entities.

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

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

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

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

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

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

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

a) Delhi Development Authority ('DDA') had terminated the lease deeds and allotment letters relating to land parcels on which a hospital of EHIRCL exists. The matter is currently pending before the Hon'ble High Court of Delhi. Consequent to termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. The eviction proceedings initiated before the Estate Officer were challenged before the Hon'ble Supreme Court. Supreme Court vide its order dated November 14, 2019 has quashed the Show Cause Notice for eviction proceedings. Based on the external legal counsel advice, the Company believes that EHIRCL will be able to suitably defend the termination of lease deeds and allotment letters and accordingly considers that no adjustments are required to the unaudited Consolidated Financial Results.

b) Further, there was tax demand against EHIRCL of Rupees 6,478 lacs [(after adjusting Rupees 16,491 lacs as at June 30, 2022) {As at March 31, 2022 Rupees 6,497 lacs (after adjustment Rupees 16,472 lacs as at March 31, 2022)} of an escrow account which was maintained out of sale consideration payable by the

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Company to the erstwhile promoters of EHIRCL] for various assessment years. Further, as per the Share Purchase Agreement, one third of any excess of the net demand, amounting to Rupees 2,159 lacs after adjusting the recovery from escrow account, would be borne by the said erstwhile promoters of EHIRCL and the rest by the Company. During the year ended March 31, 2015, the Commissioner of Income Tax (Appeals) decided the case in favour of EHIRCL. Income Tax Department had filed an appeal before Income Tax Appellate Tribunal (ITAT) and during the year ended March 31, 2020, ITAT decided the case in favour of EHIRCL.

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

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

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

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

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

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

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

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

    The Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Company has in its written statement also stated that it has not signed the alleged Term Sheet with the Third Party. The matter is pending adjudication before District Court, Delhi. The Third Party has approached Delhi High Court for seeking certain interim reliefs against the Company under the provisions of The Arbitration and Conciliation Act, 1996. This Third party had also filed a claim for damages and injunctive reliefs against the Company before International Chamber of Commerce (ICC). The Company has invited the attention of ICC to the aforesaid pending litigations before various Courts and non-maintainability of claim raised by said Third party. Proceedings before Delhi High Court have been withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC has also been withdrawn by Third Party on February 23, 2020 and the same has been closed by ICC on February 28, 2020. The Company has filed an application for perjury against the Third Party and other entities which is pending before the Delhi High Court. During the year ended March 31, 2022, signatories of Third Party to the Term Sheet have also filed a duly affirmed affidavit before Delhi High Court stating that Term Sheet was neither signed on behalf of the Company before them nor did it ever come in force.

    During the year ended March 31, 2022, another Party, claiming to be one of the assignee of Third Party has filed a case against 28 named defendants, including the Company and its ultimate parent Company IHH, and 21 non-party defendants, including the Company in the United States District Court, District of New Jersey, USA. Notice of the case has not yet been served on the Company under the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. In December 2021, a notice of this case was served to IHH which was subsequently disclosed by it to Bursa Stock Exchange, Malaysia. Company is given to understand that the case has been filed for alleged violation of, inter-alia, the U.S. Racketeer, Influenced and Corrupt Organizations Act, copyright infringement, tortious interference with contracts, etc. and Party has claimed damages in excess of USD 6.5 billion against all the defendants Company has made disclosure about this case to stock exchange. It has also sought legal advice and will pray for dismissal of this case, as and when served

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

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

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

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

12. The Board of Directors, after seeking inputs from reputed investment bankers, had approved an equity infusion of Rupees 400,000 lacs at a price of Rupees 170 per equity share into the Company by Northern TK Venture Pte Ltd Singapore (NTK) ("Acquirer"), a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment ("Preferential Issue"), subject to approval of the shareholders and other regulatory approvals which constituted 31.1% share capital of the Company. The shareholders of the Company approved the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. The Acquirer had received the approval from Competition Commission of India (CCI) on October 30, 2018 and the preferential allotment was made on November 13, 2018. Pursuant to the consummation of the same, Northern TK Venture Pte Ltd, had appointed 2/3 of the directors on the Board of Directors of the Company, thereby acquiring control over the Company. Consequently, the Company has become a subsidiary of Northern TK Venture Pte Ltd. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Ltd is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained, the Mandatory Open offer was kept in abeyance and continues to be in abeyance as on date, and remains subject to further orders by the Hon'ble Court. The Company had accordingly filed an application seeking for modification of the said order.

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

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

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

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

Further during the quarter ended September 30, 2020, in view of the aforesaid suo moto contempt notice, for abundant caution, an application was filed by the Company before the Hon'ble Supreme Court of India, praying for permission to it and its subsidiaries for changing their respective names, brands and logos; and for

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continued usage of the same if the said application was not disposed of prior to expiry of the term of the Brand License Agreements to allow adequate time for smooth Brand transition without any disruption to business. During the previous year ended March 31, 2022, the Brand License Agreements have expired. The Company is awaiting order(s) of the Hon'ble Supreme court.

13. The main object of the Company is to carry on the business of healthcare and other related activities either directly or through its subsidiaries. During the year ended March 31, 2020, due to significant amount of dividend received by the Company from a wholly owned overseas subsidiary, the Company's 'income from financial assets' constituted more than 50 per cent of the gross income for the financial year ended March 31, 2020. Further, the 'financial assets' of the Company were also more than 50 per cent of its total assets as at March 31, 2020 (mainly investment and financing in wholly owned subsidiaries). Accordingly, the Company technically met 'Principal business' test as per the press release by Reserve Bank of India ("RBI") vide No. 1998-99/1269 dated April 8, 1999 for being classified as a Non-Banking Financial Company (NBFC) from April 1, 2020. However, the significant amount of dividend in the year ended March 31, 2020 was largely on account of a one-off transaction which led to dividend payment and the Company does not expect dividend of such a significant amount to be recurring in future. The Board has also noted and confirmed that such dividend does not represent income from ordinary activities of the Company and that the Company does not intend to carry on the business as an NBFC. The Company has made a representation to the RBI in November 2019 that while the Company technically would meet the Principal Business Test due to this significant dividend on account of the one-off transaction, it does not, and does not intend to, carry on the business as an NBFC and hence keeping in view the objective behind the test, its registration as a NBFC should not be required. As per the RBI's '*Master Direction- Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016*', on the issue of NBFC registration, the statutory auditor is to examine whether the company has obtained a Certificate of Registration from the RBI when the "*company is engaged in the business of nonbanking financial institution as defined in section 45-I(a) of the RBI Act* ***and*** meeting the Principal Business Criteria (Financial Asset/ income pattern)" Subsequent to the completion of audit of the financial statements of the Company for the year ended March 31, 2020, the statutory auditor of the Company has also intimated the RBI regarding the Company technically meeting the Principal Business Test and regarding the above referred representation by the company to the RBI which inter alia stated that the Company is primarily engaged in the healthcare business, and that the Company has represented to the RBI that it does not presently or in future intend to undertake the business of non-banking financial institution. Further, during the quarter ended September 30, 2020 the Company wrote a letter to RBI with a request to confirm that no such registration as a NBFC is required. It also requested for a meeting tos give an opportunity to the Company to explain its position on the matter. During the quarter ended March 31, 2021 RBI advised the Company to submit to it the financial results for the quarter ended June 30 2020, September 30 2020 and December 31 2020 which was duly submitted. Further, as evident from those financial statements, the criteria for principal business test was not met as at March 31, 2021 and also as at March 31, 2022

14. As at June 30, 2022, the Group has funds available of Rupees 41,741 lacs and unutilized borrowing facilities sanctioned by banks amounting to Rupees 50,906 lacs. The Group's current liabilities are higher than its current assets by Rupees 14,858 lacs. Further, the Group also has sufficient unencumbered assets that can be utilized for any additional funding requirements in future. Additionally, as explained in note 12, the ongoing litigation at the Hon'ble Supreme Court has delayed the ability of the Group to carry out planned restructuring activities which could further strengthen the financial position of the Group.

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

15. During the earlier part of the year ended March 31, 2021, the COVID – 19 pandemic impacted the revenues and profitability of the Group. The Group took various initiatives to support operations and optimize the cost. With a slew of these measures, the Group was able to significantaly reduce the negative impact on its business and moved towards its normalization.

Fortis Healthcare Ltd

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

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

16. During the year ended March 31, 2021, the Shareholders' of the Company approved the postal ballot resolution on March 14, 2021 to acquire additional 50% stake equivalent to 2,50,000 equity shares in 'DDRC SRL Diagnostics Private Limited' (DDRC SRL) by SRL Limited, a material subsidiary, for a cash consideration of Rs. 350 crores. The said transaction was consummated on April 5, 2021. The acquisition has been made by SRL Limited which is in the same line of business as that of entity being acquired. Post this acquisition DDRC SRL has become 100% indirect subsidiary of SRL Limited (subsidary of Fortis Healthcare Limited).

The Group remeasured its previously held equity interest in DDRC SRL at its fair value on acquisition of the additional 50% stake and recognised the resultant gain as an exceptional item during the quarter ended 30 June 2021 in accordance with the applicable Indian Accounting Standard. Purchase price allocation of the purchase consideration has been done at the acquisition date and adjusted in the unaudited consolidated financial results.

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

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

18. Subsequent to end of the quarter, the Group has entered into agreements with certain individuals towards business acquisition/ business continuity amounting to Rupees 13,100 lacs. The accounting effect to these agreements will be given in subsequent period

Date: August 5, 2022

Place: Bengaluru

For and on behalf of the Board of Directors

Ashutosh

Dr. Ashutosh Raghuvanshi
Managing Director & CEO
DIN: 02775637

Fortis Healthcare Ltd.

FORTIS HEALTHCARE LIMITED

EARNINGS PRESENTATION– Q1 FY23

AUGUST 5, 2022

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AGENDA

1. Performance Highlights
    - Earnings and Financial Summary – Q1 FY23
2. Performance Review - Hospital Business
3. Performance Review - Diagnostics Business
4. Appendix

Q1FY23

PERFORMANCE HIGHLIGHTS

Q1FY23 SNAPSHOT

- Consolidated revenues of the company grew 5.5% versus Q1FY22 and 8% versus Q4 FY22
- Hospital business witnessed robust performance - revenue grows 18.5% versus Q1FY22 and 14.6% versus Q4FY22
- Hospital EBITDA grew 39% YoY to INR 208 Crs, translating into a 17.4% margin
- Hospital business EBITDA contribution to consolidated EBITDA increases to 76% versus 53% in Q1 FY22
- ARPOB at INR 1.96 Crs, up 21%. Surgical : non-surgical mix at an all time high of 61 :39
- Diagnostics business witnessed muted performance due to lower covid volumes; margins at 19.3%
- Healthy Balance Sheet – net debt to EBITDA at 0.54x, net debt at INR 585 Crs

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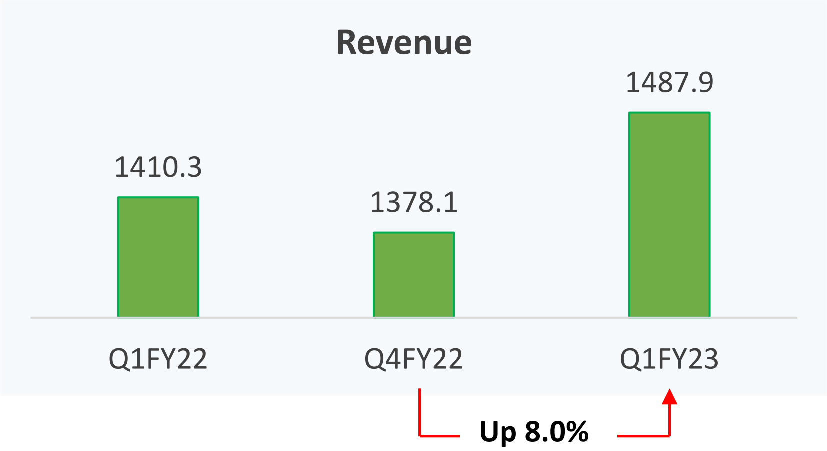
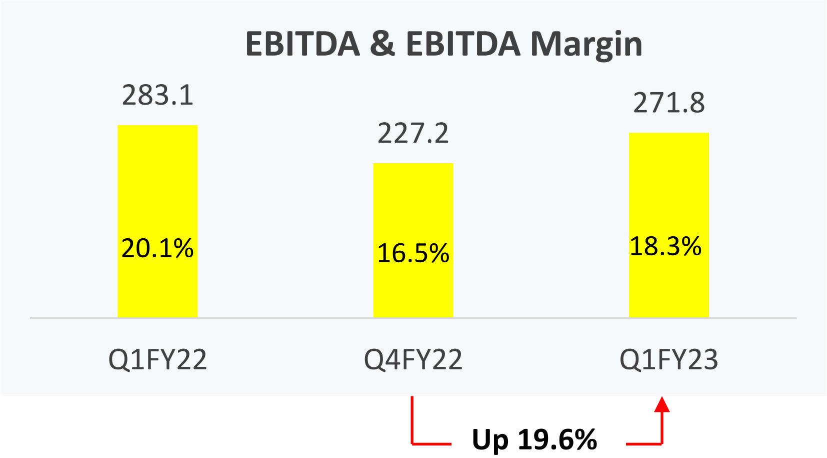
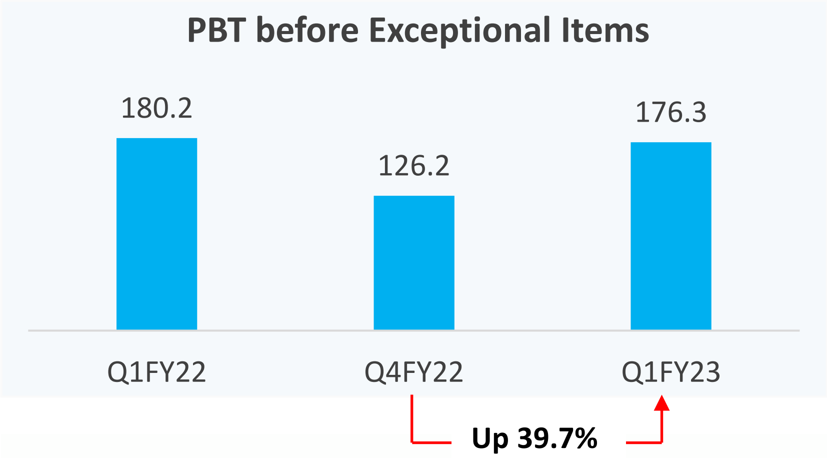
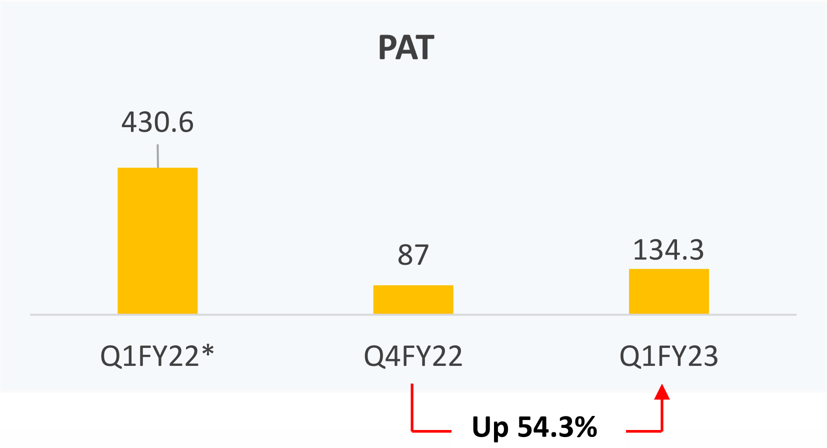
CONSOLIDATED EARNINGS SUMMARY – Q1FY23

All figures in INR Crs.





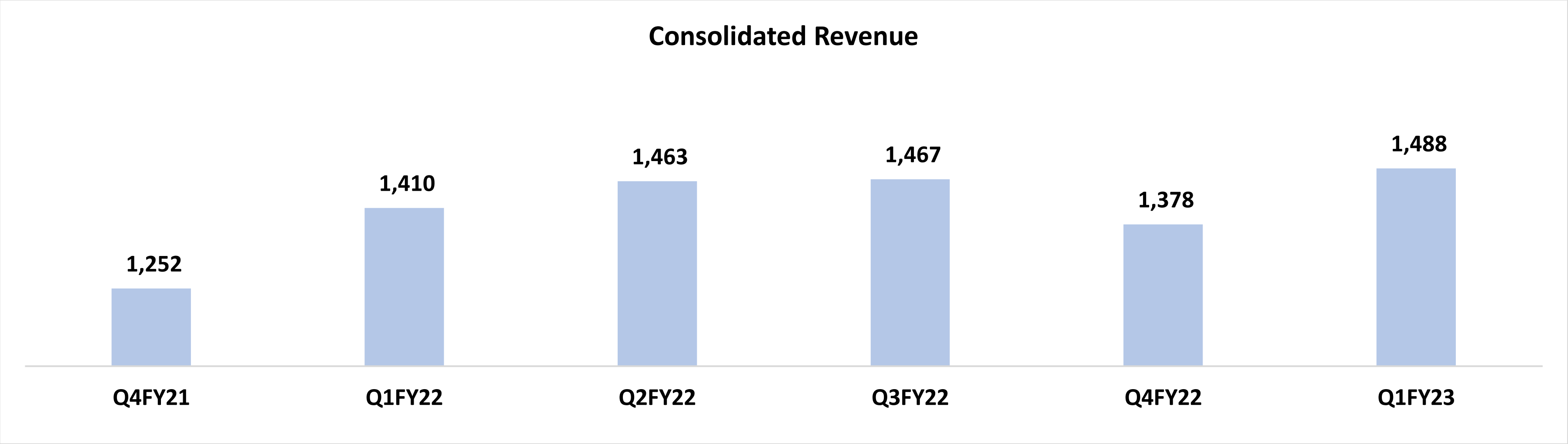


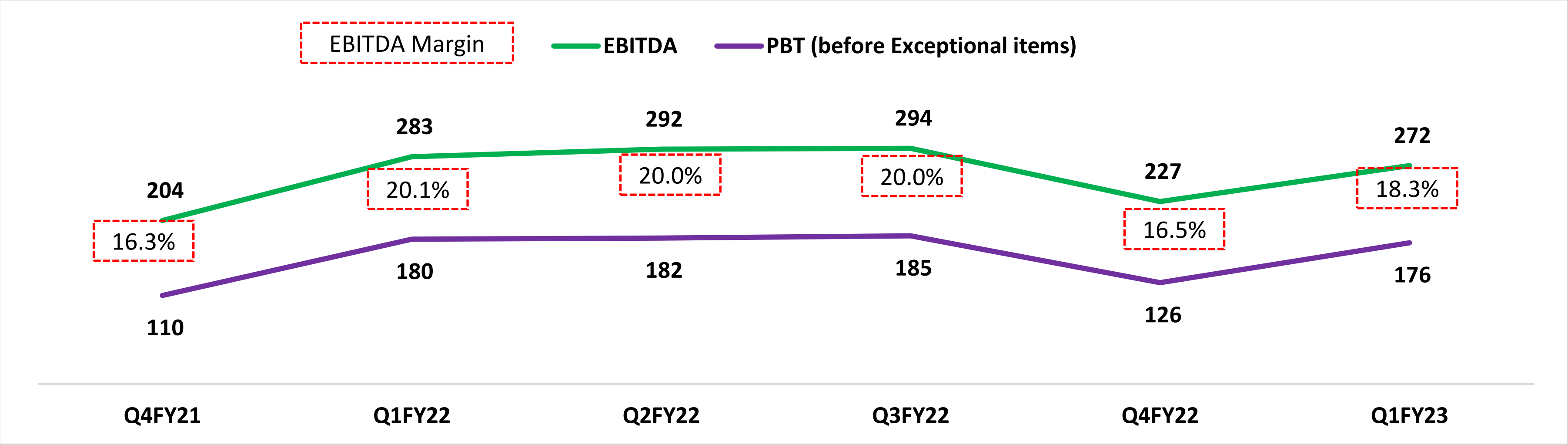


*Q1FY22 PAT includes exceptional gain of INR 306.1 Cr related to remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.

CONSOLIDATED EARNINGS SUMMARY

All figures in INR Crs.





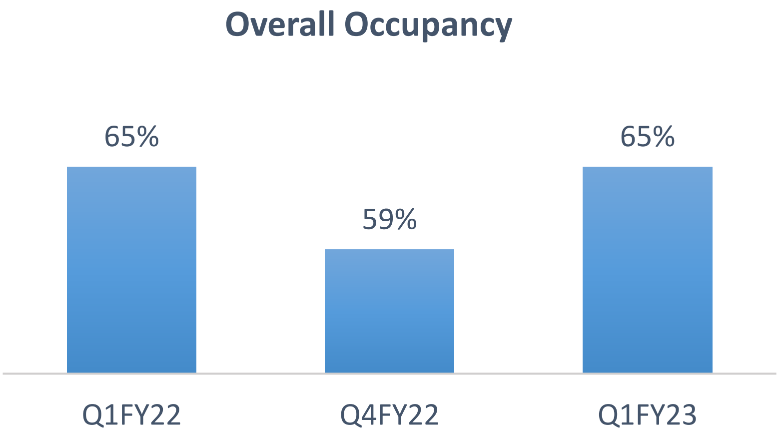
EBITDA includes other income and forex gain / (loss)

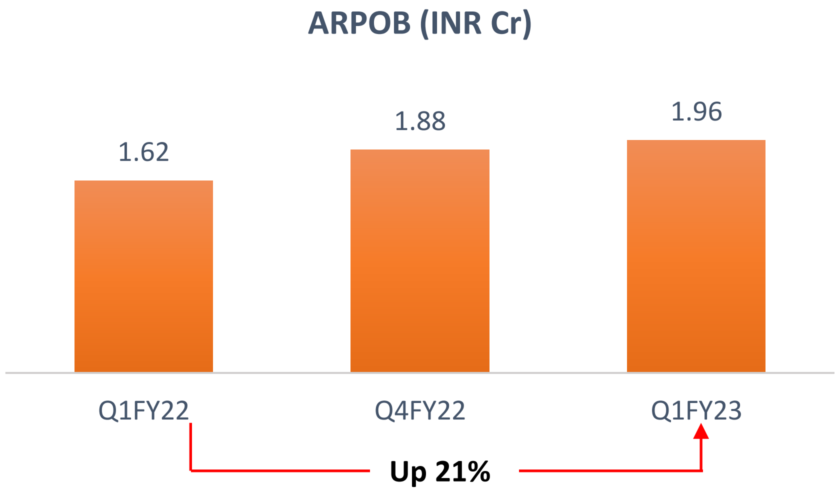
Q1FY23

HOSPITAL BUSINESS HIGHLIGHTS

- Revenues grew 18.5% to INR 1,192.4 Cr versus INR 1,006.5 Cr in Q1FY22. Revenues for Q4 FY22 stood at INR 1,040.9 Cr.
- EBITDA was at INR 207.8 Cr versus INR 149.6 Cr in Q1FY22 and INR 143.5 Cr in Q4FY22. Margins at 17.4% in Q1 FY23 versus 14.9% in Q1FY22 and 13.8% in Q4FY22
- Revenue growth during Q1FY23 versus the trailing and corresponding quarters was due to a strong recovery in elective procedures; leading to a better occupancy mix and higher ARPOB (+21% YoY) for the quarter

Key Performance Indicators





Q1FY23

HOSPITAL BUSINESS HIGHLIGHTS (CONT.)

- Q1FY23 occupancy stood at 65% similar to Q1FY22 and versus 59% in Q4FY22. ARPOB for Q1FY23 was at INR 1.96 Crs, + 21% versus INR 1.62 Crs in Q1FY22
- Revenue contribution from Company's focus specialties comprising Oncology, Gastroenterology, Neurosciences, Renal Sciences, Orthopaedics and Cardiac Sciences grew 69% and contributed 63% to overall hospital revenues. (Q1FY22 : 43%)
- Revenues from digital channels viz website, mobile application and digital campaigns continue to witness strong growth with a YoY increase of 74%. These contributed 23% to overall revenues in Q1FY 23 versus 16% in Q1FY22 & 24% in Q4FY22
- International Patient revenues grew 126% to INR 89 Crs in Q1FY23 vs Q1FY22. The business contributed 7.5% to overall hospital business revenues versus 3.9% in Q1FY22 and 6.6% in Q4FY22.

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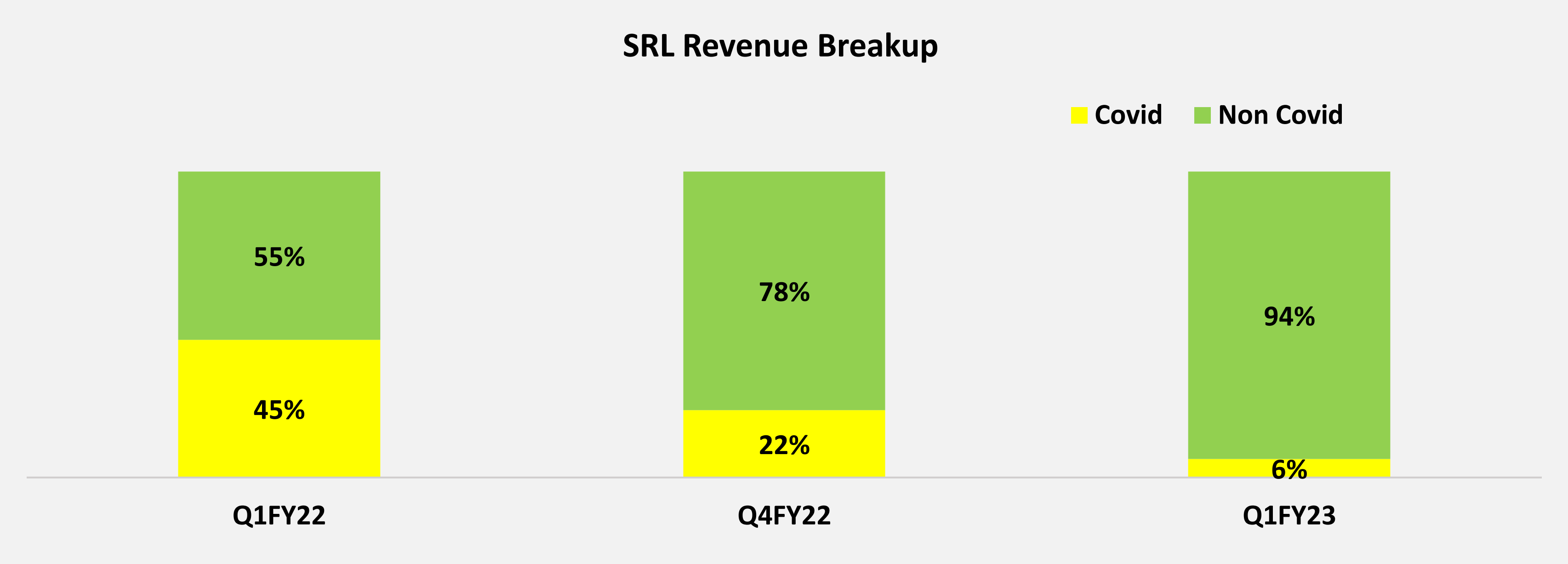
Q1FY23

DIAGNOSTIC BUSINESS HIGHLIGHTS

- SRL revenues de-grew 25% to INR 332.6 Cr versus INR 441.4 Cr in Q1FY22. Revenues for Q4 FY22 were at INR 372.3 Cr. The decline was largely as a result of the drop in high covid test volumes in Q1 and Q4 of FY22 due to the pandemic.
- EBITDA for the quarter stood at INR 64 Cr versus INR 134.9 Cr in Q1FY22 and INR 83.8 Cr in Q4FY22. EBITDA Margins stood at 19.3% versus 30.6% in Q1FY22 while Q4FY22 margin was at 22.5%.



OPERATING PERFORMANCE

HOSPITAL BUSINESS

Particulars (INR Cr)	Hospital Business		
	Q1FY22	Q4FY22	Q1FY23
Operating Revenue	1,006.5	1,040.9	1,192.4
Revenue Growth vs LY		6.0%	18.5%
Reported EBITDA	**149.6**	**143.5**	**207.8**
EBITDA growth vs LY		3.0%	38.9%
Margin	**14.9%**	**13.8%**	**17.4%**
Adj: Other Income	6.2	2.1	14.5
Operating EBITDA	**143.4**	**141.4**	**193.3**
Margin	**14.2%**	**13.6%**	**16.2%**

- Above financials includes financials of International entities which are part of Fortis group; mainly RHTTM.
- Adjusted for the newly commissioned hospital in Chennai, reported EBITDA margin in Q1Y23 stood at 18.3% vs 14.6% in Q4FY22 & 15.3% in Q1FY22

OPERATING PERFORMANCE

DIAGNOSTIC BUSINESS

Particulars (INR Cr)	Diagnostic Business		
	Q1FY22	Q4FY22	Q1FY23
Operating Revenue*	441.4	372.3	332.6
Revenue Growth vs LY		21.8%	-24.6%
Reported EBITDA	**134.9**	**83.8**	**64.0**
EBITDA growth vs LY		24.6%	-52.5%
Margin	**30.6%**	**22.5%**	**19.3%**
Adj: Other Income incl FX	3.0	3.9	6.2
Operating EBITDA	**131.9**	**79.9**	**57.8**
Margin	**29.9%**	**21.5%**	**17.4%**

- Diagnostics business revenue is on Gross Basis; Diagnostic business Q1FY23 net revenue (net of inter company elimination) stood at INR 295 Cr versus INR 403.8 Cr in Q1FY22 and INR 337 Crs in Q4FY22.
- Above financials include DDRC SRL financials also.

BALANCE SHEET

June 30, 2022

Balance Sheet (INR Cr)	Mar 31, 2021	March 31, 2022	June 30, 2022
Shareholder's Equity	6,718	7,008	7,120
Debt	1,271	966	1,010
Lease Liabilities (Ind AS 116)*	260	289	298
Total Capital Employed	**8,249**	**8,263**	**8,427**
Net Fixed Assets (including intangibles & CWIP)	5,242	5,486	5,496
Goodwill	3,722	4,123	4,123
Investments	186	104	95
Cash and Cash Equivalents	422	416	425
Net Other Assets	(1,323)	(1,866)	(1,712)
Total Assets	**8,249**	**8,263**	**8,427**
Net Debt / (cash)	**849**	**549**	**585**
Net Debt to Equity	**0.13x**	**0.08x**	**0.08x**

- *Pertains to lease liability on account of adoption of new accounting standard on leases w.e.f. April 1, 2019.
- Net debt excludes lease liabilities.
- Net debt to EBITDA was at 0.54x vs 0.60x (basis annualized EBITDA of Q1FY23 & annualized EBITDA Q4FY22, respectively)

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PERFORMANCE REVIEW

HOSPITALS BUSINESS

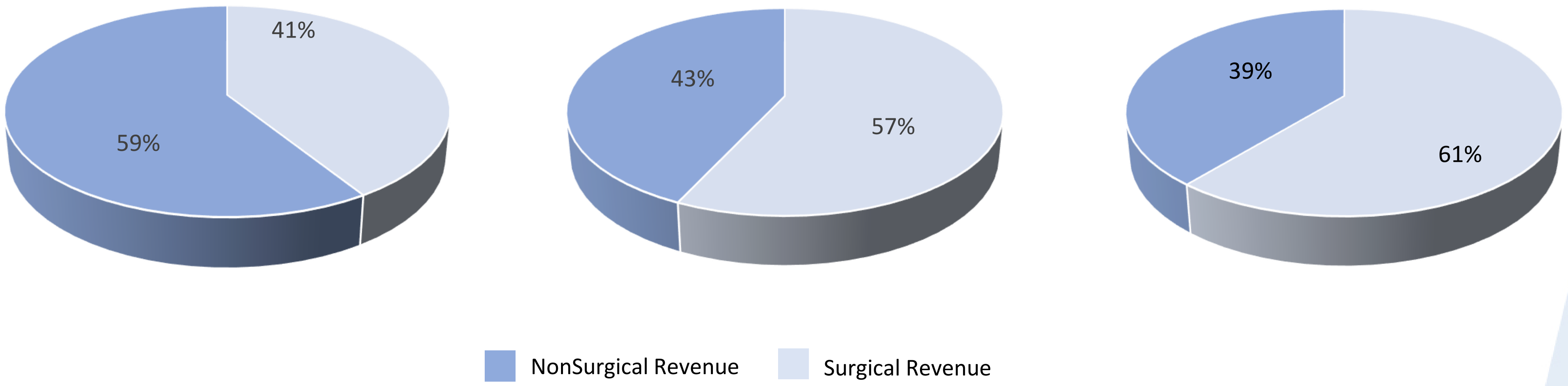
STRENGTHENING MEDICAL INFRASTRUCTURE

- During the quarter, the company extended its comprehensive cancer care program by commissioning **Fortis Cancer Institute** at Defence Colony, New Delhi. This is a state of the art 12 bedded oncology center providing chemotherapy facilities.
- **Fortis Mulund**, Mumbai added a new floor with 42 operational beds taking the total number of operational beds to over 330.
- **FMRI, Gurugram** optimized the current available space with the addition of 12 beds taking the total number of operational beds to ~310. A further addition of over 200 beds is being planned.
- During the quarter, the Company onboarded eminent clinicians in the specialties of **urology. transplants, rheumatology and nephrology**.
- **Fortis BG Road** introduced the **SOMATOM Drive with Dual Source Technology CT**; the imaging equipment, with its unique dual source technology, provides reliable diagnosis results across all clinical disciplines

**Above data pertains to Q1FY23*

REVENUE MIX

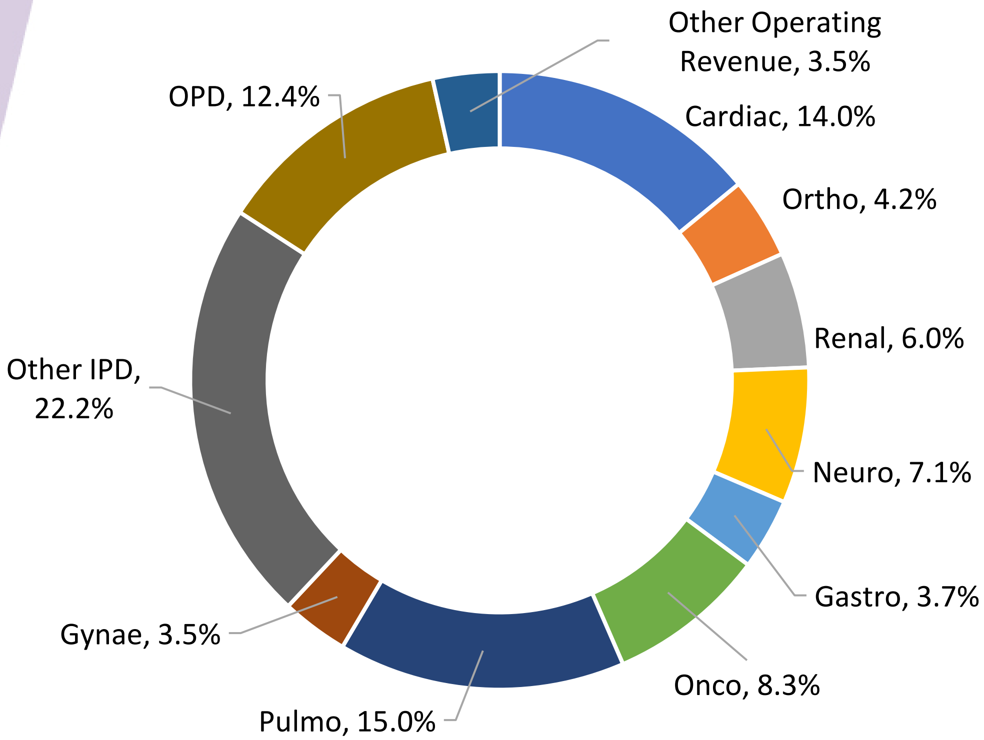
Q1 FY22	Q4 FY22	Q1 FY23
Gross Revenue : INR 1,064 CR	Gross Revenue : INR 1,090 CR	Gross Revenue : INR 1,248 CR



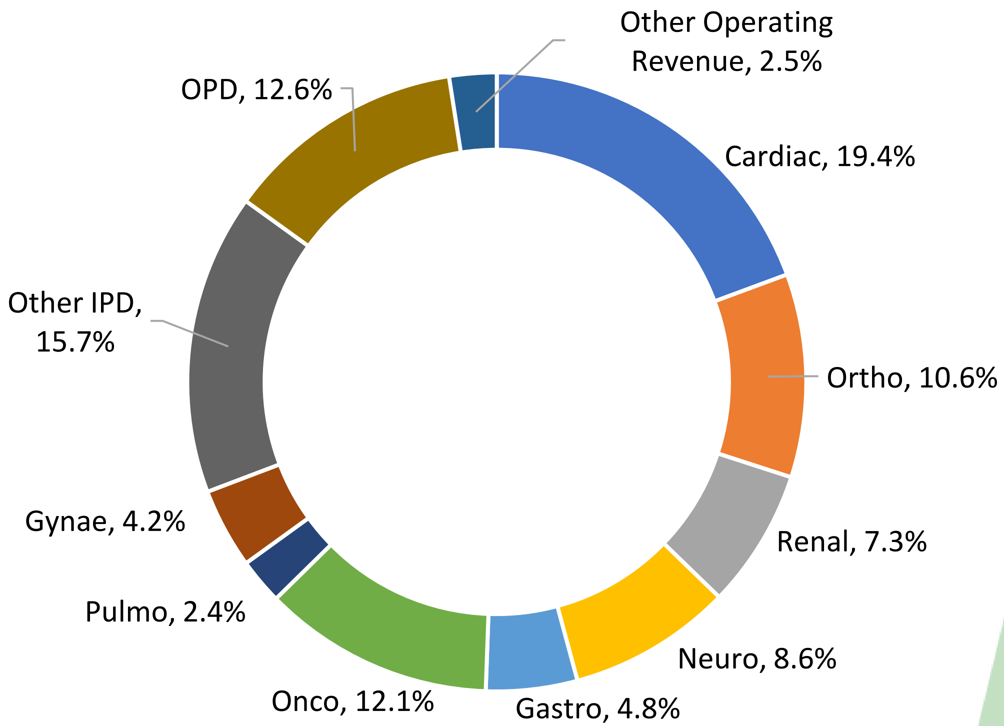
- Contribution from surgical revenue stood at 61% compared to 41% in Q1FY22 and 57% in Q4FY22

SPECIALTY MIX

Q1 FY22

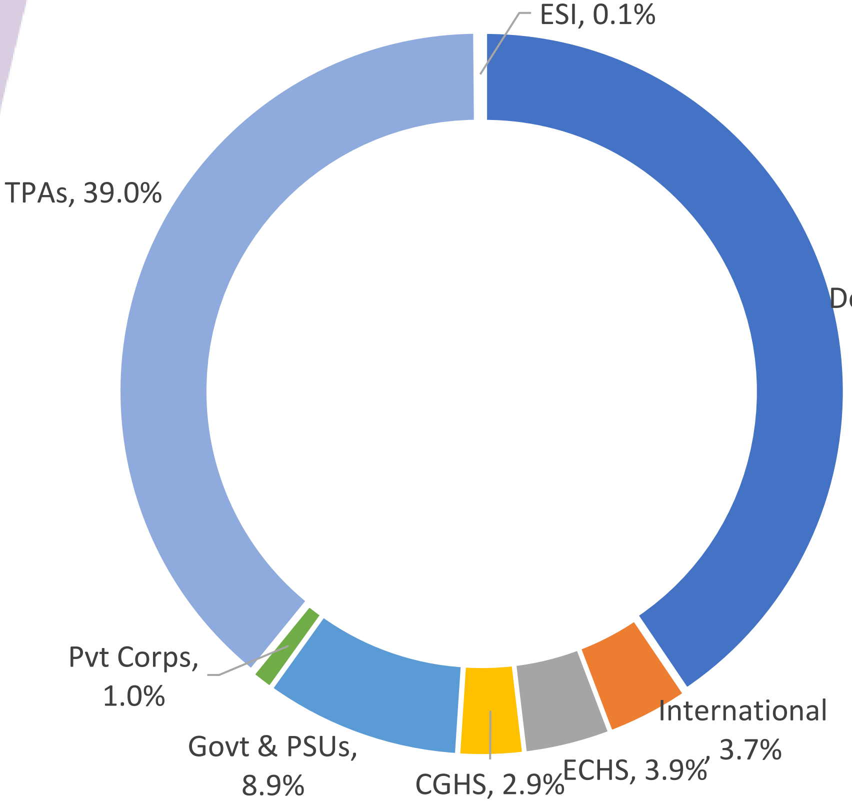


Q1 FY23

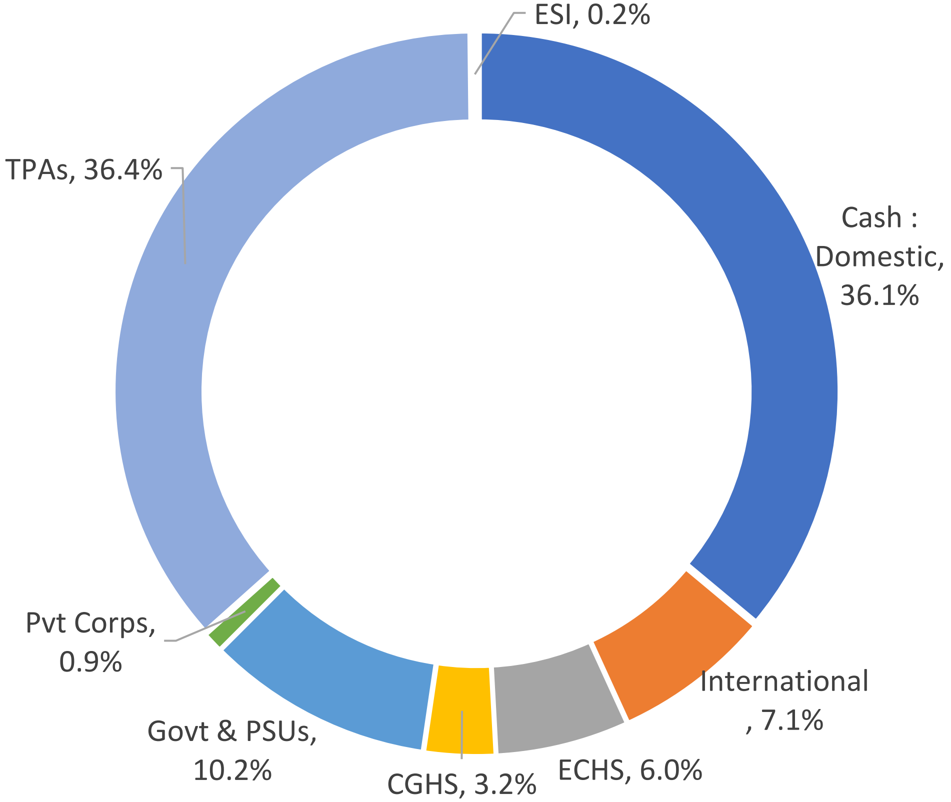


PAYOR MIX

Q1 FY22

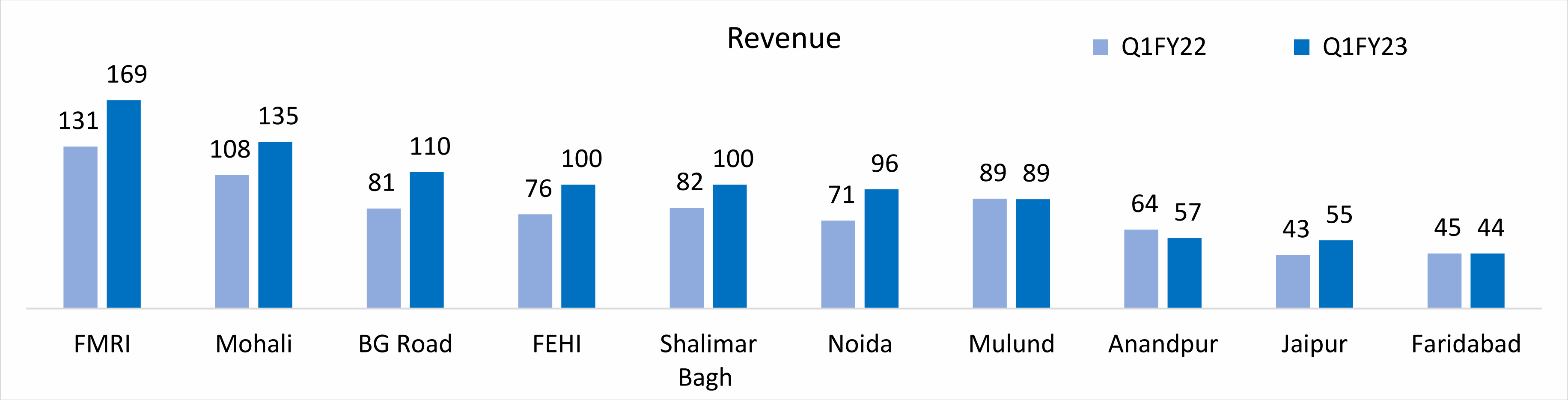


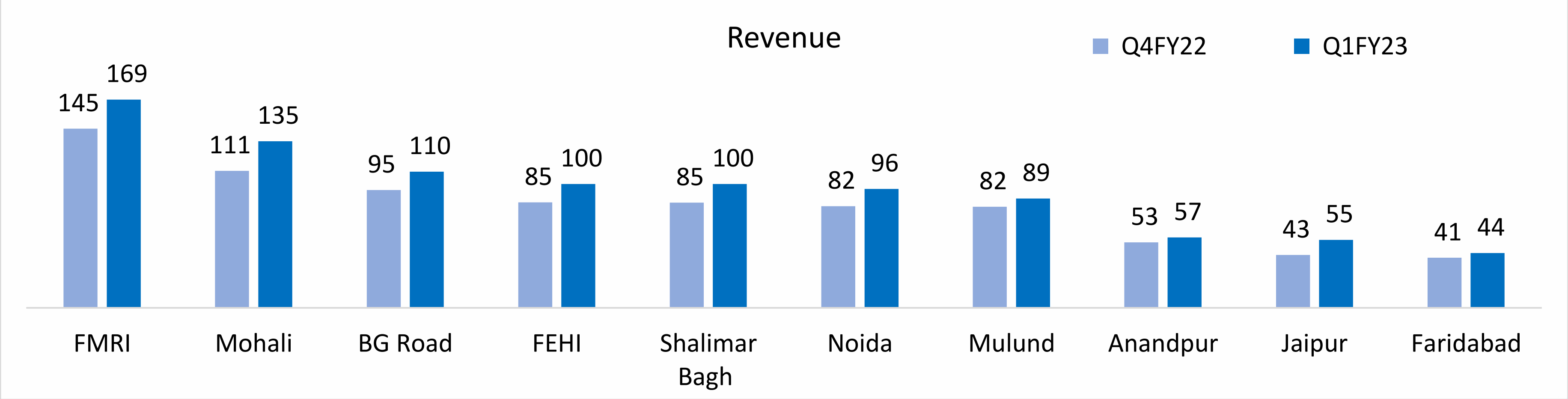
Q1 FY23



HOSPITAL BUSINESS PERFORMANCE

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





All figures in INR Crs.

HOSPITAL MARGIN MATRIX

Q1 FY23

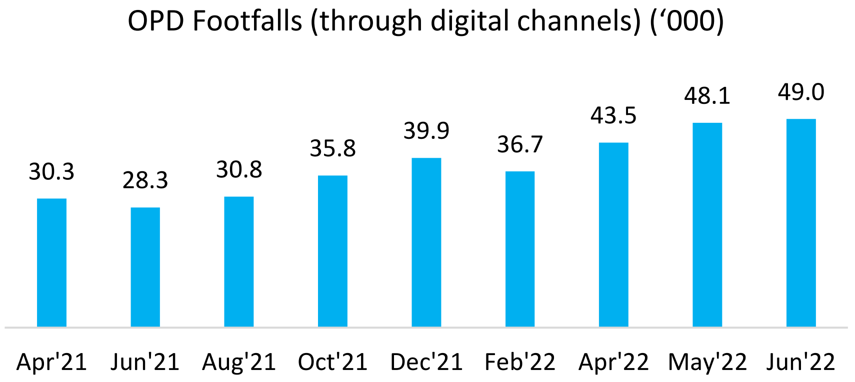
EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
>25%	4	43%	1,210	2.53	70%
20% - 25%	4	13%	561	1.70	66%
15% - 20%	5	20%	910	1.54	71%
10% - 15%	4	14%	514	2.07	65%
<10%	5	10%	706	1.44	50%

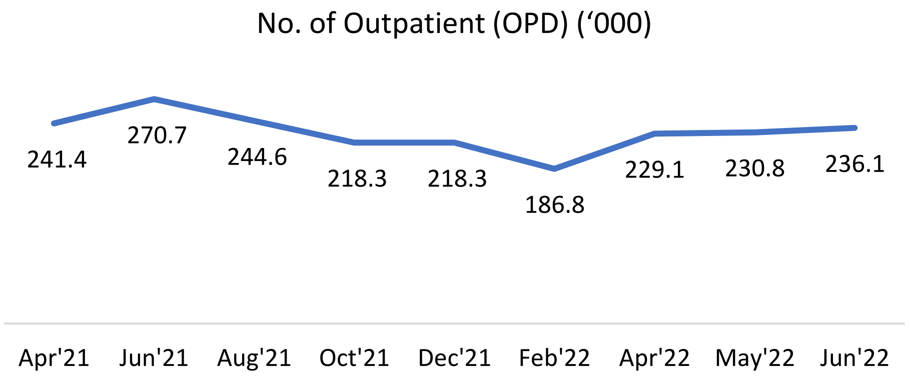
FY22

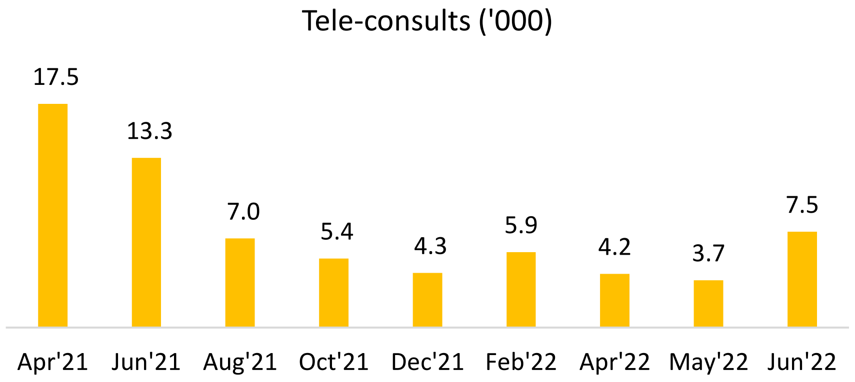
EBITDA	No of Facilities	Revenue Contribution	Operational beds	ARPOB (INR Cr)	Occupancy
>25%	3	20%	679	1.96	67%
20% - 25%	7	44%	1,544	1.87	68%
15% - 20%	3	5%	266	1.28	63%
10% - 15%	2	9%	283	2.23	65%
<10%	8	22%	1,159	1.57	55%

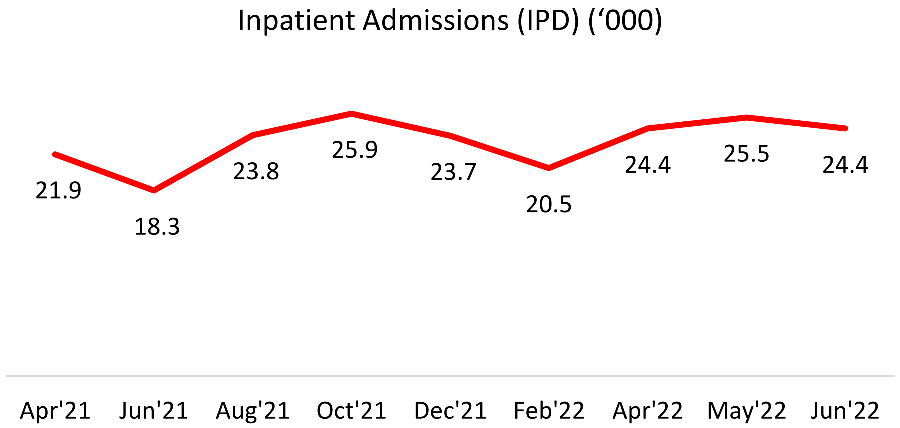
- EBITDA margins are prior to corporate cost allocation and IndAS adjustments; Total number of facilities in Q1 FY23 stands at 22 due to the exit from the Dehradun facility

HOSPITAL BUSINESS – PATIENT VOLUME









Fortis

CLINICAL EXCELLENCE

- A team of doctors at **SL Raheja Hospital** removed multiple ‘stones’ from the right knee of a 70-year old patient suffering from Multiple Giant Synovial Chondromatosis of the knee joint
- Doctors at **Fortis BG Road**, gave a new lease of life to a 10-year-old patient from Bangladesh with liver transplant. The boy was diagnosed with hepato-pulmonary syndrome, a rare condition that affects the lungs and the liver.
- Doctors at **Fortis Nagarbhavi**, Bengaluru, removed 67-year-old's complex and recurrent Common Bile Duct stones along with broken stent
- Doctors at **FMRI, Gurugram**, used extremely challenging Intra-Arterial delivery of Chemotherapy (IAC) procedure to treat Nigerian infant's eye cancer
- A first in India: 74-year-old with congenital heart anomaly gets new lease of life after challenging TAVR at **FEHI, New Delhi**

**Above data pertains to Q1FY23*

AWARDS AND ACCREDITATIONS

- **Fortis Anandapur, Kolkata**, receives First Runners-up award at 34th CII Quality Circle Convention 2022, West Bengal
- **Fortis Hospitals** shine brightly on the 'Outlook Health Best Hospital Ranking 2022' list
- **Four Fortis hospitals viz. FMRI Gurgaon, Fortis Mulund, Fortis Mohali and FEHI,** won the prestigious AHPI Awards for Excellence in Healthcare-2022
- Paediatric Cardiology Team at **Fortis Escorts Heart Institute, Okhla Road, New Delhi** receives 'Solo Operator Certification for Percutaneous Melody Valve Implantation'

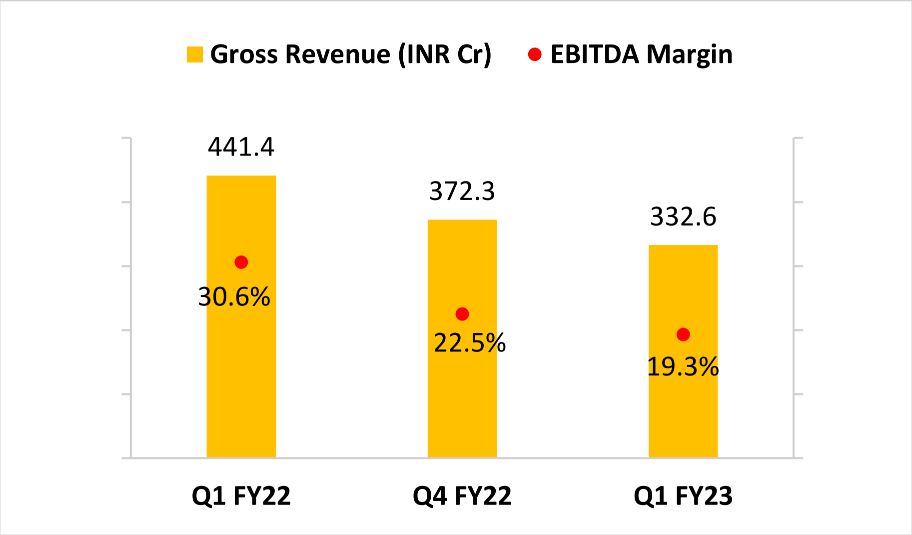
**Above data pertains to Q1FY23*

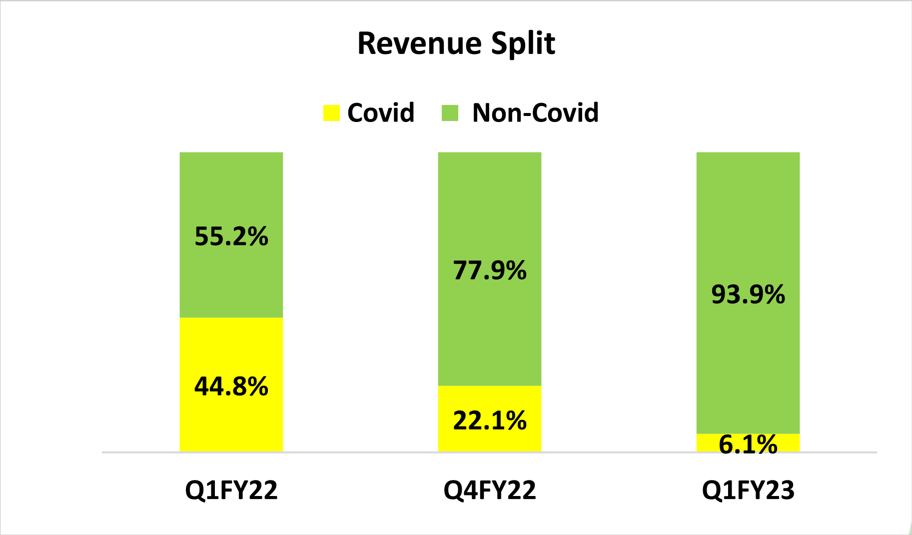
PERFORMANCE REVIEW

DIAGNOSTICS BUSINESS

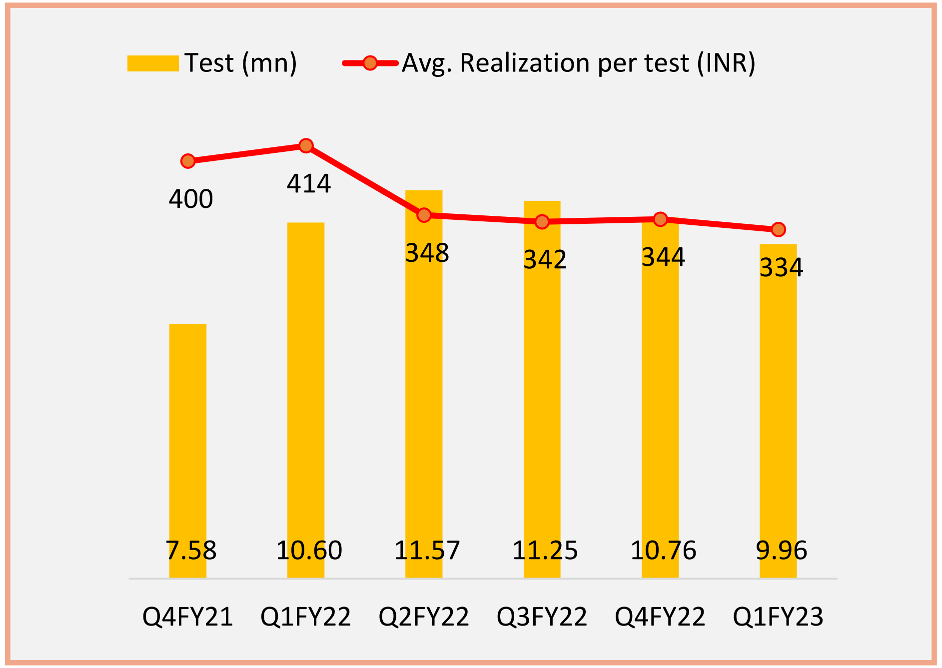
DIAGNOSTICS BUSINESS

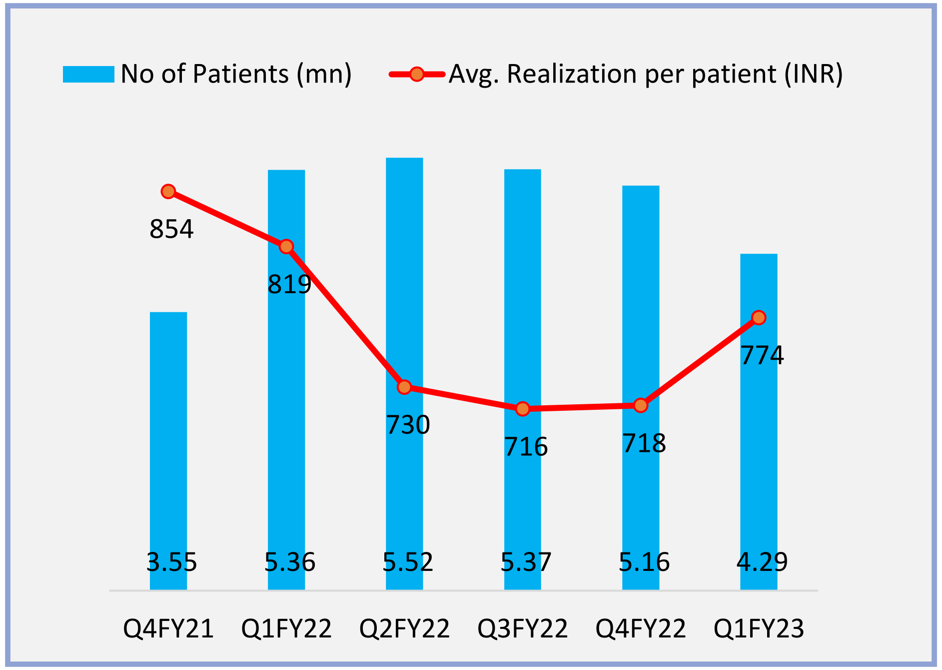
- During Q1FY23, SRL conducted approx. 9.96 Mn tests, a de-growth of 6% versus Q1’FY22 and a decline of 7% versus Q4’FY22 due to drop in Covid testing volumes.
- SRL added 243 new collection centers to its network in Q1FY23 taking the total number of collection centers to 2,745.
- SRL’s B2C: B2B revenue mix stood at 55 : 45 in the quarter compared to 57 : 43 in Q1’FY 22.
- Covid revenue contribution is 6% in Q1FY23 compared to 45% in Q1FY22





KEY PERFORMANCE METRICS



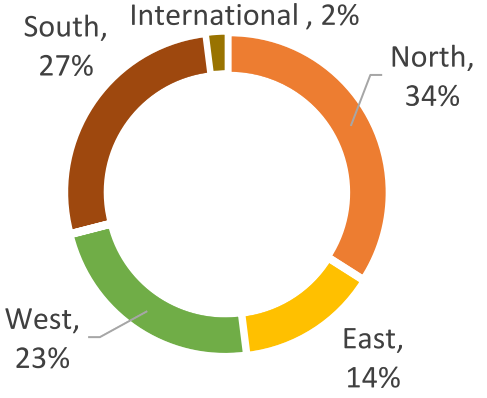


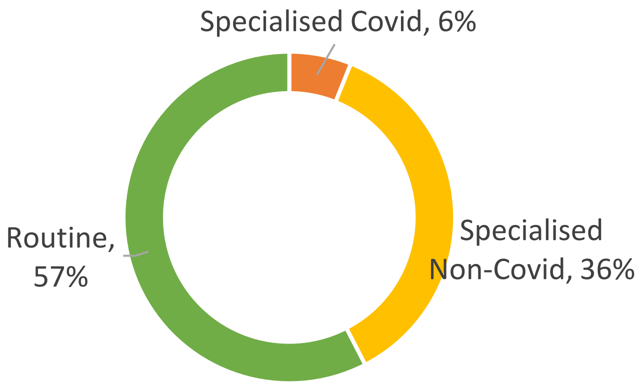
Significant decline in covid test pricing and volumes resulted in decline in overall average realisation per test and average realisation per patient in Q1FY23 versus Q1FY22.

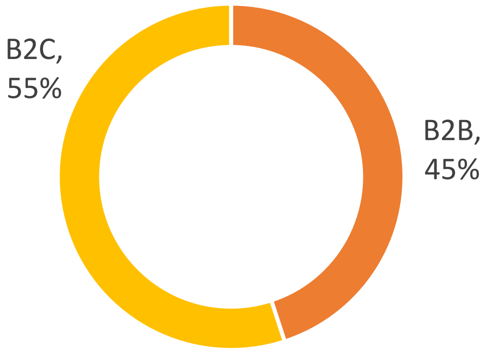
REVENUE MIX

Geographic mix | Product Mix | Segment Mix

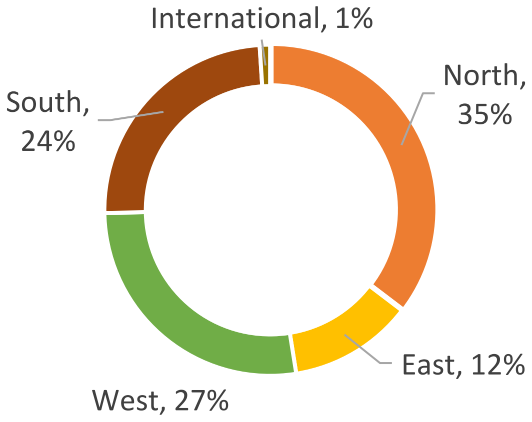
Q1FY23

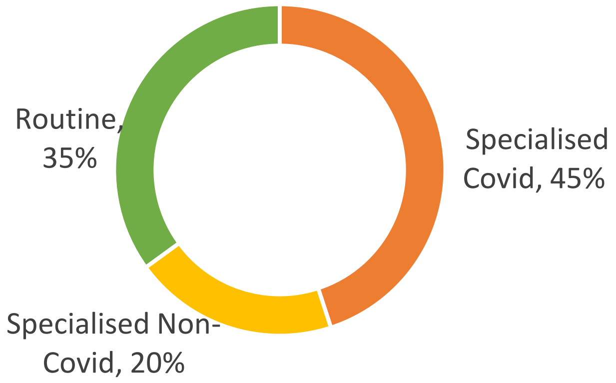


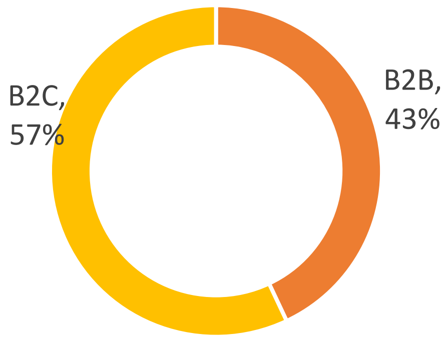




Q1FY22







APPENDIX

GROUP CONSOLIDATED P&L – Q1FY23

Particulars (INR Cr)	Q1FY22	Q4FY22	Q1FY23
Revenue from operations	**1,410.3**	**1,378.1**	**1,487.9**
Other income	7.8	6.0	20.7
Total income	**1,418.2**	**1,384.1**	**1,508.6**
Expenses	1,135.1	1,156.9	1,236.8
EBITDA*	**283.1**	**227.2**	**271.8**
Margin	**20.1%**	**16.5%**	**18.3%**
Finance costs	38.4	30.0	31.2
Depreciation and amortisation expense	72.9	77.3	74.3
PBT	**171.7**	**119.9**	**166.3**
Share of profit / (loss) of associates and joint ventures (net)	8.5	6.3	10.0
Net profit / (loss) before exceptional items and tax	**180.3**	**126.3**	**176.3**
Exceptional gain	306.1	0.2	0.0
Profit / (loss) before tax from continuing operations	**486.4**	**126.4**	**176.3**
Tax expense / (credit)	55.8	39.4	42.0
Net profit / (loss) for the period from continuing operations	**430.6**	**87.0**	**134.3**
Profit / (loss) from continuing operations attributable to Owners of the company	**263.5**	**68.0**	**122.3**

- *EBITDA includes other income, forex and exceptional/non-recurring expenses
- Exceptional gain of INR 306.1 Cr in Q1FY22 is related to remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.

Fortis

THANK YOU

Press Release

August 5, 2022

Fortis Healthcare reports Q1 FY23 Financial Results

Robust performance of the Hospitals Business takes consolidated revenues to INR 1,488 Crs with EBITDA margins at 18.3%

Hospital revenues up 18.5%; EBITDA at INR 208 Crs up 39% versus Q1 FY22

Diagnostics business impacted due to decline in covid volumes versus Q1 FY22

- **Consolidated Revenues for Q1FY23 at INR 1,488 Crs vs INR 1,410 Crs in Q1FY22**
- **EBITDA at INR 272 Crs versus INR 283 Crs in Q1FY22**
- **PBT prior to exceptional items at INR 176 Crs versus INR 180 Crs in Q1 FY22**
- **PAT prior to exceptional items at INR 134 Crs versus INR 124 Crs in Q1FY22**

Consolidated Financial Snapshot

Particulars *(INR Crs)*	**Q1FY23**	**Q1FY22**	**% Change YoY**	**Q4FY22**	**% Change QotQ**
Revenue - Hospitals	**1,192.4**	**1,006.5**	**18.5%**	**1,040.9**	**14.6%**
Diagnostics *(net)*	295.5	403.8	(26.8%)	337.2	(12.4%)
Consolidated	**1,487.9**	**1,410.3**	**5.5%**	**1,378.1**	**8.0%**
EBITDA – Hospitals	**207.8**	**149.6**	**38.9%**	**143.5**	**44.8%**
- Diagnostics	64.0	134.9	(52.5%)	83.8	(23.5%)
Consolidated	**271.8**	**283.1**	**(4.0%)**	**227.2**	**19.6%**
Margin - Hospitals	**17.4%**	**14.9%**		**13.8%**	
- Diagnostics	21.7%	33.1%		24.8%	
Consolidated	**18.3%**	**20.1%**		**16.5%**	

Profit Before Tax *(Before exceptional item)*	176.3	180.2	(2.2%)	126.2	39.7%
Profit After Tax *(Before exceptional item)*	**134.3**	**124.5**	**7.9%**	**86.8**	**54.7%**
Reported Profit After Tax*	134.3	430.6	(68.8%)	87.0	54.3%
Reported Profit After Tax after Minority Interest *	122.2	263.6	(53.6%)	68.0	79.9%

** Includes an exceptional gain of INR 306 Crs in Q1 FY22 on remeasurement of the previously held equity interest of SRL in the SRL-DDRC JV at its fair value post acquisition of the balance 50% stake in the said JV in April 2021.*

Press Release

August 5, 2022

Bengaluru, August 5, 2022: Fortis Healthcare Ltd. ("Fortis" or the "Company"), India's leading healthcare delivery company, today announced its unaudited consolidated financial results for the quarter ended June 30, 2022.

- Q1FY23 hospital business revenues were at INR 1,192.4 Crs versus INR 1006.5 Crs in Q1FY22 and INR 1,040.9 Crs in Q4FY22.

- Hospital revenues increased 18.5% and 14.6% versus the corresponding and trailing quarters, respectively, led by a strong recovery in elective procedures. This resulted in a better occupancy mix and a higher ARPOB in the quarter.

KPIs	***Q1 FY23***	***Q1 FY22***	***Q4 FY22***
Occupancy	*65%*	*65%*	*59%*
ARPOB (INR Cr)	*1.96*	*1.62*	*1.88*
ALOS (Days)	*3.58*	*4.49*	*3.53*

- Both, Q1 FY22 and Q4 FY22 witnessed an impact on hospital revenues due to higher covid cases and a resultant decline in elective procedures. Covid revenues contribution to overall hospital revenues stood at 28% in Q1 FY22 and 6% in Q4 FY22 versus a negligible 0.6% in Q1 FY23

- Q1 FY23 diagnostics business gross revenues stood at INR 332.6 Crs versus INR 441.4 Crs in Q1 FY22 and INR 372.3 Crs in Q4 FY22. Net revenues (net of inter-company elimination) were INR 295.5 Crs for Q1 FY23 versus INR 403.8 Crs for Q1FY22.

- Net debt to EBITDA was at 0.54x vs 0.60x (basis annualized EBITDA of Q1FY23 and Q4FY22, respectively). Net debt was at INR 585 Crs versus INR 549 Crs in Q4 FY22.

HOSPITAL BUSINESS HIGHLIGHTS

- In line with its brownfield expansion strategy, the Company commissioned approx. 55 additional beds in Fortis Mulund, Mumbai and FMRI, Gurugram.

- Extending its comprehensive cancer care program the Company commissioned the Fortis Cancer Institute at Defence Colony, New Delhi. This is a state of the art 12 bedded oncology center providing chemotherapy facilities and further supplements the Company's oncology service offerings in a number of its existing facilities.

- The Company's key medical specialties viz. oncology, orthopaedics, renal sciences and gastroenterology witnessed a strong growth in revenues both versus the corresponding and trailing quarters.

- During the quarter, the Company onboarded eminent clinicians in the medical specialties of urology, transplants, rheumatology and nephrology.

- The quarter witnessed an uptick in international patient revenues which stood at INR 89 Crs, a growth of 126% over Q1 FY22 and 30% over Q4 FY22.

- Revenues from digital channels such as websites, My Fortis app and online campaigns increased 74% over Q1 FY22 and 9% over Q4 FY22. Digital revenues contribution to overall hospital revenues stood at 23.2% (Q1 FY22: 15.8% and Q4 FY22: 24.4%).

DIAGNOSTICS BUSINESS HIGHLIGHTS

- During Q1FY23, SRL conducted approx. 9.96 Mn tests, a decline of 6% versus Q1'FY22 and a decline of 7.5% versus Q4'FY22. This was primarily on account of the drop in Covid and covid related test volumes compared to the corresponding and trailing quarters.

- Non covid revenues (excluding Covid and Covid allied tests) grew 29% versus Q1FY22 and 8% versus Q4FY22. However, the overall diagnostics revenues declined primarily due to the significantly lower covid volumes as compared to Q1 and Q4 of FY22 that had witnessed severe Covid waves.

- SRL's revenue contribution from the specialized test portfolio (non-covid) increased to 37% from 34% in Q1 FY22.

- SRL added 243 new collection centers to its network during the quarter, taking the total number of collection centers to 2,745.

- The customer touch points i.e. CTP / Lab ratio strengthened to 17.1 in Q1 FY23 versus 11.4 in Q1 FY22, signifying the increase in network optimization.

Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, "Q1 FY23 has witnessed an encouraging start to the fiscal. With covid abating, our hospital business has shown a strong uptrend relative to the diagnostics business which has seen a decline in volumes due to a higher covid led base in both Q1 and Q4 of FY22. We continue to further strengthen the business in terms of adding beds, expanding medical programs, and onboarding clinical talent. Our next phase of growth would be led by our brownfield expansion strategy which would see approx. 1500 beds coming onstream in the next few years: largely in key existing Fortis facilities such as the likes of FMRI, Mohali, Shalimar Bagh, BG Road and Noida. This coupled with our focus on digital initiatives in both the medical and non-medical related aspects should enable us to further fortify our longer-term business prospects"

Commenting on the results for the quarter, Dr Ashutosh Raghuvanshi, MD and CEO, Fortis Healthcare stated, "The quarter gone by has witnessed a robust hospital business performance led by a better occupancy mix and a higher ARPOB which increased 21% versus Q1 FY22. We have added beds in select facilities such as Fortis Mulund and FMRI Gurugram and are well on track with our brownfield expansion plans. We have also expanded our oncology offerings with a new cancer care facility in New Delhi. Revenues from key specialties such as Oncology, Gastroenterology, Renal Sciences and Orthopedics have seen strong growth both versus the corresponding and the trailing quarters. The international patient revenues have also seen healthy traction in the quarter. With the pandemic receding significantly and covid volumes dropping, our diagnostics business has witnessed a decline. In addition, the diagnostics segment continues to witness competitive pressures and we are making all efforts to protect and further grow our market share in the business. We continue to maintain a healthy Balance Sheet allowing us to evaluate inorganic opportunities in-line with our cluster-based strategy. As we go through the year, I remain hopeful of a progressively better performance in the ensuing quarters"

About Fortis Healthcare Limited

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates 26 healthcare facilities (including JVs and O&M facilities). The Company's network comprises approximately 4,300 operational beds and approx. 400 diagnostics centres.

For further details please contact:

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Fortis Healthcare Limited

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Annexure

Disclosures as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

<table>
<tr><th>S. No.</th><th>Particulars</th><th>Description</th></tr>
<tr><td>1</td><td>Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.
.</td><td><u>Details of the Transferee Entity:</u>
Fortis Asia Healthcare Pte Limited ('FAHPL'), incorporated in Singapore, is a wholly-owned subsidiary of Escorts Heart Institute and Research Centre Limited ('EHIRCL') which in turn is a wholly-owned subsidiary of Fortis Healthcare Limited (the Company).

<u>Details of the Transferor Entity:</u>
Fortis Healthcare International Pte Limited ('FHIPL') incorporated in Singapore, is a wholly owned subsidiary of FAHPL.

Details of Turnover, Networth and Paid-up share capital (for the financial year ended March 31, 2022):
<table><tr><th>Name of the Entity</th><th>Revenue</th><th>Networth</th><th>Paid-up Share Capital</th></tr><tr><td>FAHPL</td><td>Nil</td><td>USD (158,521,285)</td><td>USD 2,60,34,367 (32,722,596 Ordinary Shares of SGD 1.00 each).</td></tr><tr><td>FHIPL</td><td>Nil</td><td>SGD 16,593,097</td><td>SGD 23,42,15,987 (23,31,91,000 Ordinary Shares of SGD 1.00 each).</td></tr></table></td></tr>
<tr><td>2</td><td>Whether the transaction would fall within related party transactions. If yes, whether the same is done at "arms' length."</td><td>Both FAHPL and FHIPL are step-down wholly-owned subsidiaries of the Company, provisions with regard to related party transaction are not applicable.</td></tr>
<tr><td>3</td><td>Area of business of the entity(ies).</td><td>Both FAHPL and FHIPL have no business operations and are primarily investment holding companies.</td></tr>
<tr><td>4</td><td>Rationale for amalgamation/ merger.</td><td>FAHPL and FHIPL do not have any operations / have only minor operations. As there are no significant business operations in these entities, the proposed merger will result in simpler corporate structure, reduction in number of legal entities, reduction in administrative and compliance costs etc.</td></tr>
<tr><td>5</td><td>In case of cash consideration – amount or otherwise share exchange ratio.</td><td>The shares of FHIPL will be cancelled without payment or other consideration.</td></tr>
</table>

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6	Brief details of change in shareholding pattern (if any) of listed entity.	There will be no change in shareholding pattern of the Company.
7	Other relevant information	The existing inter-corporate loan owed by FAHPL to Fortis Global Healthcare (Mauritius) Limited (FGHML), a fellow subsidiary will be converted into preference shares and terms of existing preference shares issued by FAHPL will be amended / aligned.