

**OVERCOMING CHALLENGES.
BUILDING TRUST.**

**ANNUAL
REPORT** **2019
2020**

COMPANY INFORMATION

Board of Directors

CHAIRMAN

Ravi Rajagopal (Independent Director)

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Dr. Ashutosh Raghuvanshi

NON-EXECUTIVE DIRECTORS

Dilip Kadambi
Dr Farid Bin Mohamed Sani
Heng Joo Joe Sim
Dr Kelvin Loh Chi-Keon
Shirish Moreshwar Apte

INDEPENDENT DIRECTOR

Indrajit Banerjee
Shailaja Chandra
Suvalaxmi Chakraborty

CHIEF FINANCIAL OFFICER

Vivek Kumar Goyal

COMPANY SECRETARY AND COMPLIANCE OFFICER

Sumit Goel

AUDITORS

B S R & Co. LLP
Chartered Accountants

FORTIS HEALTHCARE LIMITED

CIN: L85110PB1996PLC045933
Registered Office:
Fortis Hospital, Sector - 62
Phase - VIII, Mohali, Punjab - 160062
Tel: +91 172 5096001
Fax: +91 172 5096221
Website: www.fortishealthcare.com

REGISTRAR AND TRANSFER AGENT

KFin Technologies Private Limited



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MESSAGE FROM THE CHAIRMAN

“The strategic partnership of IHH Healthcare Berhad (IHH), one of the largest healthcare groups in the world by market capitalisation, with your Company has been a tremendous blessing.”

Ravi Rajagopal



Dear Shareholders,

I write to you as India along with most other countries is in the grip of the COVID 19 pandemic that has resulted in a huge loss of lives, afflicted countless more, and caused immense hardship, both economic and physical. Our thoughts and prayers are with those families who have lost loved ones and those who have been affected in many ways by the virus.

I believe that despite all the challenges, the healthcare sector in India has shown immense unity and acted collectively to manage the pandemic. There is also greater acceptance that both public and private healthcare sectors need to work closely together to ensure better facilitation of healthcare in the country. The doctors, nurses, paramedics, and technical staff in your Company have been working tirelessly, attending to infected patients, often living in the hospital itself, putting themselves and their families at risk. Your Company has established a 360-degree operational system for both patients and its staff. A dedicated COVID taskforce has been set up to monitor the situation and separate wards have been earmarked at your hospitals for COVID management. Over 1,000 beds have been made available to the Government and in addition, home care packages for patients and e-consultation for patients have been launched. We have contributed ₹ 5.90 crores to the PM CARES fund. I thank every member of the Fortis family – doctors, nurses, and frontline staff for their hard work and commitment to the organization specially during the COVID crisis.

The strategic partnership of IHH Healthcare Berhad (IHH), one of the largest healthcare groups in the world by market capitalisation, with your Company has been a tremendous blessing. It has spurred a major transformational journey in your Company that began a year ago. The newly reconstituted Board has developed a bold strategy to curate leading practices in patient centricity, clinical excellence and quality healthcare delivery. Your board has successfully ensured significant strengthening in processes and controls across the organization such that a rules-based decision making is in place. A robust and restructured audit program has been implemented to enhance the organization's governance mechanism. Your Board



has also been ensuring that the IHH capital infusion is put to good use. It has overseen the successful 'RHT Health Trust' buyback and has helped put in place a new management with vast industry experience. We have been fortunate to have with us Dr. Ashutosh Raghuvanshi, who joined as Managing Director and CEO in March last year. He brings with him 27 years of experience as a clinician and hospital administrator. Bolstering senior management, your Company now has a new CFO, Mr. Vivek Kumar Goyal. The most recent induction has been that of the Group COO, Mr. Anil Vinayak, a seasoned professional with over 8 years' experience in the healthcare sector.

Dr Ashutosh Raghuvanshi, a Paediatric Cardiac Surgeon by training, has led the streamlining of all business operations, improving patient care and service, bringing forward clinical excellence, reorienting the operating model and delayering the existing structures to ensure simplification and transparency in processes and procedures. From an operational perspective, Dr Raghuvanshi has been instrumental in rolling out the new Group Authority Matrix (GAM) for effective and quick approvals. The OneFortis Hospital Information System has been implemented in 20 hospitals. Better controls, transparency and discipline have been ensured in various business processes and an online Business Intelligence dashboard project has been initiated. Under Dr Raghuvanshi's leadership, the clinical governance framework across your Company

has been revamped and rejuvenated. New clinical infrastructure such as the Oncology block at Fortis BG Road, Bengaluru and the Transplant block at Fortis Noida, NCR have been launched.

The association with IHH has been extremely valuable as the two companies are working closely together in bringing best global practices, improved standards of patient care and advanced technology across the medical organization, procurement and other processes. For instance, your Company procured state-of-the-art Cath Labs for several of its hospitals at pre-negotiated rates, in collaboration with IHH. The clinical team at Fortis also received valuable inputs from their counterparts in Singapore and Malaysia with regard to management of COVID patients. The benefit of the interaction has been mutual as IHH too has gained by learning about some of the clinical governance best practices of your Company. The Drugs & Consumables rate contract for all IHH entities across India has been negotiated effectively, leading to substantial cost savings. Your Company's IT team made an information technology assessment of IHH entities in India and infrastructure assessment of IHH entities in Singapore. To sum up, the partnership has enabled us to leverage clinical expertise and create an even more powerful brand with a very credible Asian healthcare service provider.

The mandatory open offer from Northern TK Ventures Pte Ltd, a subsidiary of IHH Healthcare Berhad to the public shareholders of Fortis for the acquisition of up to 26% shareholding continues to await the outcomes of proceedings in the Supreme Court. This followed Judgment of the Hon'ble Supreme Court in November 2019 wherein the Court issued suo-moto contempt notice to, among others, Fortis in regard to alleged violation of the order dated 14th December 2018. On 28th January 2020, your Company has filed response to the suo- moto contempt notice. Northern TK Ventures Pte Ltd, SEBI and a retail shareholder have also invoked the jurisdiction of Hon'ble Supreme Court of India for allowing the mandatory open offer to proceed. The matter is sub-judice and hearings are yet to take place. We remain firm that all the processes related to the open offer were conducted in a fair and transparent manner. All relevant regulatory, shareholder and corporate approvals were obtained, and due

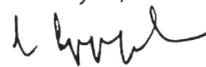
disclosures were made to the public shareholders and regulatory authorities. We had the best interests of the Company and its shareholders in mind. We continue to take appropriate measures and legal recourse in critical matters and have been consistently in dialogue with relevant authorities to ensure their investigations into several matters receive our full and unstinted cooperation.

Looking forward to the current fiscal year, we will focus on geographies where we can build further on our strengths – NCR, Mumbai, Bengaluru, and Kolkata. We will evaluate our overall portfolio with a view to transform and turn-around currently under-performing hospitals having potential, while growing and investing in high-performing facilities, and evaluating strategies regarding low potential facilities.

We believe in close collaboration with the Government – we partnered with Gurugram administration and other private healthcare players to help set up a dedicated COVID hospital at Manesar, Gurugram. Your Company helped provide additional equipment, set up protocols and processes, provided support for procurement and additional manpower. We are also participating in a national CSIR & Institute of Genomics and Integrative Biology (IGIB) initiated project on COVID-19. In Mumbai, your Company is helping the Brihanmumbai Municipal Corporation to create required infrastructure to manage patients. We are proactively working with industry associations such as CII, NATHEALTH and FICCI, with the objective of increasing the industry branding for Fortis as well as for deeper engagement building synergies with our stakeholders.

I would like to conclude by assuring you that the year ahead, while seemingly challenging, will give us ample opportunities to further build on public and Government trust. The private sector will continue to be the mainstay of hospital care in India and the need of the hour is to work jointly with relevant stakeholders to strengthen access to quality health services in India. I thank you once again for your commitment to Fortis and wish everyone the best in this year.

Thank you,



Ravi Rajagopal
Chairman

BOARD OF DIRECTORS



RAVI RAJAGOPAL
Independent Director, Chairman



DR. ASHUTOSH RAGHUVANSHI
Managing Director and CEO



DILIP KADAMBI
Non-Executive Director



DR. FARID BIN MOHAMED SANI
Non-Executive Director



HENG JOO JOE SIM
Non-Executive Director



INDRAJIT BANERJEE
Independent Director



DR. KELVIN LOH CHI-KEON
Non-Executive Director



SHAILAJA CHANDRA
Independent Director

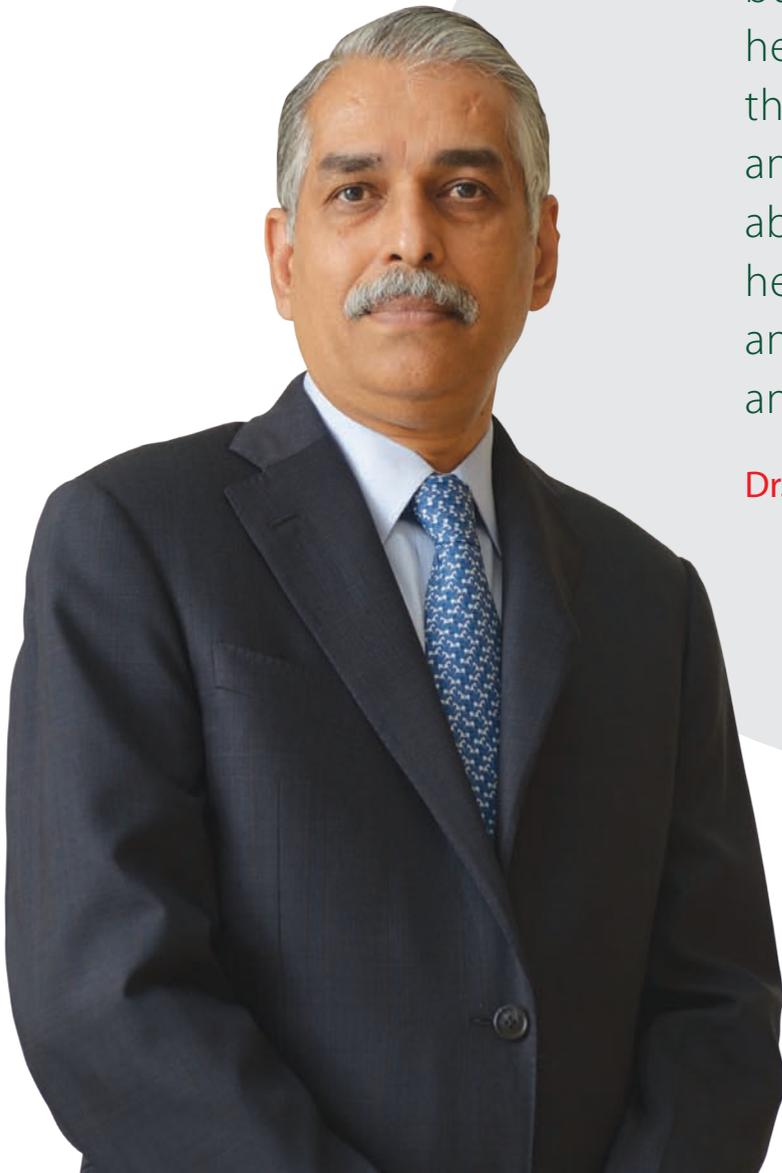


SHIRISH MORESHWAR APTE
Non-Executive Director



SUVALAXMI CHAKRABORTY
Independent Director

MESSAGE FROM THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER



“We are aligned in our long-term commitment to building leadership in the healthcare industry and are therefore investing in people and technology. We are clear about our objectives as a healthcare delivery provider and are firm on our values and beliefs.”

Dr. Ashutosh Raghuvanshi

A transformational journey for Fortis Healthcare

This year has been truly transformational and eventful for Fortis. If we look back, a narrative which has seamlessly woven itself into our fabric is – rebuild, redefine, and re-establish. We have moved forward as a new organization, with a newly constituted board and a clinical and corporate infrastructure which complements each in the effort to remain committed to patient care. I am excited about the cutting-edge clinical work being done at our hospitals and would like to take this opportunity to thank each clinician and staff member.

On the operational side, in the past year, we have focused on launching and implementing several initiatives to improve the efficiency and overall operational performance of the company. Scale and size are not the only consideration. We are nurturing and investing in high-performing facilities in Bengaluru, Mumbai, Delhi/NCR, Kolkata and enabling the transformation of under-performing but high potential facilities. This is the core of our new growth strategy. We continue to assess our portfolio across geographies with the objective of increasing cost efficiencies across the organization in an unabated manner. We believe that a much higher and concentrated focus is required to delve deeper into existing markets and create clusters for higher economies of scale and stronger synergies in specific regions. Our investments and resource allocation, be it in terms of clinical talent, medical equipment or expansion and growth plans, emphasizes the aforesaid strategic view. We are currently a family of 4000 clinicians with an additional 400 from our diagnostic arm – SRL Diagnostics.

The association with IHH has been a splendid opportunity for us to gain from international experience and world class standards in patient care. With 16 years of experience in India, it brings with it a strong financial position and a track record of creating value for shareholders, delivering quality



clinical outcomes and improvement in operations at acquired entities. Fortis completed the RHT Health Trust transaction in January 2019. With this deal, Fortis acquired the entire portfolio of the India assets held by RHT Health Trust, comprising 12 clinical establishments, 2 operating hospitals, 1 clinical establishment under construction as well as 4 greenfield clinical establishments. The transaction is value accretive for Fortis and its shareholders as it helps save significant clinical establishment fees and is expected to result in significant improvement in the Company's operating profitability.

Further, there has been a complete organizational realignment to create a more aligned working relationship between the corporate office and the hospitals. To optimize costs, third party contracts have been renegotiated, new doctor patient engagement models were tested and adopted, and higher output was sought from the diagnostic arm of the business. With the view of sustaining profitability, the company rationalized its investments in network hospitals and made an exit from a few, such as the Bikaner, Udaipur and Aashlok, New Delhi facilities. I am happy to share that this year we were able to achieve stability after streamlining our business operations. In the first, second and third quarter of



the financial year (from April 1st, 2019 to December 31st, 2019), our revenue grew by 9.2%, 6.3% and 6.0% respectively. However, the unprecedented COVID-19 crisis adversely affected revenue growth during the fourth quarter. In spite of the challenges, the company's overall operating profitability for the year has improved significantly with the EBITDA margin at 14% versus 7% in the previous year. We will continue pursuing key strategic and operational initiatives in the business; those that improve economic value, optimize sustainable long-term value enhancement, and provide positive outcomes for all stakeholders.

We are aligned in our long-term commitment to building leadership in the healthcare industry and are therefore investing in people and technology. We are clear about our objectives as a healthcare delivery provider and are firm on our values and beliefs. We have actively begun digitizing our clinical outreach with the objective of easing the patient journey from the first touch point to translation into an actual footfall/visits to the hospitals. The MyFortis App allows the consumers to book their appointments, get doctor details and schedule health check-ups. With adoption of the 'MarTech' stack we are improving the lifetime

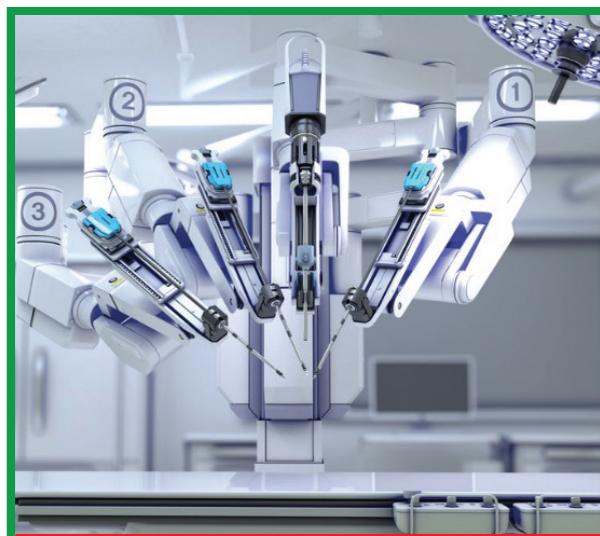
value of patients through constant engagement at various life-stages by offering relevant healthcare solutions and information that helps them stay healthy. Teleconsultations and video consultations have been introduced at most of our hospitals. We also launched an AI Digital COVID screener on the bot framework. In the coming year, we will further digitize and technologically integrate our healthcare platforms, add and monitor new clinical programs, build patient trust through transparent pricing, improve operational efficiencies, drive cost transformation initiatives across different functions and enhance manpower productivity.

As a result of sustained streamlined efforts, we have done some outstanding work in the past year. Fortis Arcot Road will be launched shortly, the second Fortis Hospital in the city of Chennai. Fortis Bannerghatta Road, Bengaluru launched a state-of-the-art cancer institute. The Institute of Blood Disorders at Fortis Memorial Research Institute (FMRI), Gurugram, crossed the 300 bone marrow transplants milestone. Fortis Memorial Research Institute, Fortis Bannerghatta Road and Fortis Mohali - three Fortis hospitals received JCI accreditation and reaccreditation. Fortis Hospital, Anandapur, received AHPI Award 2019 for 'Quality beyond Accreditation'. The Fortis Group also won four awards in various categories at the Economic Times Health World Hospital Awards 2020. While Fortis won the 'Best Hospital Chain' and the 'Best Hospital for Patient Care', awarded by Economic Times Health World Hospital Awards '20, Fortis Hospital Bannerghatta Road, Bengaluru, was named the 'Best Hospital – Urology' and Fortis Memorial Research Institute, Gurugram, was recognized as the 'Best Hospital – Oncology' in their respective regions. Fortis Healthcare Limited also won 10 awards in various categories at the FICCI Medical Travel Value Awards 2019.

This year, the world has been hit by an unprecedented healthcare crisis – the Coronavirus pandemic. Our

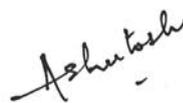
people and the government are relying heavily on us, the private healthcare sector, for aid and support. It is heartening to know that our talent pool of specialized highly trained clinicians (diagnostic, clinical and surgical) are proving to be invaluable in combatting this highly contagious infection. I would like to highlight that a taskforce has been put in place and we are doing everything in our power to ensure that our staff, clinicians and workspace is safe and infection free. The pandemic has had a serious impact on all industries, including healthcare, and our Q4 FY20 results bear witness to the same. The initial impact on our revenue growth became clear by February and by March, the pandemic became widespread, bringing the entire nation to a halt with the announcement of a lockdown. To mitigate the detrimental effects of the same we have re-aligned our cost structure completely with the objective of maintaining cash flow and protecting the jobs and remuneration of our frontline staff. We also aligned ourselves completely with the government and are supporting them with the necessary infrastructure, clinical expertise, and medical support. Fortis and a few other private sector healthcare players have come together to help set up and run a dedicated COVID 19 facility at Manesar, the first such hospital in Gurugram and our hospitals have also allocated 1000 beds for COVID 19 patients across India.

SRL Ltd., a subsidiary of Fortis Healthcare, touched new heights during the year. The company conducted about 30.4 million tests and served 12.7 million patients. The organisation expanded its retail footprint and added approx 420 new touch-points. SRL has been at the forefront of enhancing operational efficiencies and harnessing emergent technologies. Some of the new technologies implemented include integration of Artificial Intelligence (AI) and data analytics to help improving testing. These initiatives have helped SRL achieve organic revenue and growth during the financial year. As the COVID-19 crisis spread, SRL worked shoulder to shoulder with the Government across the country. Four authorised



SRL laboratories conducted over 80,000 tests (as on June 16, 2020). COVID-19 drive-through specimen collection centres were launched for patients in Mumbai and Gurugram. It fills us with great pride to have a subsidiary like SRL as part of our team.

I would like to conclude by saying that in the coming year, patient centricity, quality care, innovation and empathy will continue to be the cornerstone of our clinical framework. We will work to further empower our highly talented and committed clinicians, nurses, and medical staff to deliver world-class patient care services. Fortis will continue to provide a safe and secure environment where patients heal and employees find value. Once again, thank you all for your steadfast commitment to the organisation. I wish everyone good fortune and luck in the coming year.

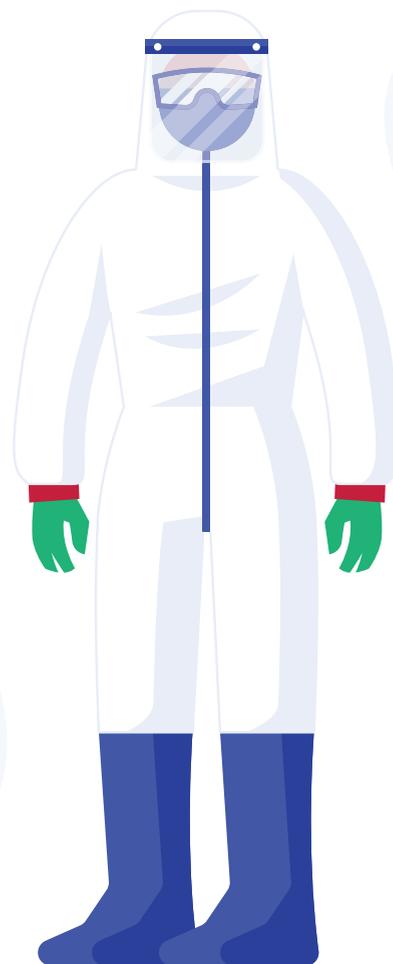


Dr. Ashutosh Raghuvanshi
Managing Director and
Chief Executive Officer

COMBATTING THE CRISIS

COVID-19

- ★ Fortis **donated a sum of ₹ 5.90 crores to The Prime Minister's National Relief Fund** to support the Government's efforts on COVID-19.
- ★ **Hiranandani Hospital, Vashi, Mumbai** – A Fortis Network Hospital and **Fortis Ft Lt Rajan Dhall Hospital, Vasant Kunj**, were **designated as COVID-19 dedicated facilities**.
- ★ Fortis **partnered with Gurugram administration and other private healthcare players to help set up a dedicated COVID hospital at Manesar, Gurugram**. Fortis helped provide additional equipment, set up protocols and processes, provided support for procurement and additional manpower.
- ★ **Four labs of SRL Ltd.** (including its subsidiary and JV partner), a Fortis subsidiary, **were authorised to conduct COVID-19 tests**.
- ★ **SRL started testing** at one of its labs **on March 26, 2020**, and the last one got approval on April 19, 2020.
- ★ More than **1000 beds were earmarked for COVID-19 patients in 28 Fortis hospitals across India** (as on 16, June 2020). This number could be scaled up, if needed.
- ★ **Isolation wards, critical care beds, medicine supplies and PPE were made available at all Fortis hospitals** across the country.
- ★ **Exclusive Flu Clinics** were operated at all Fortis hospitals.
- ★ **Telemedicine and video-based consults** were launched across Fortis network.
- ★ Fortis Memorial, Gurgaon, and Fortis Mumbai launched dedicated **COVID-19 helplines**.
- ★ **Fortis Healthcare participated in a Centre for Scientific and Industrial Research (CSIR) & Institute of Genomics and Integrative Biology (IGIB) initiated project on COVID-19**, titled "Formulation of a Clinical Databank by Retrospective Consolidation of Indian COVID-19 Patient Data". The project is of national importance.
- ★ **Video Laryngoscopes** were procured for the safety of our clinicians and other staff.
- ★ **Fortis Medical Council** met with the MD&CEO every week; **monitored the situation closely and enabled percolation of innovations and best practices to combat COVID-19** across the organisation.
- ★ Speciality Councils, including Critical Care Council, Oncology Council and Nephrology Council among others, **met regularly to frequently update Fortis guidelines for patient management**.
- ★ **A special task force was set up** for risk management, supply chain preparedness and monitoring of developments.
- ★ **Fortis used social media for Mental Health and Counselling Services** through two ongoing campaigns, #TogetherWeCan and #WorkfromHome.
- ★ **A home isolation support programme was launched** for COVID positive patients.



BOARD OF DIRECTORS - SRL



RAVI RAJAGOPAL
Independent Director, Chairman



SRINIVAS CHIDAMBARAM
Non-Executive Director



SUVALAXMI CHAKRABORTY
Independent Director



DR. KELVIN LOH CHI-KEON
Non-Executive Director



HENG JOO JOE SIM
Non-Executive Director



PRANEET SINGH
Non-Executive Director



DR. ASHUTOSH RAGHUVANSHI
Director

SRL ON THE GROWTH PATH

During last fiscal, SRL conducted about 30.4 million tests and served 12.7 million patients. The Company was able to engage with around 8600 doctors across the country through 470 CMEs/ RTMs. Expanding its retail footprint was another major focus of the year with SRL adding 420 new touch-points.



The year, 2020, is a landmark year for SRL Diagnostics. 25 years ago, SRL was incepted with a primary mission to help people on their path to better health and SRL has stayed true to this purpose in many ways all through these years.

Looking back at 2019, SRL diligently addressed its most pressing issues with grit and reset its foundation to drive long-term profitable growth. At the outset of the fiscal year, a robust strategy that was based on six pillars: Channel, Market, Product, Brand, People and Technology was developed. Consequently, some of these strategic moves have been around developing sales and marketing expertise, becoming more customer-focused, expanding reach, introducing new tests, building relationships with doctors and hospitals and investing in people and technology.

During last fiscal, SRL conducted about 30.4 Million tests and served 12.7 million patients. The Company engage with around 8600 doctors across the country through 470 CMEs/ RTMs. Expanding its retail footprint was another major focus of the year, and SRL added 420 new touch-points. Furthermore, enhancing the Company's operational efficiencies, SRL implemented some new-age technologies and tests viz. NIPS (Non-Invasive Prenatal Screening), CMA (Chromosomal Microarray), eFTS (Enhanced First Trimester Screening), High- Resolution HLA, ABPA, Biofire based tests, which gained recognition from clinicians.

In order to provide a better insight on the new-age technologies implemented, SRL integrated AI and data analytics to help improve testing. SRL completed the development of an Artificial Intelligence algorithm in partnership with Microsoft for automated scanning of Liquid Based Cytology (LBC); Whole Slide Images (WSI) used in screening for cervical cancer. The LBC AI algorithm identifies 20 regions of interest in an LBC WSI to assist cytopathologist in diagnosing a case quicker and in a standardized manner.

Alongside, the Company also rolled out campaigns, educating people on the right criteria on how to choose diagnostics labs. In that light, its campaign



#DoctorKnowsBest emphasized on the point that factors like proximity, ambience, and discounts etc. are not the criteria one should factor in when choosing a diagnostics lab. When in a dilemma, one should always consider a doctor's recommendation when choosing a diagnostic lab. The campaign was very well accepted by all stakeholders and audiences and it won the E4M Healthcare Marcom Awards under the "Best use of celebrity/ influencer" category.

Over the past year, SRL has faced significant headwinds. Online aggregators are squeezing the market share in terms of pricing and marketing burn. Price capping by the government on basic diagnostics also pose a challenge. Coupled with the above, competition emerging from all sides in terms of geography, product offerings, aggressive expansion, and brand investments are all leading to a higher competitive industry. In addition to this, the Company's network expansion in both the B2B and B2C segments was slower than anticipated, which also impeded on its channel engagement and product portfolio strategy. With this as a key growth imperative, SRL has undertaken initiatives primarily aimed at fortifying its key pillars of a focused channel strategy along with a balanced and better integrated product portfolio. As these efforts are being rolled out, they have seen initial success and have helped the Company in achieving



organic revenue growth of 3.7% (YTD Feb'20, pre-Covid), which still lags the industry growth average but reflects a gradual improvement versus the Company's prior growth rates. The impact of the work undertaken is only starting to become visible now, and the early green shoots on revenue growth were visible in Jan-Feb 2020 (5.2% growth YoY). This is expected to become more evident going forward.

This is also the year when the world is facing one of the greatest health threats of a generation – COVID 19 - one that profoundly not just impacted India's economy but the global economy and its people at large. SRL remains strong, resilient and well positioned to support its employees, patients, doctors, customers and communities across the country. SRL is at the forefront of this battle. The Company was amongst the first few private labs chosen by the Indian Council of Medical Research (ICMR) to conduct COVID-19 testing. SRL started testing from the last week of March at two of its clinical reference labs at Mumbai and Gurugram, and currently, four labs within SRL's network are conducting these tests. So far, SRL has already conducted more than 80,000 tests (as on June 16, 2020) working hand in hand, shoulder to shoulder

with the government machinery across the country.

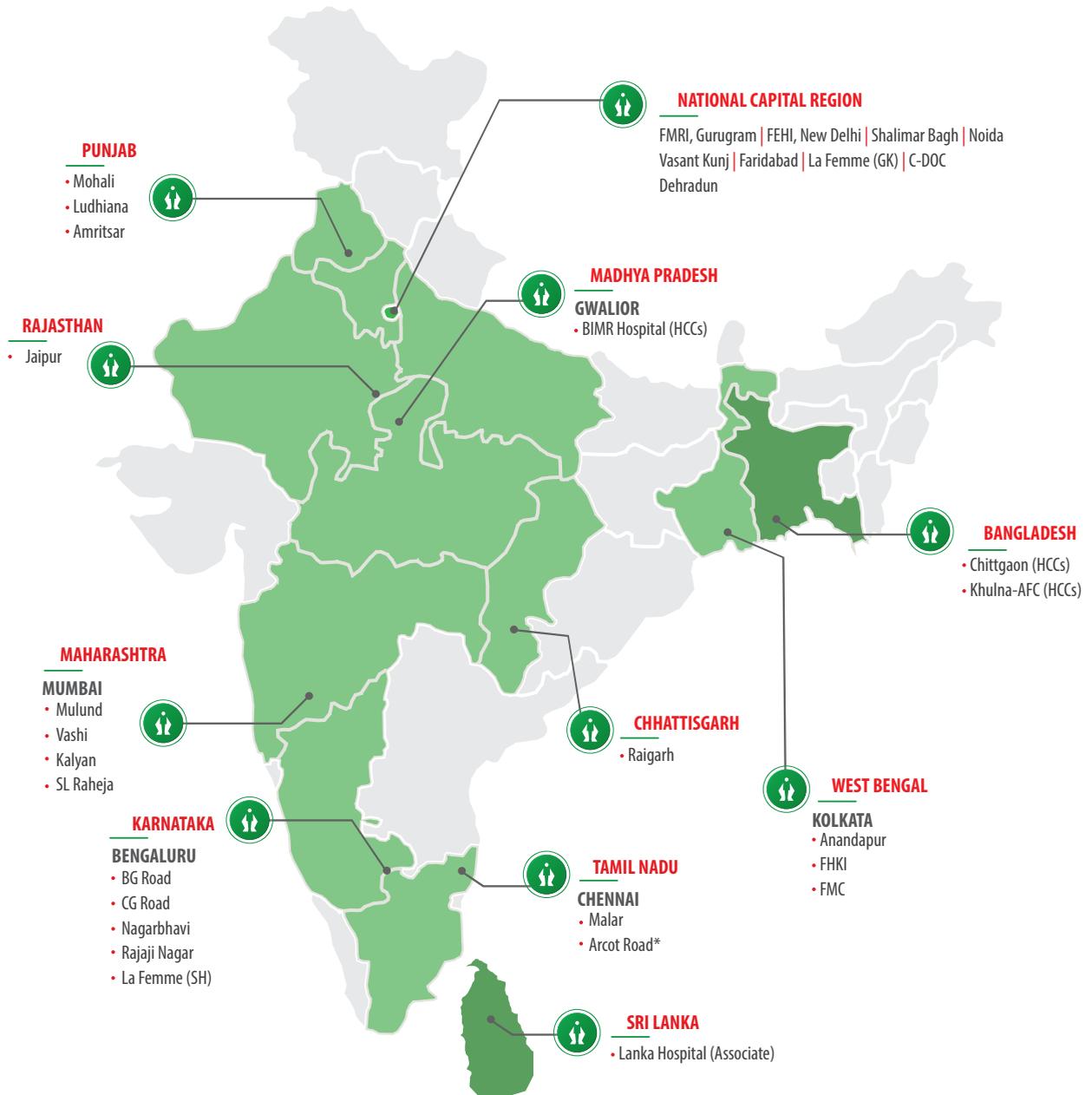
Looking at the impact of COVID-19, the diagnostics industry has been on a sharp decline since mid-March. With the lockdown declared, the Company witnessed a significant effect on its walk-in and home collection (B2C business). Also, with the logistical challenges to move samples around, with the lockdown of interstate and intrastate movement, stopping of OPD services and elective surgeries at hospitals and clinics, corporates working from home, etc., the B2B business was also equally affected. While it is still uncertain as to how this crisis will ultimately end, including how long it will last, how much economic damage it will do, or how fast or slow the recovery will be; it is however expected that for the diagnostics industry, the recovery would be at a faster pace and in an extremely efficient manner. In the post- COVID normal scenario, there will be several new trends with respect to consumers, company spending and even the involvement of the government. The consciousness amongst consumers is set to go up, people would want to understand their immunity levels in general. People also understand what molecular testing is, thanks to a higher consciousness of RT PCR tests for COVID. There would not only be a rise in preventive check-ups but also a surge in preventive genetic testing. Even for the corporates, spending on the health of their employees would go up. All of these will only bode good news for diagnostics players.

SRL's priorities looking forward are clear. Focus would be on improving the market depth and patient accessibility, maximising the deep portfolio of tests, collaborating across lines of business to increase client value and to drive consumer trials and doctor recommendations, all resulting in driving long-term profitable growth. SRL today is well positioned with the right building-blocks in place and with a mission that matters – helping people in their path to better health.



FORTIS NETWORK

India's 2nd largest integrated healthcare service provider having Pan India presence with **36 healthcare facilities** (including projects under development), approximately **4,000 operational beds** (including O&M beds), over **415 diagnostics centres** and **10,000+ trained healthcare professionals**.



Above chart excludes projects under development and land parcels
* Yet to be commissioned

ACCREDITATIONS

HOSPITALS	NABH	JCI
Fortis Memorial Research Institute, Gurugram	✓	✓
Fortis Escorts Heart Institute, Delhi	✓	
Fortis Escorts Hospital, Faridabad	✓	
Fortis Hospital, Noida	✓	
Fortis Hospital, Shalimar Bagh	✓	
Fortis Ft Lt Rajan Dhall Hospital, Vasant Kunj, Delhi	✓	
Fortis Hospital, Anandapur, Kolkata	✓	
Fortis La Femme, Greater Kailash, Delhi	✓	
Fortis Hospital, Mohali	✓	✓
Fortis Hospital, Mulund	✓	✓
Fortis Hospital, BG Road, Bengaluru	✓	✓
Fortis Escorts Hospital, Amritsar	✓	
Fortis Escorts Hospital, Jaipur	✓	
Fortis Hospital, Ludhiana	✓	
Fortis Hospital, Vashi, Navi Mumbai	✓	
SL Raheja Hospital, A Fortis Associate Hospital, Mumbai	✓	
Fortis Hospital, Kalyan, Mumbai	✓	
Fortis Hospital, Nagarvabhi, Bengaluru	✓	



18 NABH Accredited Fortis Hospitals



4 JCI Accredited Fortis Hospitals

FORTIS HOSPITAL NETWORK



Fortis Hospital, Ludhiana



Fortis Escorts Hospital, Amritsar



Fortis Hospital, Mohali



Fortis Escorts Hospital, Dehradun



Fortis Escorts Hospital, New Delhi



Fortis Ft. Lt. Rajan Dhall Hospital, New Delhi



Fortis Hospital, Shalimar Bagh, New Delhi



Fortis La Femme, Greater Kailash Part 2, New Delhi



Fortis C-DOC, New Delhi



Fortis Escorts Hospital, Faridabad



Fortis Memorial Research Institute, Gurugram



Fortis Hospital, Noida



Fortis Hospital, B.G. Road, Bengaluru



Fortis Hospital, C.G. Road, Bengaluru



Fortis Hospital, Nagarbhavi, Bengaluru



Fortis Hospital, Rajajinagar, Bengaluru

FORTIS HOSPITAL NETWORK



Fortis La Femme,
Richmond Road, Bengaluru



Fortis Hospital,
Arcot Road, Chennai



Fortis Malar Hospital,
Adyar, Chennai



Fortis Hospital,
Anandapur, Kolkata



Fortis Hospital & Kidney
Institute, Kolkata



Fortis OP Jindal Hospital & Research
Centre, Raigarh, Chhattisgarh



Fortis Hospital,
Kalyan, Mumbai



Fortis Hospital,
Mulund, Mumbai



SL Raheja Hospital,
A Fortis Associate, Mahim, Mumbai



Hiranandani Hospital, Vashi,
(A Fortis Network Hospital)



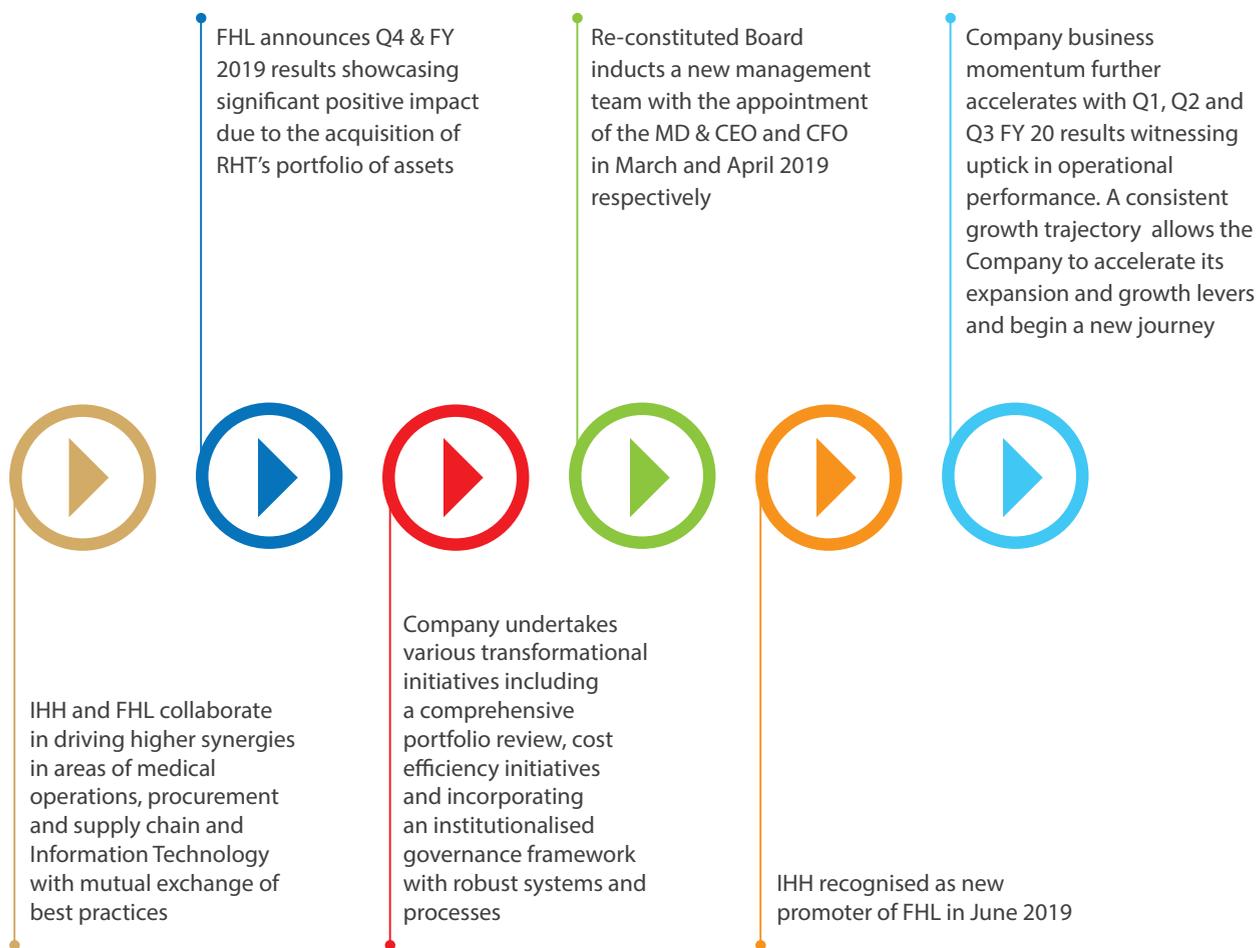
Fortis Escorts Hospital,
Jaipur

OUR TRANSFORMATIONAL JOURNEY



ABOUT IHH HEALTHCARE BERHAD ("IHH")

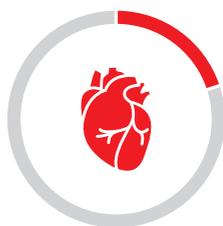
As a leading international healthcare operator, IHH believes in the sustained demand for quality private healthcare in its home and growth markets. We are key players in our home markets of Malaysia, Singapore, Turkey and India, and key growth market of Greater China (including Hong Kong). We employ over 55,000 people and operate over 15,000 licensed beds across 77 hospitals in 10 countries worldwide.



Our vision is to become the world's most trusted healthcare network and we will continue to make healthcare services more convenient and transparent to our patients. We offer our patients a full spectrum of integrated healthcare services from clinics to hospitals to quaternary care and a wide range of ancillary services across our portfolio which comprises of premium-brand healthcare assets, collectively representing a unique multi-market investment position in the healthcare sector.

IHH is one of the largest healthcare groups in the world by market capitalisation and are listed on the Main Markets of Bursa Malaysia and the Singapore Stock Exchange.

SPECIALITY MIX (YTD MARCH'20)



20%
CARDIAC SCIENCES



17%
IPD & OTHERS



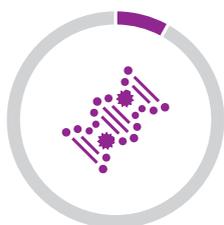
17%
OPD & OTHERS



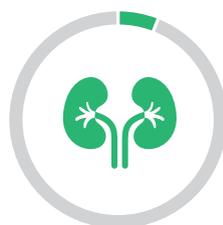
8%
ORTHOPAEDICS



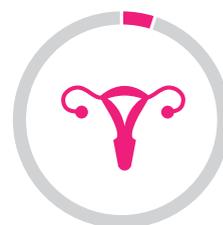
9%
NEURO SCIENCES



8%
ONCOLOGY



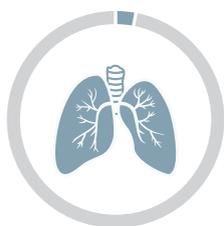
8%
RENAL SCIENCES



5%
GYNAECOLOGY



4%
GASTRO SCIENCES



3%
PULMONOLOGY

SPECIAL FOCUS CLINICAL SPECIALITIES



CARDIAC SCIENCES

Adult and Paediatric Cardiac-Sciences
PCI, CABG Heart Transplant
Key Hole Minimally Invasive Surgery



GASTRO SCIENCES

Medical Gastroenterology
Surgical Gastroenterology



NEURO SCIENCES

Tumours | Neurology | Neuro Endoscopic Surgery
Paediatric Neuro Surgery



ONCOLOGY

Medical Oncology | Surgical Oncology
Radiation Oncology (Paperless)
Paediatric Oncology | Bone Marrow Transplants



ORTHOPAEDICS

Joint Replacement | Spine Surgeries
Minimally Invasive Spine Surgery



RENAL SCIENCES

Dialysis | Lithotripsy
Minimally Invasive Surgery
Renal Transplants

CLINICAL MILESTONES

- ★ Doctors at **Fortis Escorts, Okhla Road, New Delhi**, performed **India's First Coronary Shockwave Lithotripsy** to open up a severely blocked artery in a 67-year-old patient who had recently had a heart attack.

- ★ The Neurosurgery Team at **Fortis Memorial Research Institute, Gurugram**, successfully performed the rare **Deep Brain Stimulation Surgery**.

- ★ A team of doctors at **Fortis Hospital, BG Road, Bengaluru**, performed **South India's first Hyperthermic Intra-Vesical Chemotherapy (HIVEC)** technique on a 58-year-old male suffering from bladder cancer.

- ★ The Liver Transplant Team at **Fortis Hospital, Mulund**, successfully conducted a **liver transplant on an infant from Chhattisgarh weighing just 5.5 kgs**. This is a landmark achievement as good outcomes in patients under 10 kgs remains a challenge even at the best hospitals worldwide.

- ★ In a first, **Fortis Hospital, Ludhiana**, performed a challenging **Transcatheter Aortic Valve Replacement (TAVR)** procedure for an elderly heart failure patient.

- ★ **Fortis Hospital, BG Road, Bengaluru**, conducted a rare surgery to remove a **plum-sized cluster of 160 cysts from the heart of a 12-year-old Iraqi boy**. The cluster of Hydatid cysts measured 5x4 cms.

- ★ Doctors at **Fortis Malar Hospital, Chennai**, performed a **futuristic orthopaedic keyhole procedure - All Autologous Cartilage Transplant (AACT)** - to treat articular cartilage defects of the knee of a 72-year-old woman.

- ★ A team of doctors at **Fortis Escorts, Okhla Road, New Delhi**, performed the **rare, Non-Surgical Transcatheter Mitral Valve Replacement (TMVR)** procedure on two patients, a male and a female, both aged 69 years. The doctors used the new 'valve-in-valve' procedure to replace the faulty heart valves. Only a handful of these procedures have been done in the Asia Pacific region.

CLINICAL MILESTONES

- ★ A team of doctors at **Fortis Malar Hospital, Chennai**, performed a **rare Minimally Invasive Mitral Valve Replacement Procedure** on a 35-year-old underprivileged woman.
- ★ A team of doctors at **Fortis Hospital, Mohali**, introduced a **new technique-Video Assisted Thoracoscopic Surgery** to successfully treat a **70-year-old man** suffering from lung cancer.
- ★ **A tumour weighing 15 kgs was removed** from the abdomen of a 73-year-old woman at **Fortis Hospital, Anandapur, Kolkata**.
- ★ Doctors at **Fortis Escorts Hospital, Faridabad**, performed a **challenging knee surgery in just 20 minutes** on a high-risk 73-year-old arthritis patient, who also had a very weak heart.



AWARDS & ACCOLADES

Economic Times Healthworld Hospital Awards'20

- Fortis Group won four awards in various categories at the Economic Times Healthworld Hospital Awards'20.
- Fortis won the 'Best Hospital Chain' and the 'Best Hospital for Patient Care' titles nationally.
- Fortis Hospital, Bannerghatta Road, Bengaluru, was named the 'Best Hospital - Urology' in its region.
- Fortis Memorial Research Institute, Gurugram, was recognised as the 'Best Hospital - Oncology' in its region.

FICCI Medical Travel Value Awards 2019

- Fortis Healthcare bagged 10 awards in various categories at the FICCI Medical Travel Value Awards 2019. The awards, instituted by the Federation of Indian Chambers of Commerce & Industry (FICCI), were presented at the Advantage Health Care India - 2019 Summit.

Excellence in Cardiac Sciences

- Fortis Escorts, Okhla, New Delhi, was honoured with 'Award for Excellence in Cardiac Sciences' at 5th ABP Healthcare Leadership Awards.

Joint Commission International (JCI) accreditation

- Fortis Hospital, Mohali and Fortis Hospital, Bannerghatta Road, Bengaluru, earned the JCI Gold Seal for the fifth consecutive time while Fortis Memorial Research Institute (FMRI), Gurugram also attained the prestigious JCI accreditation.

National Award for Excellence in Energy Management, 2019

- Fortis Hospital, Mohali, was honoured with the 'The National Award for Excellence in Energy Management, 2019' instituted by the Confederation of Indian Industry (CII).

AWARDS & ACCOLADES

Best Hospital to Work For

- Fortis Hospital & Kidney Institute (FHKI), Kolkata, was recognised as the 'Best Hospital to Work For' by the Association of Healthcare Providers – India (AHPI). This is the third consecutive year when FHKI has won the honour.

International Patient Safety Congress

- Fortis Hospital, Mulund, won two awards at the 8th International Patient Safety Congress for two projects, namely, 'Infection Control Prevention - Central Line-associated bloodstream Infection (CLABSI)-free Hospital' and 'Beyond Scalpels and Surgeons.'

Quality Beyond Accreditation

- Fortis Hospital, Anandapur, Kolkata, received the AHPI Award 2019 for 'Quality Beyond Accreditation.'

Rashtriya Prernadoot Award

- Fortis CSR Foundation was honoured with the prestigious 'Rashtriya Prernadoot Award' for social work. The award was presented by Shri Thawar Chand Gehlot, Hon'ble Minister of Social Justice and Empowerment, Govt. of India.

Best Brand in Diagnostics

- SRL won the 'Best Brand in Diagnostic Services in Pathology and Radiology' recognition at the Economic Times Best Brands Awards-2019.

Outstanding Work in Medical Diagnostics

- SRL was felicitated at the 8th Global Economic Summit in Mumbai for its outstanding work in the field of medical diagnostics.



SRL KEY HIGHLIGHTS: 2019-20

“The company continued to engage with the medical fraternity and promoted the scientific use of its repertoire of tests in diverse clinical settings. New tests like NIPS, CMA, eFTS, HLA, ABPA, Biofire based tests continued to create ripples and gained recognition from clinicians.”



The customer satisfaction levels for SRL continued to be very positive, where greater than eight out of ten clients were very satisfied with the Company. The annual employee engagement survey also confirmed that the company's employees continue to be productively engaged in the business. We believe high customer and employee satisfaction levels are essential success factors in driving the business forward.

SRL continues to occupy a dominant position in Public-Private Partnership (PPP) space of providing diagnostic services in states of Jharkhand, Himachal Pradesh, and holy pilgrimage site-Tirupati. SRL has successfully navigated the challenges posed by poor socioeconomic factors, deficient healthcare infrastructure, uneducated masses in diverse geographies.

The Company continued to engage with the medical fraternity and promoted the scientific use of its repertoire of tests in diverse clinical settings. New tests like NIPS (Non-Invasive Prenatal Screening), CMA (Chromosomal Microarray), eFTS (Enhanced First Trimester Screening), High-Resolution HLA, ABPA, Biofire based tests continued to create ripples and gained recognition from clinicians. SRL, as a responsible corporate citizen, conducted more than 5,000 health camps and engaged with 8,600 specialists and super-specialist doctors in 470 CMEs (Continuous Medical Education)/RTM s(Round Table Meets). With the arrival of the fully automated system in its Reference Labs, fewer samples need to be taken from patients, and these can simply be diagnosed in one place. This provides healthcare professionals with faster results and higher accuracy.

On the technology front, SRL's R&D department operationalised the Ion Chef System, which is the next generation of workflow simplification products enabling the organisation to offer the advanced genomic analysis at a competitive price and turnaround time in the market. SRL also supported the Government of India as well as the local administrative bodies in both of its existing reference Labs to build the capability for pandemic

Coronavirus. SRL also established an institutional level partnership with the Translational Health Science & Technology Institute (THSTI) of India for developing indigenous diagnostic assays.

For the Company, Quality is one of its critical pillars. Its Quality Audit and Compliance & Accreditation team plays a pivotal role in ensuring the implementation of all good laboratory practices, standard practices, accreditation guidelines, and local regulatory requirements. In FY2019-20, the Quality team has worked for the continuation of all current accreditation status as per their cycle of assessment. The Company has also achieved NABL accreditation for two new labs in the last fiscal year.

Improved customer experience is the topmost priority for the Company. The facets of brand pillar build around customers speak volumes about the commitment to customer-centricity. Year-on-year, SRL continues to innovate, setting new benchmarks for itself, which over the years, have become guidelines for others. Continuing with the tradition of innovation & improving customer experience, SRL continued to work on improving product & service quality, standardized experience across touchpoints, and help consumers to make an informed decision.

Among many firsts, this year saw the launch of uniforms for the front desk staff, phlebotomists, and helmets for riders in Delhi & Mumbai. The start of uniform is a first of many steps undertaken towards improving consumers' and employee's perception towards the brand and offers a seamless and uniform experience to consumers across all brand touchpoints.

Despite the COVID-19 pandemic affecting the operations for a brief period, SRL still saw a positive performance in the last financial year. With the closure of few multi-lateral projects, effect of price capping by the government and fierce competition, the overall revenue growth was soft but on the positive side. The Company has been able to maintain the net profit margins owing to multiple initiatives taken throughout the year focused on process optimization and cost negotiations.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting here the Twenty Fourth Annual Report of your Company along with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the Year ended March 31, 2020.

FINANCIAL RESULTS

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

(₹ in lacs)

Particulars	Consolidated	
	Year ended March 31, 2020	Year ended March 31, 2019
Continuing Operations		
1. Operating Income	463,232	446,936
2. Other Income	5,264	9,240
3. Total Income (1+2)	468,496	456,176
4. Total Expenditure (Excluding finance cost, depreciation & tax expenses)	402,280	424,414
5. Operating Profit (EBITDA) (3-4)	66,216	31,762
6. Finance Charges, Depreciation & Amortization	49,679	56,975
7. Profit/ (loss) before exceptional items and tax (5-6)	16,537	(25,213)
8. Exceptional items	6,183	(22,238)
9. Profit/ (loss) before tax (7+8)	22,720	(47,451)
10. Tax Expenses	14,787	11,361
11. Net Profit/ (loss) for the year (9-10)	7,933	(58,812)
12. Share in profits of associate companies	1,216	36,441
13. Profit/ (Loss) for the year from continuing operations (11+12)	9,149	(22,371)
14. Discontinuing Operations		
Profit/ (Loss) before tax from discontinuing operations	-	-
Tax expense of discontinuing operations	-	-
Profit/ (Loss) after tax and before minority interest from discontinuing operations	-	-
Share in profits/ (losses) of associate companies	-	-
Profit for the year from discontinuing operations (B)	-	-
15. Profit/ (loss) for the year (13+14)	9,149	(22,371)
Profit for the year attributable to:		
Owners of the Company	5,794	(29,893)
Non-controlling interests	3,355	7,522
Profit for the year before other comprehensive income		
16. Other comprehensive income	11	(4,517)
17. Total comprehensive income (15+16)	9,160	(26,888)
Total comprehensive income for the year attributable to:		
Owners of the Company	5,947	(34,449)
Non-controlling interests	3,213	7,561

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

(₹ in lacs)

Particulars	Standalone	
	Year ended March 31, 2020	Year ended March 31, 2019
Continuing Operations		
1. Operating Income	70,185	65,649
2. Other Income	93,834	52,449
3. Total Income (1+2)	164,019	118,098
4. Total Expenditure (Excluding finance cost, depreciation & tax expenses)	63,390	78,192
5. Operating Profit (EBITDA) (3-4)	100,629	39,906
6. Finance Charges, Depreciation & Amortization	25,698	21,941
7. Profit before exceptional items and tax (5-6)	74,931	17,965
8. Exceptional items	(12,863)	-
9. Profit before tax (7+8)	62,068	17,965
10. Tax Expenses	10,735	5,656
11. Net Profit for the year (9-10)	51,333	12,309
12. Share in profits of associate companies	-	-
13. Profit for the year from continuing operations (11+12)	51,333	12,309
14. Discontinuing Operations		
Profit/ (Loss) before tax from discontinuing operations	-	-
Tax expense of discontinuing operations	-	-
Profit/ (Loss) after tax and before minority interest from discontinuing operations	-	-
Share in profits/ (losses) of associate companies	-	-
Profit for the year from discontinuing operations	-	-
15. Profit for the year (13+14)	51,333	12,309
16. Other comprehensive income	(12)	22
17. Total comprehensive income (15+16)	51,321	12331

STATE OF COMPANY'S AFFAIR, OPERATING RESULTS AND PROFITS

Fiscal 2019-20 witnessed a turnaround in the Company's performance led by a significant improvement in the hospitals business of the Company which contributes approx. 80% to consolidated revenues.

For FY2019-20, basis the Consolidated Financial Results, the Company's total income from continuing operations stood at ₹ 4,685 Crore compared to ₹ 4,562 Crore reported for the financial year 2018-19. The Company's revenue from operations stood at ₹ 4,632 Cr compared to ₹ 4,469 Cr for the financial year 2018-19, a growth of 3.6%. This was primarily as a result of 6.4% growth in the hospital business while revenues

of the diagnostics business revenues were similar to the previous year. The EBITDA of the company stood at ₹ 662 Crore compared to ₹ 318 Crore for the previous corresponding year. EBITDA margin improved to 14.1% in FY19-20 versus 7% reported in FY18-19. This was largely driven by the healthy margin expansion in the hospital business due to better revenue and various cost optimization initiatives. In addition, the hospital business saw the significant impact on performance due to the acquisition of portfolio of assets of the RHT Health Trust which saved substantial clinical establishment costs for the Company. Operationally, the hospital business witnessed an improved product mix with Occupancy improving from 67% to 68% while ARPOB increased from ₹ 1.52 Cr to ₹ 1.59 Cr. However,

it is also pertinent to highlight that the operating EBITDA of the company both for the hospitals and the diagnostics business was impacted in Q4 due to impact of the COVID pandemic which became pronounced towards the end of March due to the nationwide lockdown.

The company's profit before tax and before exceptional items for the financial year stood at ₹ 165.4 Cr compared to a loss of ₹ 252.1 Cr in FY18-19. This was as a result of the better operational performance and lower finance costs which witnessed a reduction of 39%.

The company's Profit for the year from continuing operations attributable to owners of the company (PATMI) stood at ₹ 57.9 Cr compared to a loss of ₹ 298.9 Cr in FY18-19. This was impacted negatively impacted by a non-cash Deferred Tax Asset (DTA) charge in Q3 FY20 of ₹ 102 Crs. The Company de-recognized deferred tax asset (DTA) in respect of one of its subsidiaries partially off-set due to recognition of DTA in certain other subsidiaries; both basis their respective future taxable profits. In FY20, PATMI includes an exceptional gain of ₹ 61.8 Cr which primarily pertains to profit on sale of certain investments. In FY19, PATMI includes share in profit of associate companies amounting to ₹ 333 Cr which was on account of RHT Health Trust's profit on divestment of assets to Fortis in January 2019. It also includes exceptional loss of ₹ 222 Cr which primarily pertains to impairments related to the goodwill and of certain assets.

Your Company aspires to be the most trusted healthcare organization in India and is committed to deliver quality healthcare services to patients in modern facilities using advanced technologies ably supported by a team of skilled doctors, nurses and healthcare professionals. Your company's stringent medical processes and protocols are designed to deliver superior clinical outcomes and enhance patient satisfaction. Most of our healthcare facilities provide secondary, tertiary and quaternary healthcare services to patients in Cardiac Care, Orthopedics, Neurosciences, Oncology, Renal Care, Metabolic diseases care and mother and childcare.

During the year, your Company commenced several new medical programmes and specialties across various facilities whilst strengthening the existing

medical offerings. It launched a State-of-the-art Cancer Institute at Fortis BG Road, a dialysis centre at Fortis Vasant Kunj, inaugurated the department of Physiotherapy at FEHI, a next generation Cath Lab and a comprehensive Mother & Child Care wing at Fortis Faridabad and a day care wing at Fortis Noida.

Your Company also has a number of ambitious projects on the anvil, aimed at spurring growth and development. The company aims to consolidate its position in Cardiac Sciences and Orthopaedics while focusing on high growth specialties such as Oncology, Neuro Sciences, Gastro Sciences and Renal Sciences to improve margins. Furthermore, the company plans to commission over 1,300 new beds over the next 5 years in existing facilities to leverage economies of scale – majority of bed additions are planned in Noida, BG Road, Shalimar Bagh, FMRI, Mohali and Arcot Road. Further details have been captured in the Management Discussion and Analysis Section of the Annual report.

The healthcare verticals of the Company primarily comprise day care specialty, diagnostics and tertiary and quaternary care. As of March 31, 2020, the Company had a network of 36 healthcare facilities (including projects under development) in India and abroad with approximately 4,000 operational beds including beds under the O&M model.

In addition, its Indian diagnostics business has a presence in over 600 cities and towns, with an established strength of over 400 laboratories, approximately 8,200 Direct clients and 1400 Collection centers.

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

SIGNIFICANT MATTERS DURING THE YEAR UNDER REVIEW

Your Company undertook a comprehensive strategic review and prioritized key areas to drive revenues and operational performance. These include aspects related to evaluating the current portfolio of your Company's facilities and planned bed expansion, initiating cost optimization measures across the network, investing in technology and medical equipment and further strengthening its clinical excellence program. Further

details of this are mentioned in the Business Strategy section of the Management Discussion and Analysis Report ('MDA').

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

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

After the public announcement regarding Fortis Open Offer and Fortis Malar Open Offer, the Hon'ble Supreme Court of India had on December 14, 2018 passed an order ("Order") directing "status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained". In light of the Order, Fortis Open Offer and Fortis Malar Open Offer were put on hold until further order(s)/ clarification(s)/ direction(s) issued by the Hon'ble Supreme Court of India. Application was filed by your Company for modification of the Order and for proceeding

with Fortis Open Offer and Fortis Malar Open Offer. Vide its judgment dated 15 November 2019 ("Judgment"), the Hon'ble Supreme Court issued suo-moto contempt notice to, among others, your Company, and directed its Registry to register a fresh contempt petition in regard to alleged violation of the Order ("Contempt Petition"). In this respect, the Hon'ble Supreme Court sought an enquiry into:

- (i) Whether the subscription by NTK for the Shares of your Company was undertaken after the Order, and accordingly if such subscription was in violation of the Order; and
- (ii) The consummation of acquisition of healthcare assets from RHT Health Trust by your Company.

Your Company has filed a reply to the show cause notice issued in the suo-moto contempt, praying inter alia, that the suo-moto contempt proceedings be dropped and Order be modified/ vacated such that Fortis Open Offer and Fortis Malar Open Offer may proceed. Since the issuance of the Judgement, several parties have filed applications before the Hon'ble Supreme Court, for seeking various remedies Such as (i). A minority shareholder of your Company ("Minority Shareholder") has sought resumption of the Fortis Open Offer; (ii) Daiichi Sankyo Co. Ltd has sought permission to be impleaded in the Suo- Moto Contempt; (iii) Securities Exchange Board of India has sought resumption of the Fortis Open Offer citing larger public interest at stake; (iv) NTK has filed applications to intervene in the Supreme Court Proceedings, to be heard and for vacation of the Order that continues to stay the Fortis Open Offer and Fortis Malar Open Offer. The next date in the matter is yet to be notified.

- **Update on EHIRCL Litigation-** During the year under review, the Hon'ble Supreme court of India has passed a judgement in favour of one of the wholly owned subsidiaries of your Company viz. Escort Heart Institute & Research Centre Limited (EHIRCL). Facts of the case briefly stated is that after Delhi Development Authority (DDA) terminated the leases executed in favour of EHIRCL with respect to its Hospital at Okhla,

Delhi, EHIRCL had approached the Hon'ble High Court of Delhi seeking declaration that the notice of termination is bad in law. However, DDA commenced proceedings for eviction of EHIRCL under the Public Premises (Eviction of Unauthorised Occupant) Act, 1971. The said notice of commencement was challenged by EHIRCL by way of writ petition under Article 226 of the Constitution of India filed before the Delhi High Court. The writ petition was dismissed by the Single Judge of the High Court. Thereafter, EHIRCL filed a Letters Patent Appeal before a two judge bench of the High Court of Delhi which was also dismissed. The writ petition and the appeal were filed on the premise that the Estate Officer has no jurisdiction to invoke proceedings under the Public Premises (Eviction of Unauthorised Occupant) Act, 1971. Against the said order, EHIRCL filed a Special Leave Petition under Article 136 of the Constitution of India. The Hon'ble Supreme Court granted leave to appeal. The matter was taken up for final hearing and post detailed arguments, the Hon'ble Court allowed the appeal and quashed the proceedings for eviction of EHIRCL from its Hospital premises at Okhla, Delhi.

DIVIDEND AND TRANSFER TO RESERVES

The Board of Directors of your Company have not recommended any dividend for the Financial Year 2019-20. Accordingly, there has been no transfer to general reserves.

Your Company has formulated a Policy on Dividend Distribution in terms of SEBI Circular No. SEBI/LAD-NRO/6N/2016-17/008 and the same is available on the website of the Company at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Policies/ Codes/ Policy on Dividend Distribution.

MATERIAL CHANGES

There are no material changes and commitments, affecting the financial position of your Company which have occurred between the end of the Financial Year 2019-20 and the date of this report.

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

Statutory Auditors have, in their report to the Board

of Directors on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("The Act") made the following Qualified Opinion and are categorised as "Qualified Opinion". The Directors' response to the comments of the auditors is given below:

Qualified Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Fortis Healthcare Limited (hereinafter referred to as the "Company" or "Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies (together referred to as "the Group") and its joint venture companies (jointly controlled company), as of that date.

In our opinion, except for the effects/ possible effects of the material weakness described below on the achievement of the objectives of the control criteria, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Company, its subsidiary companies, its associates and joint venture companies, which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

We have considered the material weakness identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidated Financial Statements of the Group for the year ended 31 March 2020 and this material weakness has, inter alia, affected our opinion on the said Consolidated Financial Statements and we have

issued a qualified opinion on the said Consolidated Financial Statements.

Basis for Qualified Opinion

As explained in paragraph (i) of “Basis for Qualified Opinion” paragraph of our Audit Report on the consolidated financial statements for the year ended 31 March 2020, pursuant to certain events/transactions in earlier years, the erstwhile Audit and Risk Management Committee (the “ARMC”) of the Holding Company had initiated an independent investigation by an external legal firm and special audits by professional firms on matters relating to systemic lapses and override of controls. The report has since been submitted and is subject to limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation report. The management has also initiated additional procedures/ enquiries, which are ongoing, of certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm. Consequently, an overall assessment of the impact of the additional procedures/ enquiries and/or investigations on the consolidated financial Statements is yet to be concluded. Further, the investigation by different regulatory authorities in these matters is still ongoing and an overall assessment of the impact of the investigations is yet to be concluded. Pending final outcome of the regulatory investigations and additional procedures/ enquiries and/or investigations by management, completeness of identification of deficiencies cannot be ascertained.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

Directors’ response to comments of the statutory auditors in the Audit Report:

With regard to the Basis for Qualified Opinion above, pertaining to the Investigation Report, it is submitted that, based on the investigation carried out by the external legal firm, SEBI Interim orders dated October 17, 2018, December 21, 2018 and confirmed vide order dated March 19, 2019 and the information available at this stage, all identified / required adjustments/

disclosures arising from the findings in the Investigation Report, have been made. Further, the Board initiated specific improvement projects to strengthen the process and control environment for which assessment work has been done and corrective action plans have been implemented. Further, various regulatory authorities are currently undertaking their own investigation. Any further adjustments/ disclosures, if required, would be made in the books of account, pursuant to the actions to be taken by the Board and as and when the results of the various investigations are known. With regard to other comments all identified adjustments/disclosures have been made. For more details, please refer to notes 14,29,30,31 and 32 of Consolidated Financial Statements.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

During the year under review:

- Fortis Healthcare International Limited (FHIL) a wholly owned subsidiary of the Company has consummated the sale of the entire shareholding representing 28.89% of the total issued and paid up capital, held by FHIL in The Medical and Surgical Centre Limited on July 8, 2019.
- SRL Diagnostics FZ LLC, Dubai (“SRL FZ LLC”), a wholly owned subsidiary of SRL Limited, has closed its board controlled subsidiary named as SRL Diagnostics Middle East LLC, Dubai (“SRL Middle East”) through requesting cancellation of licence of SRL Middle East to relevant government authorities there on August 30, 2019.

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

In terms of the said policy, as on April 1, 2020, Fortis Hospitals Limited (FHsL), International Hospital Limited (IHL), Fortis Hospotel Limited (FHTL) and SRL Limited are considered as Material Subsidiary(ies). Necessary compliances w.r.t. material subsidiaries have been duly carried out except that your Company is yet to appoint an Independent Director from the Board of Fortis Healthcare Limited on the Boards of IHL and FHTL

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

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

The contribution of the subsidiary/associates/joint venture companies to the overall performance of your Company is outlined in Note No. 27 of the Consolidated Financial Statements for the year ended March 31, 2020.

LOANS/ADVANCES/INVESTMENTS/GUARANTEES

Particulars of Loans / Advances / Investments / guarantees given and outstanding during the Financial Year 2019-20 are mentioned in Notes to the Financial Statements.

PUBLIC DEPOSITS

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

UTILISATION OF FUNDS

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

AUDITORS

• Statutory Auditors

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

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

- a) Note 14(II)(i) and 14(II)(ii) relating to the outcome of the civil suit/arbitrations with regard to termination of certain land leases allotted by Delhi Development Authority (DDA) and the matter related to non-compliance with the order of the Honorable High Court of Delhi in relation to provision of free treatment/beds to poor by Escorts Heart Institute and Research Centre Limited ('EHIRCL').
- b) Note 14(III) regarding matter relating to termination of Hospital lease agreement of Hiranandani Healthcare Private Limited, one of the subsidiaries in the Group, by Navi Mumbai Municipal Corporation (NMMC) vide order dated 18 January 2018.

Based on the advice given by external legal counsel, the likelihood of outflow in the litigations in paragraph (a) and (b) above is remote and accordingly no provision/adjustment has been considered necessary by the management with respect to the above matters in the consolidated financial statements.

- c) We also draw attention to Note 33 of the consolidated financial statements relating to the order dated 15 November 2019 of the Hon'ble Supreme Court, where it is stated that the Hon'ble Supreme Court has issued suo-moto contempt notice to, among others, the Company and directed its Registry to register a fresh contempt petition in regard to alleged violation of its order dated 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 consolidated financial statements.

- d) We draw attention to Note 44 of the consolidated financial statements, which explains that due to a significant amount of dividend received during the year from a wholly owned overseas subsidiary, the 'income from financial assets' of the Company is more than 50 per cent of the gross income for the year ended 31 March 2020. Since the Company's financial assets as at that date are also more than 50 per cent of its total assets, the Company meets the criteria for classification as a Non-Banking Financial Company (NBFC) as per press release by Reserve Bank of India (RBI) vide No. 1998-99/1269 dated 8-4-1999 as at 1 April 2020. As per the Company, such dividend is non-recurring in nature and does not represent income from ordinary activities of the Company and the Company does not intend to carry on the business as a NBFC. The Company has made a representation to the RBI in this regard. The Company has not received any response from RBI in this regard till date.

The statutory auditors have, in their report to the Board of Directors on the consolidated financial statements of the Company made the following qualification:

Qualified Opinion

We have audited the consolidated financial statements of Fortis Healthcare Limited (hereinafter referred to as the "Company" or the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated

balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary and joint ventures as were audited by the other auditors, and except for the effects/ possible effects, if any, of the matters described in the "Basis for Qualified Opinion" paragraphs of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2020, of its consolidated profit, other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

- (i) As explained in Note 31 of the consolidated financial statements, pursuant to certain events/transactions, the erstwhile Audit and Risk Management Committee (the "ARMC") of the Company carried out an independent investigation and special audits by external professional firms on matters relating to systematic lapses/override of internal controls. As a result of investigation/ special audits, the Company recorded adjustments in its books of accounts during the year ended 31 March 2018 which are explained in Note 29, 30 and 31 of the consolidated financial statements. However, the report of said investigation was subject to limitations on the information available to the external professional firms; and their qualifications and disclaimers including completeness of related party transactions which relate to or which originated prior to loss of control of erstwhile promoters/directors in the year ended 31 March 2018.

Further, as explained in Note 31 and 32 of the consolidated financial statements, various regulatory authorities including Securities and Exchange Board of India ("SEBI") and Serious Fraud Investigation Office ("SFIO") are undertaking their own investigations on these matters, which are currently ongoing.

As explained in Note 31(f) of the consolidated financial statements, the management has also initiated additional procedures/ enquiries, which are ongoing, of certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm. Consequently, an overall assessment of the impact of the additional procedures/ enquiries and/ or investigations on the consolidated financial statements is yet to be concluded.

Also, as explained in Note 14(l) of the consolidated financial statements, a Civil Suit claiming ₹ 25,344 lacs was filed by a third party against various entities including the Company and certain entities within the group relating to "Fortis, SRL and La-Femme" brands. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. The matter is currently sub-judice.

In view of the above, we are unable to comment on further adjustments/ disclosures which may become necessary as a result of findings arising out of the ongoing additional procedures/ enquiries/ investigations required, if any, and outcome of civil suit on the consolidated financial statements including completeness/accuracy of the related party transactions which relate to or which originated prior to loss of control of erstwhile promoters/ directors in the year ended 31 March 2018, the regulatory non-compliances, if any, and the consequential impact of the above adjustments, if any, on the consolidated financial statements.

- (ii) As explained in Note 34 of the consolidated financial statements, during the year ended 31 March 2018, the Company concluded that it had paid amount aggregating to ₹ 2,002.39 lacs to the erstwhile Executive Chairman in excess of the amounts approved by the Central Government under Section 197 of the Companies Act, 2013

as his remuneration and other reimbursements. This is accordingly a non-compliance with the provisions of Section 197 of the Companies Act, 2013. Due to the uncertainty involved on recoverability of the said amounts, a provision for this amount has also been recorded in the year ended 31 March 2018.

The matters stated above were subject matter of qualification in our audit opinion on the consolidated financial statements for the year ended 31 March 2019 also.

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

- (i) With regard to the comments of the statutory auditors in paragraph (i) of basis for qualified opinion of Audit Report, pertaining to the Investigation Report, it is submitted that, based on the investigation carried out by the external legal firm, SEBI Interim orders dated October 17, 2018, December 21, 2018 and confirmed vide order dated March 19, 2019 and the information available at this stage, all identified / required adjustments/ disclosures arising from the findings in the Investigation Report, have been made. Further, the Board initiated specific improvement projects to strengthen the process and control environment for which assessment work has been done and corrective action plans have been implemented. Further, various regulatory authorities are currently undertaking their own investigation. Any further adjustments/ disclosures, if required, would be made in the books of account, pursuant to the actions to be taken by the Board and as and when the results of the various investigations are known. With regard to other comments all identified adjustments/ disclosures have been made. For more details, please refer to notes 14(l), 29, 30, 31 and 32.
- (ii) With regard to the comments of the statutory auditors in paragraph (ii) of basis for qualified opinion of Audit Report, pertaining to the amounts paid to the erstwhile Executive Chairman, the Company, having considered all necessary facts, has decided to treat as non est the LoA issued to the erstwhile Executive Chairman and is taking suitable legal measures to recover the payments made to him under the LoA as well as all the

Company's assets in this possession. For more details, please refer to note 34.

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

Qualifications in the Auditor's Report

The Board of Fortis Healthcare Limited, has dealt with the matters stated in the qualifications in statutory auditor's report on the Consolidated Financial Statement of Fortis Healthcare Limited ("the Parent" or "the Company") and its subsidiaries (the Parent/ Company and its subsidiaries together referred to as "the Group") and its share of profit /(Loss) of its joint ventures and associates for the year ended March 31, 2020 ("the Consolidated Annual Financial Statement") included in the Statement of Consolidated Financial Statement ("the Consolidated Statement") to the extent information was available with them.

(₹ in lacs)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications) \$
1	Turnover / Total income	468,496	Not Determinable
2	Total Expenditure	451,959	---Do---
3	Share of profit of associates and joint ventures (net)	1,216	---Do---
4	Exceptional gain	6,183	---Do---
5	Tax expense	14,787	---Do---
6	Net Profit/(Loss)	9,149	---Do---
7	Earnings Per Share	0.77	---Do---
8	Total Assets	1,134,782	---Do---
9	Total Liabilities	414,223	---Do---
10	Net Worth *	720,559	---Do---

"\$" for Qualifications i) and ii) of the Auditor's Report.

* Including non-controlling interest of Rupees 54,450 lacs

Qualification i) of the Auditor's Report

1. Details of Audit Qualification:

As per audit report para (i) of basis for qualified opinion

2. Type of Audit Qualification:

Qualified Opinion

3. Frequency of qualification:

Third time

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

Not Applicable

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

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

Not quantifiable.

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

Please refer point no (i) above of Director's response to comments of the statutory auditors in the Audit Report.

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

Due to the nature of various regulatory inquiries/ investigations, the consequential impact, if any, cannot be ascertained.

Qualification ii) of the Auditor's Report

1. Details of Audit Qualification:

As per audit report para ii) of basis for qualified opinion

2. Type of Audit Qualification :

Qualified Opinion

3. Frequency of qualification:

Third time

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

Not Applicable

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

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

Not quantifiable

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

Please refer point no (ii) above of Director's response to comments of the statutory auditors in the Audit Report.

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

A continuing qualification from previous year as non-compliance with section 197 of the Companies Act, 2013 is pending to be regularized.

• **Cost Auditor**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the cost audit records maintained by your Company in respect of its hospital activity is required to be audited. Your Directors had, on the recommendation of the Audit and Risk Management Committee, appointed M/s. Jitender, Navneet & Co., Cost Accountants to audit the cost accounts of your Company for the Financial Year 2019-20 at a remuneration of 3.5 lacs (plus out of pocket expenses and taxes). As required under the Companies Act, 2013, the remuneration payable to the cost auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s Jitender, Navneet & Co., Cost Auditors is included in the Notice convening the ensuing Annual General Meeting. Further, in terms of the Companies (Accounts) Rules, 2014, it is confirmed that maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, is applicable on your Company and accordingly such accounts and records are properly made and maintained.

• **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Sanjay Grover & Associates, Practicing Company Secretary, to undertake the Secretarial Audit of your Company. Your Company has complied with the provisions of Secretarial Standards, to the extent feasible. The Secretarial Audit Report is enclosed herewith as "Annexure - II". The adverse remarks and Management response to the same is as given below:

S. No.	Remarks by the Auditors	Management Response
1.	No independent director(s) of your Company were appointed on the board of Fortis Hospotel Limited and International Hospital Limited, both being unlisted material subsidiaries of your Company, which is not in compliance with Regulation 24(1) of LODR.	The Board is in process of identifying the candidate for the said position(s).

• **Internal Auditors**

Upon the recommendation of the Audit and Risk Management Committee, the Board of Directors has appointed Mr. Rajiv Puri, Head Risk and Internal Audit as the Chief Internal Auditor of your Company and authorized him to engage independent firms for conducting the internal audit for the Financial Year 2019-2020 to enable him to extend adequate coverage of internal audit checks, if needed. Accordingly, Ernst & Young LLP was engaged to carry out certain aspects of Internal Audit for your Company/its subsidiaries to augment the review of the in-house team of internal audit led by the Chief Internal Auditor.

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

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During FY 19-20, there was no significant material order passed by the Regulators/ Courts which would

impact the going concern status of your Company and its future operations. Updates w.r.t. on going regulatory investigations (viz. SEBI and SFIO) and other legal matters are detailed in Notes to the Financial Statements. Further, your Company is extending all cooperation in this regard.

CAPITAL STRUCTURE/STOCK OPTION

Your Company currently manages its stock options through “Employee Stock Option Plan 2007” and “Employee Stock Option Plan 2011” (“Schemes”) as approved by the shareholders. The Nomination and Remuneration Committee of the Board of Directors of your Company, *inter alia*, administers and monitors the Schemes of the Company. Each option when exercised would be converted into one fully paid up equity share of ₹ 10 each of your Company. During the year under review, no option was granted by the Company. Disclosure pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 for the year ended March 31, 2020 is available at the website of the Company the website of the Company at the website of the Company at <https://www.fortishealthcare.com/investors> - Annual Report/ ESOP Disclosure 2019-20.

During the year under review, under the terms of the “Employee Stock Option Plan 2007”, 3200 stock options were exercised and under the terms of “Employee Stock Option Scheme 2011” No stock options were exercised.

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

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

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

Extract of Annual Return is enclosed herewith as “Annexure – III”.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

Total Foreign Exchange Earned and Used (Based on Standalone Financial Statements)

Particulars	Amount (in ₹ Crore)
Foreign Exchange earned in terms of Actual Inflows	8.15
Foreign Exchange outgo in terms of Actual Outflows	4.84

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

CORPORATE SOCIAL RESPONSIBILITY - OUR JOURNEY THROUGH THE PAST YEAR

Good health is central to human happiness and well-being. It also makes an important contribution to economic progress, as a healthy population lives longer and is more productive.

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

The Company’s CSR initiatives follow a ‘need based’ program approach. CSR initiatives are carried out either through Fortis CSR Foundation, a special purpose vehicle (SPV) designated to carry out CSR activities or

through a Trust/NGO/Society focussed on need based programs for the community. Fortis CSR Foundation (FCSRF) is a wholly owned subsidiary of the Company and is a Company limited by shares not-for-profit registered under Section 8 of the Companies Act, 2013.

The CSR activities are carried out in a collaborative and inclusive manner not only to align and synergise the social enterprise work of the group companies but also to expand the circle of partnerships with Government, Non-Government Organisations (NGOs), other Corporates and Individuals. The CSR initiatives of your company are in line with India's Sustainable Development Goal (SDG) of 'Good health and well-being.'

Working with a dedicated team of employees and volunteers, the Foundation focuses on four programs, namely: *AANCHAL*, *CHHAYA*, *SAVERA* & *SEWA*.

Through these programs, we:

- Supported treatment of more than 1000 under-privileged children so far suffering from congenital heart defects under the *Umeed-Dhadkan* initiative (*AANCHAL*).
- Facilitate access to primary medical care through charitable dispensaries, outreach clinics & health camps (*CHHAYA*). In this program we have treated over 5.64 lacs people through OPD Clinics & covered over 2.34 lacs people through Health Awareness camps.
- Health information dissemination to reach vulnerable sections of the community and provide awareness on preventive and remedial healthcare leveraging different channels of communication (*SAVERA*). During the year under review, 60 Aaganwadi workers trained in First Aid and Basic Life Support. Provide timely medical relief to people affected in the event of calamities/disasters (*SEWA*), detailed under Fortis Hospotel Limited Program.

The Company and its subsidiaries supported *SEWA*, *SAVERA* & *CHHAYA* programs as also supported the efforts of the Government in the fight against COVID-19.

Fortis Healthcare Limited:

In the wake of Novel Coronavirus (COVID-19) being declared a pandemic by World Health Organisation

(WHO) and its notification as a 'Disaster' by Government of India, the Company's CSR fund was donated to support the Government's efforts of mitigating the spread and impact of COVID-19. The CSR fund was contributed to Prime Minister's National Relief Fund (PMNRF).

Fortis Malar Hospitals Limited:

The CSR fund contribution went towards supporting the Government's efforts to mitigate the spread and impact of COVID-19. The CSR fund was contributed to Prime Minister's National Relief Fund (PMNRF).

Hiranandani Healthcare Private Limited:

a) Hiranandani Healthcare Private Limited supported *Savera* Program through Fortis CSR Foundation: First-Aid and Basic Life Support training was provided to 60 *Aanganwadi* workers in Maharashtra. The beneficiaries of this program are Vikas Mahila Anganwadi workers from Omkar Sadan, Mankund, Maharashtra.

The trainings have equipped the beneficiaries with the wherewithal to address emergency medical needs of the community.

b) The CSR fund of this company was also contributed to support the efforts of the government to mitigate the spread and impact of COVID-19. The CSR fund was contributed to Prime Minister's National Relief Fund (PMNRF).

Escorts Heart Institute and Research Centre Limited:

The CSR fund contribution went towards supporting the Government's efforts to mitigate the spread and impact of COVID-19. The CSR fund was contributed to Prime Minister's National Relief Fund (PMNRF).

Fortis Hospotel Limited:

a) Fortis Hospotel Limited supported Fortis CSR Foundation's *SEWA* Program focusing on disaster relief: India has been, historically, vulnerable to natural disasters with floods, cyclones, earthquakes and landslides being a recurrent phenomenon. In the event of a disaster, thousands of lives are affected, and livelihoods worth millions are destroyed. *SEWA* is a Disaster Relief Initiative that aims to provide emergency support to people affected by disasters in an organised and

time sensitive manner. *SEWA's* core commitment is to support the government's efforts in providing relief to the displaced and the affected during disasters.

In July 2019 when Assam was affected by Floods, Fortis Hospotel Limited through *SEWA* contributed to Chief Ministers Disaster Relief Fund, Assam to support and aid rehabilitation efforts of the state government for the flood-affected victims.

- b) CSR fund was also donated to support the Government's efforts to mitigate the spread and impact of COVID-19. The CSR fund was contributed to Prime Minister's National Relief Fund (PMNRF).

Last year Fortis hospitals across the network, received donations of ₹ 95.88 Lacs from 4506 employees towards a relief fund for floods in Kerala. This donation which was collected by Fortis CSR Foundation was contributed to Chief Minister's Disaster Relief Fund, Kerala during FY 19-20 (over and above Section 135 contribution)

SRL Limited:

SRL Limited supported *CHHAYA* Program through Fortis CSR Foundation: This program is designed to provide primary and basic healthcare services to people in need, through charitable clinics located in different geographies and through Health Camps.

- (i) Charitable Dispensaries

CHHAYA program provides access to medical care through Charitable Dispensaries and Health Camps. Under the initiative 7 charitable dispensaries and 3 outreach clinics are being run. Each dispensary is manned by a qualified MBBS doctor, nurse and paramedic staff. The dispensaries provide free access to primary healthcare services for routine ailments and are open 6 days a week to serve the community.

Fortis CSR Foundation has treated over 1.18 Lac people through the following charitable dispensaries in FY 2019-20:

1. Golden Temple Dispensary, Amritsar
 - All India Women Conference (AIWC)
2. Birla Mandir Dispensary, New Delhi
3. Durgiana Temple Dispensary, Amritsar
 - Rag Pickers School, Amritsar*

4. Aggarwal Dharamshala Dispensary, Bhogal, New Delhi
5. Ramakrishna Ashram Dispensary, Dehradun
 - Purukul School for Underprivileged, Dehradun*
6. Anubhavi Ashram Dispensary, Haridwar
7. Gurudwara Sach Khand Darbar Dispensary, Udaipur

- (ii) Health Camps through NGO partners of Fortis CSR Foundation

Under this initiative the Foundation collaborates with like-minded partners to conduct health camps for economically weaker sections of society.

1. Menstrual Hygiene Awareness camps & distribution of sanitary pad kits: Conducted 28 awareness camps for women and adolescent girls in urban slums and rural areas of Delhi NCR, Uttarakhand, Uttar Pradesh & Punjab. Covered over 11500 women and girls through these awareness camps and distributed over 11500 sanitary pad kits to them.
2. Eye Screening camps & distribution of eye glasses: Conducted 510 camps covering a total of 60,766 people who were screened for vision related problems (Adults 50,195 & Children 10,571) in urban slums and rural areas of Delhi NCR, Punjab, West Bengal & Rajasthan. 43,211 spectacles (Adults 41,034 & Children 2,177) were distributed through these camps.

CSR fund was also donated to support the Government's efforts to mitigate the spread and impact of COVID-19. The CSR fund was contributed to Prime Minister's National Relief Fund (PMNRF).

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company as on date of this report comprises nine directors, of which one (1) is a Managing Director and CEO (Executive Director) and three (3) are Independent Directors. Rest of the Five

(5) directors are Non-Executive & Non-Independent Directors. Pursuant to Sections 152 of the Companies Act, 2013, Mr. Shirish Moreshwar Apte is liable to retire by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting of your Company. Further, Dr. Chi Keon Kelvin Loh, Mr. Heng Joo Joe Sim, Dr. Farid Bin Mohamed Sani and Mr. Dilip Kadambi, who were appointed on the Board of your Company on September 28, 2019, November 26, 2019, December 30, 2019 and June 4, 2020, respectively are proposed to be appointed in the forthcoming Annual General Meeting.

Further, the following changes took place in the directorship during the Financial Year 2019-20 and till the date of this report:

- a) Dr. Chi Keon Kelvin Loh, Mr. Heng Joo Joe Sim, Dr. Farid Bin Mohamed Sani and Mr. Dilip Kadambi were appointed as Additional Directors (Non-Executive Director) of your Company on September 28, 2019, November 26, 2019, December 30, 2019 and June 4, 2020 respectively.
- b) The appointment of Dr. Tan See Leng, Dr. Chan Boon Kheng, Mr. Low Soon Teck, Mr. Chintamani Aniruddha Bhagat and Mr. Shirish Moreshwar Apte (as Non-Executive Directors) and Dr. Ashutosh Raghuvanshi (as Chief Executive Officer and Managing Director) were regularized by the members in the annual general meeting ("AGM") of your Company held on September 26, 2019.
- c) Further, Dr. Tan See Leng, Dr. Chan Boon Kheng and Mr. Chintamani Aniruddha Bhagat resigned on September 27, 2019 October 31, 2019 and December 2, 2019, respectively.

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

All Independent Directors have submitted declarations that they meet the criteria of independence as laid

down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Financial Year 2019-20, six meetings were held by the Board of Directors. The details of board/committee meetings and the attendance of Directors are provided in the Corporate Governance Report.

Details of Key Managerial Personnel are as under:

Name	Designation
Dr. Ashutosh Raghuvanshi	Managing Director and Chief Executive Officer
Mr. Girish Kumar Gupta	Chief Financial Officer (Resigned effective April 8, 2019)
Mr. Vivek Kumar Goyal	Chief Financial Officer (Appointed w.e.f April 8, 2019)
Mr. Sumit Goel	Company Secretary

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

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

BOARD EVALUATION

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

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

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

S. No.	Process	Remarks	Criteria for Evaluation (including Independent Directors)
1.	Kick Off Board Evaluation Program	The Chairperson kick starts the process. Appointed and designated independent external agency as Process Coordinator	
2.	Evaluation forms and One to One discussion	Process Coordinator interacted with the Board members to assess performance, invite direct feedback and seek inputs to identify opportunities for improvement. Process Coordinator circulated the feedback questionnaire to the board members and invited feedback from individuals, after collecting the key findings, one to one discussions were conducted to seek further clarity.	This includes Board focus (Strategic inputs), Board Meeting Management, KPI's, suggestions to improve Board performance Board Effectiveness Management Engagement, governance, risk management and addressing of follow up requests.
3.	Evaluation by the Board and of Independent Directors	A compilation of the individual self-assessments and one to one discussions were placed at the meetings of the Independent Director's (ID's) and the Board of Directors (BoD) for them to review collectively.	This includes demonstration of integrity, commitment, attendance at the meetings, contribution and participation, professionalism, contribution while developing Annual Operating Plans, demonstration of roles and responsibilities, review of high risk issues & grievance redressed mechanism, succession planning, working of Board Committees etc.
4.	Final recording and reporting	Based on the above, a final report on Board Evaluation 2019-20 was presented at a meeting of the Board of Directors.	NA

MANAGERIAL REMUNERATION

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

(a) Comparison and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2019-20

Name of the Director	Remuneration of Director (₹ Crore)	Median Remuneration of Employees (₹ Crore)	Ratio
Dr. Ashutosh Raghuvanshi	7.00	0.031 (Only FHL)	223 : 1

* Dr. Ashutosh Raghuvanshi joined on 18-Mar-19 and his salary for the month of March, 2019 was paid with April 19 month's salary.

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

Name of Director/ KMP	Designation	% increase in Remuneration
Dr. Ashutosh Raghuvanshi	Managing Director and Chief Executive Officer	N.A.
*Mr. Vivek Kumar Goyal	Chief Financial Officer	N.A.
Mr. Sumit Goel	Company Secretary	4.50%

*Appointed w.e.f. April 8, 2019

*% increase in remuneration is effective 1st April 2019.

- (c) **The percentage increase in the median remuneration of employees in the financial year is 10.3%** (Median remuneration increase of the employees is eligible for appraisal as on 1st April 2019)
- (d) **The number of permanent employees on the rolls of Company is 2644 as on March 31, 2020.**
- (e) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration**

Particulars		For the Financial Year 2019-20
(A)	Average percentile increase already made in the salaries of employees other than the managerial personnel	6.8%
(B)	Percentile increase in the managerial remuneration	-
Comparison of (A) and (B)		-
Justification		6.8% is the company average. The increment band for eligible employees was 0% to 10%.
Any exceptional circumstances for increase in the managerial remuneration		NA

- (f) **During the financial year 2019-20, no variable pay was paid to Dr. Ashutosh Raghuvanshi, MD and CEO and Mr. Vivek Kumar Goyal- Chief Financial Officer. Further, Company Secretary was paid ₹ 1.62 Lakh as "Exgratia" in the month of May 2019.**
- (g) **Remuneration paid to Directors and KMPs is as per the Remuneration Policy of the Company.**

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee framed

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

Your Company has from time to time familiarized the Board of Directors with the Company's operations, their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, business model of your Company, etc. The same is governed by a template viz Board of Directors Governance Standard and it is available on the website of the Company at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Policies/Codes/ Board Governance Document.

PARTICULARS OF EMPLOYEES

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

RELATED PARTY TRANSACTIONS

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

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

Your Company has developed a Related Party Transactions Framework and Standard Operating

Procedures for the purpose of identification and monitoring of such transactions.

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

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

RISK MANAGEMENT POLICY

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

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT

Your Company has adopted a Policy for Prevention, Prohibition and Redressal of Sexual Harassment. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the Financial Year 2019-20, your Company has

received 10 complaints on sexual harassment and 9 complaints have been resolved with appropriate action taken and 1 complaint was pending as on March 31, 2020. The same may also be read in terms of Companies (Accounts) Rules, 2014.

DISCLOSURE REQUIREMENTS

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

CODE OF CONDUCT

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

CERTIFICATE BY STATUTORY AUDITORS FOR DOWNSTREAM INVESTMENT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures therefrom;
- (b) we have assessed the selection and application of accounting policies for their consistent application and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of your Company at the end of the financial year and of the profit of your Company for the Financial Year ended March 31, 2020;

- (c) except for the findings of the Investigation Report, including matters on internal control described in Note 31 in the Notes to the Consolidated Financial Statements and Note 29 in the notes to the Standalone Financial Statements and our inability at this juncture to make a determination on whether a fraud has occurred on your Company considering the limitations on the information available to Luthra and their qualifications and disclaimers as described in their investigation report, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (d) the Statements have been prepared on a going concern basis for the reasons stated in Note 42 in the Notes to the Consolidated Financial Statements and Note 33 in the notes to the Standalone Financial Statements;
- (e) except for certain systemic and control lapses identified in the Investigation Report as described in Notes 31 in the Notes to the Consolidated Financial Statements and Note 29 in the Notes to the Standalone Financial Statements, proper internal financial controls have been laid down and that such internal financial controls are adequate and are operating effectively; and
- (f) except for the matters on related parties and managerial remuneration described in Note 31 (e) and 34 in the Notes to the Consolidated Financial Statements and Note 29 (e) and 32 in the notes to the Standalone Financial Statements and certain

systemic and control lapses, as detailed in Note 31 in the Notes to the Consolidated Financial Statements and in Note 29 in the Notes to the Standalone Financial Statements, there are proper systems in place to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Central Government, State Governments and all other Government agencies for the assistance, co-operation and encouragement they have extended to your Company.

Your Directors also take this opportunity to extend a special thanks to the medical fraternity and patients for their continued cooperation, patronage and trust reposed in your Company. Your Directors also greatly appreciate the commitment and dedication of all the employees at all levels, that has contributed to the growth and success of your Company. Your Directors also thank all the strategic partners, business associates, Banks, financial institutions and our shareholders for their assistance, co-operation and encouragement to your Company during the year.

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

Sd/-
Ashutosh Raghuvanshi
MD & CEO
DIN: 02775637

Date: June 17, 2020
Place: Gurugram

Sd/-
Indrajit Banerjee
Independent Director
DIN: 01365405

Date: June 17, 2020
Place: Delhi

Annexure- I to Director's Report- Form AOC-1

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

(Amount in lacs)

S. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding *	
1	Escorts Heart Institute and Research Centre Limited	31-Mar-20	INR	1.00	240.21	55,422.41	90,464.07	34,801.45	65,810.10	33,331.98	(13,587.33)	622.59	(14,209.93)	-	100.00%
2	Fortis Healthstaff Limited	31-Mar-20	INR	1.00	490.00	(1,433.69)	274.72	1,218.41	-	24.22	(82.32)	10.59	(92.91)	-	100.00%
3	Fortis Asia Healthcare Pte. Ltd	31-Mar-20	USD	75.37	16,219.40	(122,566.01)	8,134.01	114,480.62	8,124.19	784.18	(730.91)	0.62	(731.53)	-	100.00%
4	Fortis Healthcare International Pte. Limited	31-Mar-20	SGD	53.01	95,168.12	(83,338.11)	12,194.45	364.44	11,292.83	-	298.31	146.46	151.85	-	100.00%
5	Mena Healthcare Investment Company Limited	31-Mar-19	AED	18.77	19.82	(909.50)	34.44	924.13	34.44	-	-	-	-	-	82.54%
6	Medical Management Company Limited	31-Mar-19	AED	18.77	32.55	744.56	896.71	119.59	-	-	-	-	-	-	82.54%
7	SRL Diagnostics FZ-LLC	31-Mar-20	AED	20.52	87.95	(1,711.79)	2,417.89	4,041.72	-	2,400.32	(750.71)	-	(750.71)	-	100.00%
8	SRL Diagnostics Middle East LLC**	31-Mar-20	AED	20.52	N/A										49.00%
9	Hiranandani Healthcare Private Ltd	31-Mar-20	INR	1.00	400.00	382.69	8,843.89	8,061.20	-	9,902.15	(1,058.40)	692.89	(1,751.29)	-	100.00%
10	Fortis La Femme Limited	31-Mar-20	INR	1.00	5.00	(83.89)	4.18	83.07	-	-	(11.11)	-	(11.11)	-	100.00%
11	Fortis CSR Foundation	31-Mar-20	INR	1.00	5.00	17.94	355.33	332.39	-	690.92	10.01	-	10.01	-	100.00%
12	SRL Limited	31-Mar-20	INR	1.00	7,842.55	100,267.63	125,457.76	17,347.57	39,302.91	74,581.11	9,386.75	3,612.09	5,774.66	-	56.93%
13	SRL Diagnostics Private Limited	31-Mar-20	INR	1.00	395.82	5,419.69	22,119.84	16,304.33	950.88	28,145.55	3,591.45	1,055.53	2,535.92	-	100.00%
14	SRL Reach Limited	31-Mar-20	INR	1.00	800.00	(662.09)	765.24	627.34	-	888.42	(208.96)	139.10	(348.06)	-	100.00%
15	Fortis Healthcare International Limited	31-Mar-20	USD	75.37	227.30	1,755.41	2,557.06	574.35	-	489.25	7,397.92	-	7,397.92	-	100.00%
16	Fortis Global Healthcare (Mauritius) Limited	31-Mar-20	USD	75.37	373.53	(33,596.35)	140.36	33,363.18	-	0.09	(1,565.00)	-	(1,565.00)	-	100.00%
17	Fortis Hospitals Limited	31-Mar-20	INR	1.00	5,330.06	(100,225.11)	404,629.90	499,524.95	43,299.92	242,731.45	(64,073)	10,394.65	(74,467.80)	-	100.00%
18	Fortis Cancer Care Limited	31-Mar-20	INR	1.00	5.00	(3,398.48)	49.58	3,443.06	-	0.25	(351.66)	-	(351.66)	-	100.00%
19	Fortis Malar Hospitals Limited	31-Mar-20	INR	1.00	1,875.70	7,566.90	19,141.01	9,698.41	5.00	12,241.78	(1,215.53)	(309.87)	(905.66)	-	62.71%
20	Malar Star Medicare Limited	31-Mar-20	INR	1.00	5.00	198.36	220.74	17.38	-	181.01	22.07	5.74	16.33	-	100.00%
21	Fortis Health Management (East) Limited	31-Mar-20	INR	1.00	5.00	(1,178.77)	56.46	1,230.24	-	230.57	(178.03)	-	(178.03)	-	100.00%

(Amount in lacs)

S. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding *	
22	Birdie and Birdie Realtors Private Limited	31-Mar-20	INR	1.00	1.00	(12,768.97)	9,194.14	21,962.11	-	0.29	(1,842.46)	-	(1,842.46)	-	100.00%
23	Stellant Capital Advisory Services Private Limited	31-Mar-20	INR	1.00	1,750.00	4,003.96	6,959.31	1,205.35	6,944.18	2.67	(3,538.00)	23.69	(3,561.69)	-	100.00%
24	Fortis Hospotel Limited	31-Mar-20	INR	1.00	56,117.02	139,623.23	203,014.70	7,274.45	95,340.90	35,563.42	27,589.81	6,527.45	21,062.36	-	100.00%
25	RHT Health Trust Manager Pte Ltd	31-Mar-20	SGD	53.01	609.45	10,458.49	16,738.50	5,670.56	9,677.85	179.46	(727.60)	-	(727.60)	-	100.00%
26	Fortis Emergency Services Limited	31-Mar-20	INR	1.00	5.00	(6,529.99)	996.11	7,521.11	-	139.58	(712.03)	-	(712.03)	-	100.00%
27	Fortis C-Doc Healthcare Limited	31-Mar-20	INR	1.00	676.77	(2,510.85)	781.60	2,615.68	-	2,358.07	(248.73)	-	(248.73)	-	60.00%
28	Escorts Heart and Super Speciality Hospital Limited	31-Mar-20	INR	1.00	3,392.52	10,830.17	71,649.93	57,427.25	17,775.00	12,188.47	2,093.85	(3,563.15)	5,657.00	-	100.00%
29	International Hospital Limited	31-Mar-20	INR	1.00	33,963.13	68,580.33	263,260.69	160,717.22	88,859.95	40,103.72	14,589.19	(4,419.67)	19,008.86	-	100.00%
30	Hospitalia Eastern Private Limited	31-Mar-20	INR	1.00	5.10	(10,521.25)	12,750.67	23,266.82	-	41.36	(1,667.00)	(82.14)	(1,584.86)	-	100.00%
31	Fortis Health Management Limited	31-Mar-20	INR	1.00	250.00	(49,620.45)	64,556.23	113,926.68	53,447.00	5,357.08	(6,443.81)	-	(6,443.81)	-	100.00%

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

** SRL Diagnostics Middle East LLC is closed w.e.f August 6, 2019.

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

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

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

ASHUTOSH RAGHUVANSHI
Managing Director &
Chief Executive Officer
DIN: 02775637

INDRAJIT BANERJEE
Independent Director
DIN: 01365405

SUMIT GOEL
Company Secretary
Membership No.: F6661

VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : Jun 17, 2020

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

(Amount in lacs)

Sl. No	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
			No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding % *				i. Considered in Consolidation	i. Not Considered in Consolidation
1	RHT Health Trust	31-Mar-20	2,257.48	2,486.41	27.82%	Associate	Not Applicable	2,486.41	(150.05)	-
2	Lanka Hospitals Corporation PLC	31-Dec-20	641.21	10,943.59	28.60%	Associate	Not Applicable	10,943.59	694.77	-
3	DDRC SRL Diagnostics Private Limited	31-Mar-20	2.50	3,753.76	50.00%	Joint Venture	Not Applicable	3,753.76	586.43	-
4	Fortis Cauvery	31-Mar-20	NA, a partnership firm		51.00%	Joint Venture	Not Applicable	27.44	-	-
5	SRL Diagnostics (NEPAL) Private Limited	31-Mar-20	2.40	270.72	50.00%	Joint Venture	Not Applicable	270.72	62.75	-
6	Sunrise Medicare Private Limited	31-Mar-18	0.03	0.31	31.26%	Associate	Not Applicable	0.31	-	-

* The percentage of shareholding also includes indirect shareholding.

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

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

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

ASHUTOSH RAGHUVANSHI
Managing Director &
Chief Executive Officer
DIN: 02775637

INDRAJIT BANERJEE
Independent Director
DIN: 01365405

SUMIT GOEL
Company Secretary
Membership No.: F6661

VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : Jun 17, 2020

Annexure II to Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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

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

We report that:-

- a) Maintenance of secretarial records are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- g) Some of the books and papers were verified through online means due to the prevailing lockdown (COVID-19) and due efforts have been made by the Company to make available all the relevant documents and records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (herein after referred as "PIT Regulations");
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;&
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015 (herein after referred as "SEBI LODR");

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

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, which needs to be further strengthened by the Company.

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

➤ *the Company has not appointed Independent Director on the Board of Directors of its two unlisted material subsidiaries i.e. Fortis Hospital Limited and International Hospital Limited, as required under Regulation 24(1) of SEBI LODR.*

- (vi) The Company is engaged in the healthcare delivery services and networks of multispecialty hospitals and diagnostic centers in India and overseas through its subsidiaries, joint ventures and associate companies. Following are some of the laws specifically applicable to the Company:-
 - The Clinical Establishment (Registration and Regulation) Act, 2010 and Rules made thereunder;
 - The Drugs Control Act, 1950 and Rules made thereunder; and
 - The Transplantation of Human Organs Act, 1994 and bye laws made thereunder.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Except elsewhere mentioned in this report, in our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company is adequate to ensure compliance of laws specifically applicable to the Company.

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

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

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

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

We further report that:-

- pursuant to the provisions of Section 180(1)(a) of the Act, 2013 and applicable rules made thereunder, the shareholders accorded their consent by way of postal ballot dated January 31, 2020 to mortgage, charge, hypothecate and/or pledge any of the Company's assets and properties, stock in trade, work-in-progress, whether movable or immovable, present or future, and the whole or substantially the whole of all or any of the Undertaking(s) of the Company in favour of the Bank(s)/ Financial Institution(s)/Bodies Corporate and/or Companies to secure the loan/financial facilities together with interest, compound interest and all costs, charges and expenses and all other monies for an amount not exceeding ₹ 6,000 Crores (Rupees Six Thousand Crores Only);
- Pursuant to Regulation 26 of SEBI (Substantial Acquisition of shares and Takeovers) Regulation 2011, and other applicable listing Regulations read with the applicable provision of the Companies Act, 2013, the shareholders passed the Special Resolution by way of postal ballot dated July 7, 2019 to give their consent:
 - a. To sell the entire investment (i.e. 164,670,801 ordinary shares, aggregating to 28.89% of the paid up capital) held by Fortis Healthcare International Limited ("FHIL") in M/s. The Medical and Surgical Centre Limited (MSCL) an indirect associate Company of the Company to M/s. CIEL Healthcare Limited ("CHL"), an existing majority shareholder of MSCL and M/s. CIEL Limited, the holding Company of CHL(Both being non related to the Company).
 - b. To amend the nature and terms of the Non-Convertible Bonds (NCBs) by making them unsecured, redeemable, optionally or fully convertible from currently being secured and Non-Convertible Bonds on such terms and conditions as may be mutually agreed between the parties thereto.

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

**Kapil Dev Taneja
Partner
CP No.: 22944 FCS No.: F4019
UDIN: F004019B000357451**

**New Delhi
June 17, 2020**

Annexure III to Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

S. No.	Particulars	Details
1.	CIN	L85110PB1996PLC045933
2.	Registration Date	February 28, 1996
3.	Name of the Company	Fortis Healthcare Limited
4.	Category/Sub-category of the Company	Public Company/Limited by Shares
5.	Address of the Registered Office & contact details	Fortis Hospital, Sector 62, Phase VIII, Mohali-160062 Tel. 0172-5096001 Fax: 0172-5096221 Email Id: secretarial@fortishealthcare.com Website: www.fortishealthcare.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Kfin Technologies Private Limited Selenium Building Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Rangareddi, Hyderabad – 500 032, Telangana Phone No. - +91 40 6716 2222 Fax No. - +91 40 23420814 E-mail: einward.ris@karvy.com Website: www.kfintech.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**(A) HOLDING COMPANIES**

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

(B) DIRECT SUBSIDIARIES OF FORTIS HEALTHCARE LIMITED

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

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

*In direct wholly owned subsidiaries

(C) DIRECT SUBSIDIARIES OF FORTIS HOSPITALS LIMITED

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Fortis Cancer Care Limited Fortis Memorial Research Institute, Sector - 44, Gurugram - 122022	U85110DL2011PLC217420	Subsidiary Company	100	2(87)
2	Fortis Malar Hospitals Limited Fortis Hospital, Sector 62, Phase VIII, Mohali-160062, Punjab.	L85110PB1989PLC045948	Subsidiary Company	62.71	2(87)
3	Fortis Health Management (East) Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025	U85190DL2011PLC217462	Subsidiary Company	100	2(87)

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4	Fortis C-Doc Healthcare Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025	U85110DL2010PLC208379	Subsidiary Company	60	2(87)
5	Birdie & Birdie Realtors Private Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025	U45400DL2008PTC173959	Subsidiary Company	100	2(87)
6	Stellant Capital Advisory Services Private Limited Fortis Hospitals Limited, Mulund Goregaon Link Road, Bhandup (West), Mumbai-400078	U31300MH2005PTC153134	Subsidiary Company	100	2(87)
7	Fortis Global Healthcare (Mauritius) Limited 4 th Floor, Ebene Skies, Rue de l'Institut, Ebène, Mauritius	Foreign Company	Subsidiary Company	100	2(87)
8	Fortis Emergency Services Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025	U93000DL2009PLC189866	Subsidiary Company	100	2(87)

(D) DIRECT SUBSIDIARY OF FORTIS MALAR HOSPITALS LIMITED

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

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

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

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

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

(G) DIRECT SUBSIDIARY OF FORTIS ASIA HEALTHCARE PTE. LIMITED

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

(H) DIRECT SUBSIDIARY OF FORTIS HEALTHCARE INTERNATIONAL PTE LIMITED

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

(I) DIRECT SUBSIDIARY OF MENA HEALTHCARE INVESTMENT COMPANY LIMITED

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

(J) DIRECT SUBSIDIARIES OF SRL LIMITED

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

(K) DIRECT SUBSIDIARY OF FORTIS HEALTH MANAGEMENT LIMITED

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

(L) ASSOCIATES OF FORTIS HEALTHCARE LIMITED AND ITS SUBSIDIARIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Sunrise Medicare Private Limited S-549, Greater Kailash, Part I, New Delhi-110048	U74899DL1983PTC014923	Associate Company	31.26	2(6)
2	RHT Health Trust 120 Robison Road #08-01, Singapore 068913	Foreign Company	Associate Company	27.82	2(6)
3	Lanka Hospitals Corporation PLC No.578, Elvitigala Mawatha, Narahenpita, Colombo 05, Sri Lanka	Foreign Company	Associate Company	28.66	2(6)
4	DDRC SRL Diagnostics Private Limited 4 th Floor, Prime Square, Plot No.1 Gaiwadi Industrial Estate, S.V.Road, Goregaon (West) Mumbai -400062	U85190MH2006PTC161480	Associate Company	50	2(6)
5	SRL Diagnostics (Nepal) Private Limited Maharajgunj, Ward No. 3 (Opposite US Embassy) P.O. Box 275 Kathmandu, Nepal	Foreign Company	Associate Company	50	2(6)

*ceased to be associate Company with effect from July 8, 2019.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of shareholder	No. of Shares held at the beginning of the year 30/03/2019				No. of shares held at the end of the year 31/03/2020				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
PROMOTER AND PROMOTER GROUP									
INDIAN									
Individual /HUF	68390	0	68390	0.01	0	0	0	0.00	-0.01
Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	1153091	0	1153091	0.15	0	0	0	0.00	-0.15
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(1) :	1221481	0	1221481	0.16	0	0	0	0.00	-0.16
FOREIGN									
Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	235294117	0	235294117	31.17	235294117	0	235294117	31.17	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(2) :	235294117	0	235294117	31.17	235294117	0	235294117	31.17	0.00
Total A=A(1)+A(2)	236515598	0	236515598	31.33	235294117	0	235294117	31.17	-0.16
PUBLIC SHAREHOLDING									
INSTITUTIONS									
Mutual Funds /UTI	18509471	0	18509471	2.45	54062918	0	54062918	7.16	4.71
Financial Institutions /Banks	66235808	61	66235869	8.77	9723613	0	9723613	1.29	-7.49
Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	299875987	0	299875987	39.72	325610089	0	325610089	43.13	3.41
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(1) :	384621266	61	384621327	50.95	389396620	0	389396620	51.58	0.63
NON-INSTITUTIONS									
Bodies Corporate	46860590	0	46860590	6.21	37583323	0	37583323	4.98	-1.23
Individuals									
(i) Individuals holding nominal share capital upto ₹ 1 lakh	32855522	88084	32943606	4.36	28549365	73953	28623318	3.79	-0.57

Category of shareholder	No. of Shares held at the beginning of the year 30/03/2019				No. of shares held at the end of the year 31/03/2020				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	49061220	14000	49075220	6.50	57728179	14000	57742179	7.65	1.15
Others									
Clearing Members	210918	0	210918	0.03	1750307	0	1750307	0.23	0.20
Foreign Collaborators	0	670194	670194	0.09	0	670194	670194	0.09	0.00
NBFC	429399	0	429399	0.06	69488	0	69488	0.01	-0.05
Non Resident Indians	1306127	58715	1364842	0.18	1192850	58715	1251565	0.17	-0.02
NRI Non-Repatriation	2220979	0	2220979	0.29	1115915	0	1115915	0.15	-0.15
Trusts	42275	0	42275	0.01	809285	0	809285	0.11	0.10
Qualified Institutional Buyer	0	0	0	0.00	651837	0	651837	0.09	0.09
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(2) :	132987030	830993	133818023	17.73	129450549	816862	130267411	17.25	-0.47
Total B=B(1)+B(2) :	517608296	831054	518439350	68.67	518847169	816862	519664031	68.83	0.16
Total (A+B) :	754123894	831054	754954948	100.00	754141286	816862	754958148	100.00	0.00
Shares held by custodians, against which									
Depository Receipts have been issued									
Promoter and Promoter Group									
Public	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C) :	754123894	831054	754954948	100.00	754141286	816862	754958148	100.00	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding as on 01-April-2019			Shareholding as on 31-March-2020			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Northern TK Venture Pte Ltd	235294117	31.17	0.00	235294117	31.17	0.00	0.00
2	*Fortis Healthcare Holdings Private Limited	1153091	0.15	47.83	-	-	-	-
3	*Harpal Singh	58003	0.01	0.00	-	-	-	-
4	*Abhishek Singh	10287	0.00	0.00	-	-	-	-
5	*Malvinder Mohan Singh & Shivinder Mohan Singh- PS Trust	100	0.00	0.00	-	-	-	-
	Total	236515598	31.33	47.83	235294117	31.17	0.00	0.00

*Classified as public shareholders with effect from June 3, 2019.

III. Change in Promoters' Shareholding

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year		Increase or Decrease during the year	Cumulative Shareholding during the year		Reason for Increase or Decrease
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	
1	Northern TK Venture Pte Ltd	235294117	31.17	-	235294117	31.17	*Classified as public shareholders with effect from June 3, 2019
2	*Fortis Healthcare Holdings Private Limited	1153091	0.15	-	-	-	
3	*Harpal Singh	58003	0.01	-	-	-	
4	*Abhishek Singh	10287	0.00	-	-	-	
5	*Malvinder Mohan Singh & Shivinder Mohan Singh- PS Trust	100	0.00	-	-	-	
Total		236515598	31.33	-	236515598	31.17	

(iv) Shareholding Pattern of top 10 shareholders between 30 March 2019 and 31 March 2020

Sl. no.	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	AAACY2068D	BNK	Opening Balance - 30/03/2019	YES BANK LIMITED	55524265	7.35	55524265	7.35
	24/05/2019		Sale		1353370	0.18	54170895	7.18
	31/05/2019		Sale		1945630	0.26	52225265	6.92
	07/06/2019		Sale		831000	0.11	51394265	6.81
	14/06/2019		Sale		1874275	0.25	49519990	6.56
	18/10/2019		Sale		49519990	6.56	0	0.00
	31/03/2020		Closing Balance - 31/03/2020				0	0.00
2	AAECE8814F	FPC	Opening Balance - 30/03/2019	EAST BRIDGE CAPITAL MASTER FUND I LTD	29001000	3.84	29001000	3.84
	31/03/2020		Closing Balance - 31/03/2020				29001000	3.84
3	AABCU7548R	FPC	Opening Balance - 30/03/2019	UBS PRINCIPAL CAPITAL ASIA LTD	27004845	3.58	27004845	3.58
	22/11/2019		Purchase		12804	0.00	27017649	3.58
	29/11/2019		Purchase		25741	0.00	27043390	3.58
	06/12/2019		Purchase		135981	0.02	27179371	3.60
	13/12/2019		Purchase		549609	0.07	27728980	3.67
	20/12/2019		Purchase		287330	0.04	28016310	3.71
	27/12/2019		Sale		105327	0.01	27910983	3.70

Sl. no.	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	24/01/2020		Sale		416240	0.06	27494743	3.64
	31/01/2020		Sale		274744	0.04	27219999	3.61
	14/02/2020		Purchase		93860	0.01	27313859	3.62
	21/02/2020		Purchase		44722	0.01	27358581	3.62
	28/02/2020		Purchase		13953	0.00	27372534	3.63
	06/03/2020		Purchase		325765	0.04	27698299	3.67
	13/03/2020		Purchase		180352	0.02	27878651	3.69
	20/03/2020		Purchase		668930	0.09	28547581	3.78
	27/03/2020		Purchase		329613	0.04	28877194	3.83
	31/03/2020		Purchase		37938	0.01	28915132	3.83
	31/03/2020		Closing Balance - 31/03/2020				28915132	3.83
4	AAFCG0345N	FPC	Opening Balance - 30/03/2019	GOLDMAN SACHS (SINGAPORE) PTE	26159605	3.47	26159605	3.47
	28/06/2019		Sale		1430674	0.19	24728931	3.28
	05/07/2019		Sale		647430	0.09	24081501	3.19
	12/07/2019		Sale		301908	0.04	23779593	3.15
	19/07/2019		Sale		61719	0.01	23717874	3.14
	26/07/2019		Sale		320076	0.04	23397798	3.10
	02/08/2019		Sale		310115	0.04	23087683	3.06
	09/08/2019		Purchase		41296	0.01	23128979	3.06
	16/08/2019		Purchase		65540	0.01	23194519	3.07
	23/08/2019		Purchase		24347	0.00	23218866	3.08
	30/08/2019		Purchase		63071	0.01	23281937	3.08
	06/09/2019		Purchase		975	0.00	23282912	3.08
	11/10/2019		Sale		28298	0.00	23254614	3.08
	18/10/2019		Sale		108595	0.01	23146019	3.07
	08/11/2019		Sale		4685	0.00	23141334	3.07
	15/11/2019		Sale		396189	0.05	22745145	3.01
	22/11/2019		Purchase		200000	0.03	22945145	3.04
	29/11/2019		Sale		42626	0.01	22902519	3.03
	06/12/2019		Sale		50000	0.01	22852519	3.03
	13/12/2019		Sale		10000	0.00	22842519	3.03
	03/01/2020		Purchase		16547	0.00	22859066	3.03
	24/01/2020		Purchase		23191726	3.07	46050792	6.10
	24/01/2020		Sale		22859066	3.03	23191726	3.07

Sl. no.	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	14/02/2020		Sale		198000	0.03	22993726	3.05
	21/02/2020		Sale		429730	0.06	22563996	2.99
	06/03/2020		Purchase		502678	0.07	23066674	3.06
	13/03/2020		Purchase		1196227	0.16	24262901	3.21
	20/03/2020		Purchase		1065549	0.14	25328450	3.35
	27/03/2020		Purchase		544240	0.07	25872690	3.43
	31/03/2020		Purchase		100224	0.01	25972914	3.44
	31/03/2020		Closing Balance - 31/03/2020				25972914	3.44
5	AAACW5648R	FPC	Opening Balance - 30/03/2019	WF ASIAN SMALLER COMPANIES FUND LIMITED	21818324	2.89	21818324	2.89
	30/09/2019		Purchase		100000	0.01	21918324	2.90
	04/10/2019		Purchase		426120	0.06	22344444	2.96
	11/10/2019		Purchase		841343	0.11	23185787	3.07
	18/10/2019		Purchase		1367037	0.18	24552824	3.25
	25/10/2019		Purchase		188000	0.02	24740824	3.28
	22/11/2019		Purchase		6785110	0.90	31525934	4.18
	29/11/2019		Purchase		1500000	0.20	33025934	4.37
	31/03/2020		Closing Balance - 31/03/2020				33788834	4.48
6	AACCE9888M	FPC	Opening Balance - 30/03/2019	EAST BRIDGE CAPITAL MASTER FUND LIMITED	21458339	2.84	21458339	2.84
	31/03/2020		Closing Balance - 31/03/2020				21458339	2.84
7	AABTT4862E	FPC	Opening Balance - 30/03/2019	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JU	16276526	2.16	16276526	2.16
	10/01/2020		Sale		419667	0.06	15856859	2.10
	21/02/2020		Sale		188259	0.02	15668600	2.08
	06/03/2020		Sale		190418	0.03	15478182	2.05
	31/03/2020		Closing Balance - 31/03/2020				15478182	2.05

Sl. no.	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
8	AACCM3443L	FPC	Opening Balance - 30/03/2019	BLACKROCK GLOBAL FUNDS ASIAN DRAGON FUND	14525724	1.92	14525724	1.92
	05/04/2019		Sale		220040	0.03	14305684	1.89
	12/07/2019		Sale		99392	0.01	14206292	1.88
	19/07/2019		Sale		25344	0.00	14180948	1.88
	26/07/2019		Sale		133956	0.02	14046992	1.86
	02/08/2019		Sale		565735	0.07	13481257	1.79
	23/08/2019		Sale		91790	0.01	13389467	1.77
	30/08/2019		Sale		336032	0.04	13053435	1.73
	08/11/2019		Sale		7128394	0.94	5925041	0.78
	20/12/2019		Sale		214484	0.03	5710557	0.76
	27/12/2019		Sale		999241	0.13	4711316	0.62
	31/12/2019		Sale		227665	0.03	4483651	0.59
	03/01/2020		Sale		78600	0.01	4405051	0.58
	10/01/2020		Sale		4405051	0.58	0	0.00
	31/03/2020		Closing Balance - 31/03/2020				0	0.00
9	AACFY0703G	FPC	Opening Balance - 30/03/2019	YORK ASIAN STRATEGIC METRIC MASTER, L.P.	12860874	1.70	12860874	1.70
	26/07/2019		Purchase		24587	0.00	12885461	1.71
	02/08/2019		Purchase		406361	0.05	13291822	1.76
	09/08/2019		Purchase		543213	0.07	13835035	1.83
	16/08/2019		Purchase		201944	0.03	14036979	1.86
	24/01/2020		Sale		3154534	0.42	10882445	1.44
	31/01/2020		Sale		1522185	0.20	9360260	1.24
	07/02/2020		Sale		11418	0.00	9348842	1.24
	14/02/2020		Purchase		439800	0.06	9788642	1.30
	21/02/2020		Purchase		290646	0.04	10079288	1.34
	28/02/2020		Purchase		121910	0.02	10201198	1.35
	06/03/2020		Purchase		249496	0.03	10450694	1.38
	13/03/2020		Purchase		1166273	0.15	11616967	1.54
	31/03/2020		Purchase		106624	0.01	11723591	1.55
	31/03/2020		Closing Balance - 31/03/2020				11723591	1.55

Sl. no.	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
10	AAATR0090B	MUT	Opening Balance - 30/03/2019	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIA	12654841	1.68	12654841	1.68
	26/04/2019		Sale		22000	0.00	12632841	1.67
	31/05/2019		Purchase		1350000	0.18	13982841	1.85
	07/06/2019		Purchase		350000	0.05	14332841	1.90
	14/06/2019		Purchase		3473758	0.46	17806599	2.36
	21/06/2019		Purchase		608595	0.08	18415194	2.44
	28/06/2019		Purchase		1293205	0.17	19708399	2.61
	05/07/2019		Sale		1155180	0.15	18553219	2.46
	19/07/2019		Purchase		200000	0.03	18753219	2.48
	26/07/2019		Purchase		1000000	0.13	19753219	2.62
	02/08/2019		Purchase		347860	0.05	20101079	2.66
	09/08/2019		Purchase		1177545	0.16	21278624	2.82
	16/08/2019		Purchase		345000	0.05	21623624	2.86
	30/09/2019		Purchase		118674	0.02	21742298	2.88
	04/10/2019		Purchase		516	0.00	21742814	2.88
	11/10/2019		Purchase		3096	0.00	21745910	2.88
	18/10/2019		Purchase		1550774	0.21	23296684	3.09
	01/11/2019		Purchase		1161	0.00	23297845	3.09
	08/11/2019		Purchase		387	0.00	23298232	3.09
	15/11/2019		Purchase		1000000	0.13	24298232	3.22
	15/11/2019		Sale		1614	0.00	24296618	3.22
	22/11/2019		Sale		1401584	0.19	22895034	3.03
	29/11/2019		Sale		33357	0.00	22861677	3.03
	06/12/2019		Sale		6184	0.00	22855493	3.03
	13/12/2019		Purchase		666	0.00	22856159	3.03
	20/12/2019		Purchase		77	0.00	22856236	3.03
	27/12/2019		Purchase		5772	0.00	22862008	3.03
	31/12/2019		Purchase		127	0.00	22862135	3.03
	03/01/2020		Purchase		3840	0.00	22865975	3.03
	10/01/2020		Purchase		445	0.00	22866420	3.03
	17/01/2020		Purchase		26528	0.00	22892948	3.03
	24/01/2020		Purchase		1089755	0.14	23982703	3.18
	24/01/2020		Sale		1000000	0.13	22982703	3.04

Sl. no.	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	31/01/2020		Purchase		900000	0.12	23882703	3.16
	31/01/2020		Sale		4224	0.00	23878479	3.16
	07/02/2020		Purchase		306744	0.04	24185223	3.20
	14/02/2020		Purchase		896	0.00	24186119	3.20
	21/02/2020		Sale		5888	0.00	24180231	3.20
	28/02/2020		Sale		605	0.00	24179626	3.20
	06/03/2020		Purchase		3840	0.00	24183466	3.20
	13/03/2020		Purchase		139661	0.02	24323127	3.22
	13/03/2020		Sale		1000000	0.13	23323127	3.09
	20/03/2020		Purchase		2092867	0.28	25415994	3.37
	20/03/2020		Sale		12499	0.00	25403495	3.36
	27/03/2020		Purchase		300000	0.04	25703495	3.40
	27/03/2020		Sale		889	0.00	25702606	3.40
	31/03/2020		Purchase		6731	0.00	25709337	3.41
	31/03/2020		Closing Balance - 31/03/2020				25709337	3.41

(v) Shareholding of Directors and Key Managerial Personnel:

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

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Mr. Indrajit Banerjee				
	At the beginning of the year				N.A.
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
4.	¹Dr. Tan See Leng				
	At the beginning of the year				N.A.
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
5.	²Dr. Chan Boon Kheng				
	At the beginning of the year				N.A.
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
6.	³Mr. Low Soon Teck				
	At the beginning of the year				N.A.
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
7.	⁴Mr. Chintamani Aniruddha Bhagat				
	At the beginning of the year				N.A.
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
8	Mr. Shirish Moreshwar Apte				
	At the beginning of the year				N.A.
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	Dr. Ashutosh Raghuvanshi				
	At the beginning of the year				N.A.
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
10.	⁵Dr. Chi Keon Kelvin Loh				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				N.A.
11.	⁶Mr. Heng Joo Joe Sim				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				N.A.
12.	⁷Dr. Farid Bin Mohamed Sani				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				N.A.
13	Mr. Sumit Goel				
	At the beginning of the year				N.A.
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
14	⁸ Vivek Kumar Goyal				
	At the beginning of the year				N.A.
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL

¹Resigned w.e.f September 28, 2019

²Resigned w.e.f October 31, 2019

³Resigned w.e.f. June 4, 2020

⁴resigned w.e.f December 2, 2019

⁵Appointed w.e.f. September 28, 2019

⁶Appointed w.e.f. November 26, 2019

⁷Appointed w.e.f. December 30, 2019

⁸Appointed w.e.f. April 8, 2019

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
Indebtedness as on 1-Apr-2019				
i) Principal Amount	144,984.23	2,803.05	-	147,787.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	604.23	-	-	604.23
Total (i+ii+iii)	145,588.46	2,803.05	-	148,391.51
Addition	80,145.35	61,584.18	-	141,729.53
Reduction	(153,508.90)	(251.58)	-	(153,760.48)
Net Change	(73,363.55)	61,332.60	-	(12,030.95)
Indebtedness as on 31-March-2020				
i) Principal Amount	71,988.30	64,135.65	-	136,123.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	236.61	-	-	236.61
Total (i+ii+iii)	72,224.91	64,135.65	-	136,360.56

1. During the year lease liability (unsecured) is increased on application of Ind AS 116.

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director

Dr. Ashutosh Raghuvanshi was appointed as Chief Executive Officer effective March 18, 2019. He was further appointed as Managing Director (designated as Managing Director and Chief Executive Officer) w.e.f. March 19, 2019 for a period of 3 years.

He has been paid Gross salary of ₹ 3,89,57,739/- from March 18, 2019 to 31st March'2020 as per terms of appointment.

During the period under review, details of remuneration paid to Executive Director is as under:

SI. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Dr. Ashutosh Raghuvanshi (1-Apr-2019 to March 31, 2020) (Amount in ₹)
1	§Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,05,50,235
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	43,58,065
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL
2	Stock Options (in Nos.)	Nil
3	Sweat Equity	Nil
4	Commission	Nil
5	Others	Nil
	Total	4,49,08,300

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

B. Remuneration to other Directors –

During the period under review, sitting fees paid to the Non-Executive Directors as on March 31, 2020 is as follows:

S. No.	Name of Directors	*Particulars of Remuneration- Gross Sitting Fees for attending board and committee meetings (Amount in ₹)
1	Independent Directors	
	Mr. Ravi Rajagopal	25,00,000
	Mr. Indrajit Banerjee	31,00,000
	Ms. Suvalaxmi Chakraborty	30,00,000
	Total (1)	86,00,000

S. No.	Name of Directors	*Particulars of Remuneration- Gross Sitting Fees for attending board and committee meetings (Amount in ₹)
2	Other Non-Executive Directors	
	**Dr. Chan Boon Kheng	12,00,000
	Mr. Chintamani Aniruddha Bhagat	6,00,000
	**Mr. Low Soon Teck	20,00,000
	Mr. Shirish Moreshwar Apte	5,00,000
	**Dr. Tan See Leng	3,00,000
	** Dr. Chi Keon Kelvin Loh	3,00,000
	§ Dr. Farid Bin Mohamed Sani	2,00,000
	**Mr. Sim Heng Joo Joe	2,00,000
	Total (2)	53,00,000
	Total = (1+2)	1,39,00,000
	Overall Ceiling as per the Act	Sitting fees is payable upto the Maximum amount as specified under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

*No commission/any other form of remuneration was paid to Non-Executive Directors during the Financial Year 2019-20.

**Relinquished the sitting fees in favour of Northern TK Ventures Pte Limited.

§ Relinquished the sitting fees in favour of Khazanah Nasional Berhad.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR –

SI No.	Particulars of Remuneration	Mr. Vivek Kumar Goyal (CFO)	Mr. Sumit Goel (Company Secretary)
1	§Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	₹ 1,88,19,088/-	₹ 48,98,400/-
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	₹ 19,800/-	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	NIL	NIL
2	Stock Option (in Nos.)	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	NIL	NIL
	- as % of profit		
	-Others		
5	Others	NIL	NIL
	Total	₹ 1,88,38,888/-	₹ 48,98,400/-

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

No penalty/punishment/compounding of offences was levied against the Company during the FY 2019-20 in terms of the Companies Act, 2013. The details of penalty levied in terms of SEBI Regulations has been disclosed under the Board Report.

**On behalf of the Board of Directors
For Fortis Healthcare Limited**

Sd/-
Ashutosh Raghuvanshi
MD & CEO
DIN: 02775637

Date: June 17, 2020

Place: Gurugram

Sd/-
Indrajit Banerjee
Independent Director
DIN: 01365405

Annexure IV to Directors' Report

A. Conservation of Energy

a) Energy conservation measures taken:

- Various energy saving measures taken e.g. replacement of normal lights with LED lights, installation of Solar Panels, Installation of VFDs etc. have resulted in reduction of Specific Energy Consumption.
- Fortis Arcot Road - A 50 KW solar power generation system has been installed which is expected to generate 80,000 KWH of power per annum. This System is successfully commissioned in March 2020 and generates around 200 to 220 KWH of power per month, approx. 75,000 KWH of power per annum.
- Fortis BG Road Expansion Project – The Chillers that have been installed are with VFDs. The Building is being constructed by using Structural Steel to reduce embedded energy and to reduce the impact of construction activities to the neighborhood and environment.
- Across all major hospitals, efforts have been made to reduce consumption of water by utilizing treated waste water for irrigation, for flushing, and for making up for Cooling Tower water requirements.
- The Glass used for façade in several facilities (such as BG Road, Ludhiana, Noida, FMRI, Mohali) is double glazed and is energy efficient low emissivity type which helps in reducing solar heat gain coefficient while improving the visibility.
- Steam condensate is being used for heating water purposes in number of units.
- The Company has entered into a 10-year Power Purchase Agreement (PPA) for utilizing wind power at Malar and Mulund.

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

- It is proposed to reduce “Heat Island Effects” by designing efficient Landscape around Hospitals and install the equipment that are most energy efficient e.g. inverted based chillers, Heat Pumps and Solar Hot water.
- Solar Power Generation Capacity is being enhanced.
- LED Lights are being installed in New Projects to reduce Electrical Power consumption.
- Energy Efficient Chillers, DG sets, Pumps have been selected for New Projects.
- Building envelope has been constructed by using Auto Aerated Concrete Block (in all new projects) for better insulation thereby reducing Air-Conditioned Load.
- Building Management System (BMS) has been installed for efficient HVAC operations.
- Variable Frequency Drives have been installed to conserve energy across Hospitals.
- Timers and Occupancy Sensors have been installed in some offices to optimize the use of electricity.
- The Company has completed installation of LED lamps and lighting across Noida, Mohali and Vasant Kunj facilities and has initiated the same at FEHL.

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

For the year 2019-20 various energy saving initiatives have resulted in reduction of Specific Energy consumption as shown in table given below:

Sr. No.	Hospital	Units consumed (kWH) in Lacs	
		Year 18-19 (A)	Year 19-20 (B)
1	Noida	53.71	52.23
2	Shalimar Bagh	50.57	51.85
3	Mulund	62.69	62.15
4	Mohali	57.94	55.91
5	BG Road	68.72	71.18
6	Vasant Kunj	37.67	35.25
7	Nagarbhavi	6.48	6.70
8	CG Road	19.13	19.74
9	Jaipur	51.99	50.26
10	Anandpur	54.10	56.37
11	Kalyan	8.96	8.85
12	Okhla Road	93.83	91.55
13	Rajaji Nagar	4.39	4.11
14	Vashi	29.25	29.97
15	Adyar	31.82	30.60
16	Amritsar	37.68	37.68
17	Gurgaon	104.56	98.19
18	Ludhiana	35.14	32.36
	Total	808.63	794.95

B. Technology Absorption**1. Research & Development (R & D):**

- Project Team is working on various models of Hospital Design to reduce Hospital Acquired Infection by segregation of staff and services movement.
- It has been made mandatory for every staff to participate in Seminars, conferences to learn innovative methods to make smart Hospitals.

2. Technology Absorption, Adaptation & Innovation:**a) Efforts made towards technology absorption, adaptation & innovation at FMRI:**

- Variable Frequency Drives (VFDs) have been used in Chillers and critical AHUs.
- Variable Air Volume (VAVs) devices have been used in some AHUs.
- Variable Refrigerant Volumes have been used in some areas.
- 12 Rain Water Harvesting Pits have been provided to conserve rain water and improve the water table.

- Linoleum floor has been used in patient areas which is made of natural materials and is bacteriostatic thereby helps in reducing infection.
- Pneumatic Tube System (PTS) has been installed to transfer samples and medicines from patient areas to lab, pharmacy, nursing stations etc.
- Recirculation of treated water to reduce water consumption.
- R 134 a refrigerant has been used which helps to minimize depletion of Ozone Layer.
- Elekta LINAC & Brain Lab have joined hands at our hospital for the first time in the world. This has resulted in treating tumors with extreme & unprecedented accuracy and precision.
- Brain Suite is integrated with mobile CT gantry, Navigation system, OR Table & Microscope first time in India. This helps to provide intra operative CT guidance while performing Brain, Spine & Trauma surgery. CT gantry movement on rail & navigation system helps in localizing tumor & fracture area so that surgeon can decide the procedural approach on table.
- Two Integrated OR (Operation room) - integrated with set of equipment having voice command control helps reduce the manual interface. During transplantation surgeries, surgeon can see activity of Donor & Recipient surgery ongoing in the other.

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

- For new expansion project at BG Road in Bangalore, pre-engineered Steel sections are being used to erect the building; this will result in saving of construction time and will reduce impact of construction related activities on the environment.
- The Company has decided to register all new projects with IGBC or TERI for Green Building accreditations.

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

- As a result of installing PTS, usages of man movement and lifts have been reduced.
- The above steps are helping us across to conserve energy, thus reducing the energy costs at few of our hospitals by a considerable margin over the previous financial year.

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

**On behalf of the Board of Directors
For Fortis Healthcare Limited**

Sd/-
Ashutosh Raghuvanshi
MD & CEO
DIN: 02775637

Sd/-
Indrajit Banerjee
Independent Director
DIN: 01365405

Date: June 17, 2020
Place: Gurugram

Annexure V to Directors' Report

1. A brief outline of the Company CSR Policy

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

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

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

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

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

In fulfilment of these objectives, the Company has designated a special Purpose Vehicle i.e. Fortis CSR Foundation to carry out its CSR activities. Fortis CSR Foundation ("FCSRF") is wholly owned subsidiary of the Company and is a Company limited by shares not for profit registered under Section 8 of the Companies Act, 2013. This year the company also supported the efforts of the government in fight against COVID-19.

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

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

The policy as approved by the Board is available on the Company's web site at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Policies/Codes/ Policy on Corporate Social Responsibility.

2. Composition of the CSR Committee

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

The composition of the CSR committee as on March 31, 2020 is as follows:

- (i) Mr. Ravi Rajagopal;
- (ii) Mr. Indrajit Banerjee; and
- (iii) Ms. Suvalaxmi Chakraborty

3. Average Net Profit of the Company/s for last three financial years:

(Amount in ₹ lacs)

Year	Average Net Profit	Prescribed CSR expenditure @ 2%
2019-20	1876.31	37.53

Note: Above mentioned net profit/loss are on the basis of CA Certificate

4. Overview of project/ programs undertaken / proposed to be undertaken

- a) In alignment with CSR policy with core commitment of our philosophy that the company efforts should strive towards building and sustaining a healthier humanity, the Company supported the efforts of the government in fight against COVID-19.
- b) In addition to the above the subsidiaries of the company focused on Program SAVERA, CHHAYA and SEWA.

SAVERA : The program focusses on 'Health education and Awareness' by providing First Aid and Basic Life Support training. It also provides awareness on health and hygiene to young children.

CHHAYA : The program supports on-going medical facilities through charitable dispensaries and organising health camps for the community in need.

SEWA : It a Disaster Relief initiative that aims to provide emergency support to people affected by disasters in an organised and time sensitive manner. SEWA's core commitment is to support the government's efforts in providing relief during disasters.

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

Chart I: CSR spend measured under Section 135 of Companies Act, 2013 (FY 2019-20)

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

• FORTIS HEALTHCARE LIMITED (Amount in lacs)

1	2	3	4	5	6	7	8	9
S. No	CSR Project or activity identified	Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)	Contributing Entity	Projects or program Local Area or other Specify the State and District where projects and programs were undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads	Cumulative Expenditure upto the Reporting Period	Amount Spent: Direct or through implementing agency
1	Savera	i, ii	Fortis Healthcare Limited	Pan India	-	-	89.69	Designated Special Purpose Vehicle
2	COVID-19	viii	Fortis Healthcare Limited	Pan India	37.53	37.53	37.53	Direct to Prime Minister's National Relief Fund
TOTAL					37.53	37.53	127.22	

• **ESCORTS HEART INSTITUTE AND RESEARCH CENTRE LIMITED**

1	2	3	4	5	6	7	8	9
S. No	CSR Project or activity identified	Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)	Contributing Entity	Projects or program Local Area or other Specify the State and District where projects and programs were undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads	Cumulative Expenditure upto the Reporting Period	Amount Spent: Direct or through implementing agency
1	Savera	i, ii	Escorts Heart Institute and Research Centre Limited	Pan India	-	(22.94)	277.68	Designated Special Purpose Vehicle
2	COVID-19	viii	Escorts Heart Institute and Research Centre Limited	Pan India	-	22.94	22.94	Prime Minister's National Relief Fund through SPV ie Fortis CSR Foundation
TOTAL-A					-	-	300.62	

• **HIRANANDANI HEALTHCARE PRIVATE LIMITED**

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

• **FORTIS MALAR HOSPITALS LIMITED**

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

• **FORTIS HOSPOTEL LIMITED**

1	2	3	4	5	6	7	8	9
S. No	CSR Project or activity identified	Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)	Contributing Entity	Projects or program Local Area or other Specify the State and District where projects and programs were undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads	Cumulative Expenditure upto the Reporting Period	Amount Spent: Direct or through implementing agency
7	Savera	i, ii	Fortis Hospotel Limited	Pan India			96.95	Designated Special Purpose Vehicle
8	SEWA-Disaster Relief Program	viii	Fortis Hospotel Limited	Pan India	100.00	100.00	100.00	Chief Minister's Relief Fund-Assam through SPV i.e. Fortis CSR Foundation
9	COVID-19	viii	Fortis Hospotel Limited	Pan India	496.13	496.13	496.13	Direct to Prime Minister's National Relief Fund
TOTAL-D					596.13	596.13	693.08	

• **ESCORTS HEART AND SUPER SPECIALITY HOSPITAL LIMITED**

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

- SRL LIMITED**

1	2	3	4	5	6	7	8	9
S. No	CSR Project or activity identified	Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)	Contributing Entity	Projects or program Local Area or other Specify the State and District where projects and programs were undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads	Cumulative Expenditure upto the Reporting Period	Amount Spent: Direct or through implementing agency
11	Chhaya	i, ii	SRL Limited	Pan India	201.84	201.84	852.93	Designated Special Purpose Vehicle
12	COVID-19	viii	SRL Limited	Pan India	20.18	20.18	20.18	Prime Minister's National Relief Fund through SPV i.e. Fortis CSR Foundation
TOTAL-F					222.02	222.02	873.11	

- SRL DIAGNOSTICS PVT. LIMITED**

1	2	3	4	5	6	7	8	9
S. No	CSR Project or activity identified	Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)	Contributing Entity	Projects or program Local Area or other Specify the State and District where projects and programs were undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads	Cumulative Expenditure upto the Reporting Period	Amount Spent: Direct or through implementing agency
13	Chhaya	i, ii	SRL Diagnostics Pvt Ltd	Pan India	69.15	69.15	124.71	Designated Special Purpose Vehicle
TOTAL-G					69.15	69.15	124.71	
TOTAL (A to G)					900.04	900.04	2,129.39	

Chart II: CSR spend beyond the purview of Section 135 (Amount in lacs): **NIL**

- In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. **NIL**
- The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

**By Order of the Board of Directors
FOR FORTIS HEALTHCARE LIMITED**

Sd/-
Dr. Ashutosh Raghuvanshi
Managing Director & CEO

Sd/-
Ms. Suvalaxmi Chakraborty
Chairperson of
Corporate Social Responsibility Committee
Place: Mumbai

Date: June 17, 2020

Place: Gurugram

Annexure VI to Directors' Report

FORM AOC-2

PARTICULARS OF CONTRACT / ARRANGEMENT MADE WITH RELATED PARTIES

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

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

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

There were no contracts or arrangement or transactions entered into during the year ended March 31, 2020, which are not at arms' length basis, except for entering into a Memorandum of Understanding for offering discounts to the employees of SRL Limited and its subsidiaries on certain healthcare services.

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

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

Name of Related Party	Nature of Relationship	Nature of Contract / arrangement / transaction	Duration of the Contract / arrangement / transaction	Salient terms of the Contract / arrangement / transaction including the value, if any	Date of approval by the Board, if any	Amount paid in advance
Fortis Hospitals limited	Subsidiary Company	Loan advanced	Till March 2022	An agreement of ₹ 1,500 crore @ 10.50% p.a	Approved by Audit and Risk Management Committee on June 20, 2018	NA
Fortis Healthcare International Limited	Subsidiary Company	Dividend received	NA	₹ 704.56 crore	NA	NA
Fortis Hospitals limited	Subsidiary Company	Corporate guarantee	11 Years	Corporate guarantee given to Banks/ Financial Institution for loan availed by Subsidiary Company Closing Balance ₹ 674.85 crore	Approved by Board of Directors on March 02, 2020	NA
Fortis Hospitals limited (FHsL)	Subsidiary Company	Corporate guarantee	10 Years	Corporate guarantee given to Fortis Hospotel Limited for loan availed by FHsL closing balance ₹ 486.24 crore	Approved by Board of Directors on August 4, 2016	NA
(i) Fortis Hospitals Limited, (ii) Escorts Heart Institute and Research Centre Limited, (iii) International Hospital Limited, (iv) Escorts Heart and Super Specialty Hospital Limited, (v) Hospitalia Eastern Private Limited and (vi) Fortis Hospotel Limited	Subsidiary Company	Corporate guarantee	11 Years	Corporate guarantees given to Banks by Subsidiary Companies on behalf of Company to avail loan (Closing Balance ₹ 798.90 crore by each subsidiary company)	Approved by Board of Directors on March 02, 2020	NA

REPORT ON CORPORATE GOVERNANCE

1. INTRODUCTION

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

2. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance ensures fairness, transparency and integrity of the management. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance in India. The Company emphasizes the need for transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Company has set itself the objective of expanding its capacities and becoming competitive in its business. As a part of its growth strategy, it is committed to ethics and integrity in its business dealings that avoids conflict of interest. In order to conduct business with these principles, the Company has created a corporate structure based on business needs and maintains transparency through regular disclosures with a focus on adequate control systems.

3. BOARD OF DIRECTORS - COMPOSITION OF THE BOARD

The Board of Directors ("the Board") is at the core of the Company's Corporate Governance practices and oversees how management serves and protects the long-term interests of its stakeholders. It brings in strategic guidance, leadership and independent view to the Company's Management while discharging its fiduciary responsibilities, thereby, ensuring that Management adheres to good standards of ethics, transparency and disclosures.

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

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

As on March 31, 2020, the Board consisted of 9 (Nine) Members, of which 1 (One) was an Executive Director (Managing Director and CEO) and rest all being Non-Executive Directors. Out of the 8 (Eight) Non-executive Directors, 3 (Three) were Independent Directors including 1 (One) Woman Independent Director. The Non-Executive Directors bring an external and wider perspective in Board's deliberation and decisions.

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

The size and composition of the Board conforms to the requirements of Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations' in this report) and the Companies Act, 2013. Other details relating to the Directors as on March 31, 2020 are as follows:

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

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

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

¹ Appointed as Non-Executive Director w.e.f. September 28, 2019

² Appointed as Non-Executive Director w.e.f. December 30, 2019

³ Appointed as Non-Executive Director w.e.f. November 26, 2019

⁴ Resigned w.e.f. June 4, 2020.

[§] Independent Director in Fortis Malar Hospitals Limited

None of the Independent Directors resigned during the year 2019-2020.

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

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

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

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

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

Disclosure regarding appointment or re-appointment of Directors

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

During the Financial Year 2019-20, the Board of Directors had on the recommendation of the Nomination and Remuneration Committee appointed Dr. Chi Keon Kelvin Loh, Mr. Heng Joo Joe Sim and Dr. Farid Bin Mohamed Sani on the Board of the Company. Further, Dr. Tan See Leng, Dr. Chan Boon Kheng and Mr. Chintamani Aniruddha Bhagat has resigned during the year under review.

Post closure of the year under review, Mr. Low Soon Teck resigned and Mr. Dilip Kadambi was appointed as an Additional Director with effect from June 4, 2020.

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

Mr. Shirish Moreshwar Apte is liable to retire by rotation at the forthcoming Annual General Meeting of the Company and offers himself for re-appointment. Further, Dr. Chi Keon Kelvin Loh, Mr. Heng Joo Joe Sim, Dr. Farid Bin Mohamed Sani and Mr. Dilip Kadambi who were as Additional Directors and are proposed to be regularized at the ensuing Annual General Meeting of the Company. The profiles of the directors are provided in the Notice convening the ensuing Annual General Meeting.

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

Board Functioning and Procedure

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

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

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

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

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

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

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

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

During the year under review, 6 (Six) Board Meetings were held on (i) May 24, 2019; (ii) August 6, 2019; (iii) November 6, 2019; (iv) February 14, 2020; (v) March 2, 2020 and (vi) March 19, 2020. The gap between two meetings did not exceed one hundred and twenty days.

The following table gives the attendance record of the directors at the above said Board meetings and at the last Annual General Meeting, which was held on September 26, 2019.

Name of the Directors	No. of Board Meetings attended	Attendance at last AGM
⁵ Mr. Ravi Rajagopal	6	Yes
Dr. Ashutosh Raghuvanshi	6	Yes
¹ Dr. Chan Boon Kheng	2	Yes
² Mr. Chintamani Aniruddha Bhagat	3	Yes
³ Dr. Chi Keon Kelvin Loh	3	NA
⁴ Dr. Farid Bin Mohamed Sani	2	NA
⁵ Mr. Heng Joo Joe Sim	2	NA
Mr. Indrajit Banerjee	6	Yes
⁷ Mr. Low Soon Teck	5	No
⁶ Dr. Tan See Leng	2	No
⁵ Mr. Shirish Moreshwar Apte	5	Yes
Ms. Suvalaxmi Chakraborty	5	Yes

⁵Attended one meeting (included herein) through audio call but not counted for quorum.

¹ Resigned from the directorship of the Company w.e.f. October 31, 2019.

² Resigned from the directorship of the Company w.e.f. December 2, 2019.

³ Appointed w.e.f. September 28, 2019.

⁴ Appointed w.e.f. December 30, 2019.

⁵ Appointed w.e.f. November 26, 2019.

⁶ Resigned from the directorship of the Company w.e.f. September 27, 2019.

⁷ Resigned w.e.f. June 4, 2020

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

Statutory Compliances

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

Code of Conduct

The Board has prescribed a Code of Conduct ("the Code") for all employees of the Company including Senior Management and Board Members, which covers the ethics, transparency, behavioral conduct, a gender friendly work place, legal compliance and protection of the Company's property and information. Further, in terms of Schedule IV of Companies Act, 2013, the Company has adopted an additional code of conduct for the Independent Directors. Both the codes are hosted on the website of the Company. In terms of Listing Regulations, the Senior Management and Board Members have confirmed the compliance with the Codes for the Financial Year 2019-20. A declaration to this effect signed by the Managing Director and CEO of the Company, forms part of this Report.

4. COMMITTEES OF THE BOARD

In terms of Listing Regulations and the Companies Act, 2013, the Board has constituted 4 (Four) Committees viz. Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Further as on March 31, 2020, the Company also had a Finance Committee.

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

A. Audit and Risk Management Committee

➤ Composition

As on March 31, 2020, Audit and Risk Management Committee comprised of the following members, namely:

- (i) Mr. Indrajit Banerjee, Chairman,
- (ii) Mr. Low Soon Teck,
- (iii) Mr. Ravi Rajagopal, and
- (iv) Ms. Suvalaxmi Chakraborty

Further, post closure of year under review, Mr. Low Soon Teck resigned as a Member and Mr. Dilip Kadambi was appointed as a Member of the Committee with effect from June 4, 2020.

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

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

- To review, with the management, the financial statements and auditor's report thereon before submission to the board for approval,
- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To review management discussion and analysis of financial condition and results of operations,
- To review the financial statements, in particular, the investments made by the unlisted subsidiary company(ies),
- To review and approve all related party transactions as reported by the Management or any subsequent modification thereof,
- To review, with the management, the statement of uses / application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter,
- To scrutinize the inter corporate loans and investments,

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review valuation of undertakings or assets of the company, wherever it is necessary and appointment of valuer(s),
- To recommend appointment, remuneration and terms of appointment of auditors of the company after taking into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as auditor,
 - Prior approval of other services rendered by the statutory auditors (other than the ones prohibited under Section 144 of the Companies Act, 2014) and approval of payment therefore
 - To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To review appointment, removal and terms of remuneration of the Chief Internal Auditor
 - The Audit Committee, in consultation with the Chief Internal Auditor, finalize Internal Audit Charter, scope (including Medical Processes), functioning, periodicity, methodology and appointment of service providers for conducting the internal audit.
 - To discuss with internal auditors any significant findings and Internal Control weaknesses noted in the Internal Audit Report and follow up thereon.
 - To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - To review with the management, adequacy of the Internal Control System.
 - Review of Management letters / letters of internal control weaknesses issued by the statutory auditors.
 - To evaluate the system of internal financial controls established by the management.
- To evaluate risk management system,
- To review and oversee the Whistle Blower mechanism, and
- To approve appointment of CFO.

The detailed and exhaustive Mandate of the Audit and Risk Management Committee reflecting the salient terms of reference and responsibilities for the Committee is available on the website of the Company for reference at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Terms of Reference of Board Committees/ Audit and Risk Management Committee Mandate.

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

➤ **Meetings of Audit and Risk Management Committee during the year**

9 (Nine) Meetings of the Audit and Risk Management Committee were held during the year under review on (i) April 25, 2019; (ii) May 15, 2019; (iii) May 24, 2019 (iv) June 25, 2019, (v) August 5, 2019, (vi) September 26, 2019, (vii) November 5, 2019, (viii) February 14, 2020 and (ix) March 20, 2020.

The attendance of members of Audit and Risk Management Committee at the said meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1	Mr. Indrajit Banerjee, Chairperson	9
2	[§] Mr. Low Soon Teck	9
3	Mr. Ravi Rajagopal	9
4	Ms. Suvalaxmi Chakraborty	9
5	*Mr. Dilip Kadambi	NA

[§]Attended one meeting (included herein) through audio call but not counted for quorum. Resigned with effect from June 4, 2020.

*Mr. Dilip Kadambi was appointed as a member w.e.f. June 4, 2020.

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

B. Stakeholders Relationship Committee

➤ Composition

In order to expedite the process of share transfers and other investors related matters, the Board of the Company has delegated the power of share transfer to the Committee. As on March 31, 2020, the Stakeholders Relationship Committee comprised of the following members, namely:

- (i) Ms. Suvalaxmi Chakraborty, Chairperson
- (ii) Mr. Indrajit Banerjee, and
- (iii) Mr. Ravi Rajagopal

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

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

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

The detailed and exhaustive Mandate of the Stakeholders Relationship Committee reflecting the salient terms of reference and responsibilities is available for reference on the website of the Company at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Terms of Reference of Board Committees/ Stakeholders Relationship Committee Mandate.

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

4 (Four) meetings of Stakeholders Relationship Committee were held during the year ended March 31, 2020 on (i) May 15, 2019, (ii) August 5, 2019, (iii) November 5, 2019, and (iv) February 14, 2020.

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

Sr. No.	Name of the Member	No. of meetings attended
1	¹ Ms. Suvalaxmi Chakraborty	4
2	² Dr. Chan Boon Kheng	2
3	Mr. Indrajit Banerjee	4
4	Mr. Ravi Rajagopal	4

¹Appointed as Chairperson w.e.f. November 6, 2019

²Ceased as member and director w.e.f. October 31, 2019

➤ **Details of Investors' Grievances received during the year 2019-20**

Nature of Complaints	Pending as on April 1, 2019	Received during the year	Resolved/ attended during the year	Pending as on March 31, 2020	Complaints not solved to the satisfaction of shareholder
Non-receipt of Dividend warrants/non-receipt of Annual Reports/Non-receipt of Securities/Non-receipt of securities after transfer/ clarification regarding shares/others etc.	0	109	109	0	0
Total	0	109	109	0	0

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

C. Corporate Social Responsibility Committee

➤ **Composition**

As on March 31, 2020, Corporate Social Responsibility Committee comprised of the following members, namely:

- (i) Mr. Indrajit Banerjee,
- (ii) Dr. Chi Keon Kelvin Loh
- (iii) Mr. Ravi Rajagopal, and
- (iv) Ms. Suvalaxmi Chakraborty

At every meeting, the chairperson is elected by mutual consent.

Mr. Sumit Goel, Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.

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

- Reviewing and making recommendations, as appropriate, with regard to the Company's Corporate Social Responsibility (CSR) policy(ies) indicating the activities to be undertaken by the Company;
- Reviewing the various proposals of CSR programmes / projects as submitted by CSR department of the Company and if thought fit, approval thereof, provided that the same is within the framework of CSR Policy;
- Identification and appointment of various eligible agencies / entities for execution of CSR programmes or projects of the Company;
- Recommendation of the amount of expenditure to be incurred on the CSR activities as per the framework of CSR Policy; and
- Reviewing the annual budget for the Company's CSR activities to confirm that sufficient funding is provided for compliance with this mandate.

The detailed and exhaustive mandate of the Corporate Social Responsibility Committee reflecting the salient terms of reference and responsibilities for the Committee is available on the website of the Company for reference at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Terms of Reference of Board Committees/ Corporate Social Responsibility Committee Mandate.

➤ **Meetings of Corporate Social Responsibility Committee during the year**

1 (One) Meeting of Corporate Social Responsibility Committee was held during the year ended March 31, 2020 on May 24, 2019.

The attendance of members of the Corporate Social Responsibility Committee at the said meeting was as under:

Sr. No.	Name of the Member	No. of meetings attended
1	¹ Dr. Chan Boon Kheng	1
2	² Dr. Chi Keon Kelvin Loh	NA
3	Mr. Indrajit Banerjee	1
4	Mr. Ravi Rajagopal	1
5	Ms. Suvalaxmi Chakraborty	1
6	³ Dr. Tan See Leng	1

¹ Ceased as director and member w.e.f. October 31, 2019

² Appointed w.e.f. September 28, 2019

³ Ceased as director and member w.e.f. September 27, 2019

D. Nomination and Remuneration Committee

➤ **Composition**

As on March 31, 2020, the Nomination and Remuneration Committee comprised of the following members:

- Ms. Suvalaxmi Chakraborty, Chairperson
- Mr. Indrajit Banerjee,
- Mr. Shirish Moreshwar Apte, and
- Dr. Farid Bin Mohamed Sani

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

- Identification of the persons who may be appointed in senior management, evaluation of performances of Key Managerial Personnel, monitoring their compensation packages, employment arrangements and remuneration policy;
- Review and approve succession and emergency preparedness plan for the Key Managerial Personnel and all senior Management personnel;
- Review grant of stock options or pension rights to the employees under different ESOP Plans of the Company; and
- Review of organization structure;
- Assist in identifying and finalizing suitable candidates as members of the Board and recommendation of compensations norms;
- Devising of remuneration policy and Board diversity policy for the Board Members;
- Monitor and Evaluation of Board Evaluation Framework;

The detailed and exhaustive Mandate reflecting the salient terms of reference and responsibilities for the Nomination and Remuneration Committee is available on the website of the Company for reference at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Terms of Reference of Board Committees/ Nomination and Remuneration Committee Mandate.

The Nomination and Remuneration Committee works with the Board on the succession planning and ensures contingency plans are in place to meet any exigencies. Mr. Sumit Goel, Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

➤ **Meetings of Nomination and Remuneration Committee during the year**

3 (Three) meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2020. These were held on (i) April 25, 2019, (ii) May 15, 2019, and (iii) November 5, 2019.

The attendance of members of Nomination and Remuneration Committee at these meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1	¹ Ms. Suvalaxmi Chakraborty	3
2	² Dr. Chan Boon Kheng	2
3	^{3@} Mr. Chintamani Aniruddha Bhagat	3
4	Mr. Indrajit Banerjee	3
5	⁴ Mr. Ravi Rajagopal	3
6	⁵ Mr. Shirish Moreshwar Apte	NA
7	⁶ Dr. Farid Bin Mohamed Sani	NA

¹Appointed as Chairperson w.e.f. November 6, 2019

²Ceased as director and member w.e.f. October 31, 2019

³Ceased as director and member w.e.f. December 2, 2019

⁴ceased as member w.e.f. November 6, 2019

⁵Appointed as member w.e.f. November 6, 2019

⁶Appointed as member w.e.f. February 14, 2020

[@]Attended two meeting (included herein) through audio-conferencing but not counted for quorum.

➤ **Remuneration policy & criteria of making payments to Executive and Non-Executive Directors including Independent Directors**

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice.

The Directors' remuneration policy of your Company is in line with the provisions of the Companies Act, 2013. The remuneration paid/payable to the Executive Director(s) is, as recommended by the Nomination and Remuneration Committee, decided by the Board and approved by the Shareholders and Central Government, wherever required.

Presently, the Non-Executive Director(s) are being paid sitting fees for attending the Meetings of Board of Directors and various Committee(s) of Board viz. Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Finance Committee and separate meeting of Independent Directors.

Non Executive Independent Directors may be paid commission upto 1% of the net profits of the Company for a period of three years with effect from April 1, 2019, subject to approval of the shareholders of the Company. The details of the same forms part of the notice calling ensuing Annual General Meeting.

The key components of the Company's Remuneration Policy for the Board Members are:

- Compensation will be based on credentials and the major driver of performance.
- Compensation will be competitive and benchmarked with industry practice.
- Compensation will be fully transparent and tax compliant.

The Governance Document for Board which inter alia includes the Remuneration Policy of the Company is made available on the website of the Company at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Policies/Codes/ Board of Directors Governance Standards

➤ **Remuneration to Directors**

a) Executive Director

During the period under review, details of remuneration paid to Executive Director is as under:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Dr. Ashutosh Raghuvanshi (1-Apr-2019 to March 31, 2020)	
		(Amount in ₹)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		4,05,50,235
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		43,58,065
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		NIL
2	*Stock Option		NIL
3	Sweat Equity		NIL

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Dr. Ashutosh Raghuvanshi (1-Apr-2019 to March 31, 2020)
		(Amount in ₹)
4	Commission	NIL
	- as % of profit	
	- others, specify	
5	Others (Leave encashment and other benefits as per the Company's Policy)	-
6	Total	4,49,08,300
7	Ceiling as per the Act	The aggregate remuneration shall be in accordance with Section 197 and Schedule V of Companies Act, 2013.

Service contracts and notice period

Service Contract – for a period of 3 years

Notice Period – 3 months

As on date, he does not hold any shares in the Company nor has been granted any ESOPs.

b) Non-Executive Directors

During the period under review sitting fees paid to Non-Executive Directors and their shareholding as on March 31, 2020 is as follows:

S. No.	Name of Directors	Gross Sitting Fees (₹)	Shareholding in the Company as on March 31, 2020 or as on the date of resignation, whichever is earlier
1	Mr. Ravi Rajagopal	25,00,000	Nil
2	Mr. Shirish Moreshwar Apte	5,00,000	Nil
3	Dr. Chan Boon Kheng	12,00,000	Nil
4	Mr. Chintamani Aniruddha Bhagat	6,00,000	NIL
5	Dr. Chi Keon Kelvin Loh	3,00,000	NIL
6	Dr. Farid Bin Mohamed Sani	2,00,000	NIL
7	Mr. Heng Joo Joe Sim	2,00,000	NIL
8	Mr. Indrajit Banerjee	31,00,000	NIL
9	Mr. Low Soon Teck	20,00,000	NIL
10	Ms. Suvalaxmi Chakraborty	30,00,000	NIL
11	Dr. Tan See Leng	3,00,000	NIL
Total		1,39,00,000	

The Company has not granted any stock options to any of its Directors. Except as stated above and as disclosed elsewhere in this Annual Report including notes to Financial Statements, there was no other pecuniary relationship or transaction of the Non-Executive Director(s) vis-à-vis the Company, during the year under review. Further, none of the Non-Executive Directors are holding any convertible instrument of the Company.

E. Independent Directors

➤ **Meetings of Independent Directors during the year**

Two (2) Meetings of Independent Directors were held during the year ended March 31, 2020 on (i) May 23, 2019, and (ii) March 19, 2020. All the Independent Directors attended the same.

The salient roles and responsibilities as defined under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 associated with the Independent Directors Meeting include, but are not limited to, the following:

- (a) review the performance of non-independent directors and the board of directors as a whole;
- (b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

F. Finance Committee

The Board at its meeting held on November 13, 2018, constituted a Treasury Committee of the Board of Directors (nomenclature changed to Finance Committee w.e.f. November, 30 2018) with limited mandate viz Opening, closure of bank accounts and change of banking signatories.

As on March 31, 2020, the Finance Committee comprised of the following members:

- (i) Mr. Low Soon Teck*, Chairperson
- (ii) Mr. Indrajit Banerjee, and
- (iii) Ms. Suvalaxmi Chakraborty*

**Appointed with effect from November 6, 2019 and before that Ms. Suvalaxmi Chakraborty was the Chairperson of the Committee*

Further, post closure of year under review, Mr. Low Soon Teck resigned as a Chairperson and Mr. Dilip Kadambi was appointed as a Chairperson of the Committee with effect from June 4, 2020.

➤ **Meetings of Finance Committee during the year**

6 (Six) meetings of Finance Committee were held during the year ended March 31, 2020. These were held on (i) April 25, 2019, (ii) June 25, 2019, (iii) July 25, 2019, (iv) September 27, 2019, (v) October 23, 2019 and (vi) January 22, 2020. All the members attended all the meetings of the Committee.

5. SUBSIDIARY COMPANIES

As on April 1, 2020, Fortis Hospitals Limited (FHsL), International Hospital Limited (IHL), Fortis Hospotel Limited (FHTL) and SRL Limited (SRL) are considered as Material Subsidiaries and accordingly necessary compliances w.r.t. material subsidiaries have been duly carried out. However, as on the date of this report the Company is yet to appoint an Independent Director from the Board of Fortis Healthcare Limited on the Boards of IHL and FHTL.

The Audit and Risk Management Committee of the Company reviews the financial statements and investment made by the subsidiary company(ies). The minutes of the Board Meeting(s) of subsidiaries as well as the statement of significant transactions and arrangement entered into by the subsidiaries, if any, are placed before the Board of Directors of the Company from time to time.

The policy for determining 'material' subsidiaries is available at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Policies/Codes/ Policy on Material Subsidiary.

6. CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

The Managing Director & CEO and CFO certification as stipulated in Regulation 17(8) of Listing Regulations was placed before the Board along with financial statement(s) for the year ended March 31, 2020. The board reviewed and took note of the same. The said certificate forms part of the Annual Report.

7. GENERAL BODY MEETING(S)

The location and time of the General Meetings held during the preceding three years are as follows:

Financial Year	Date	Time (IST)	Venue	Special Resolution(s) passed
Annual General Meetings				
2018-19	26.09.2019	12:00 p.m.	National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali, Punjab-160062	Appointment & Remuneration of Managing Director
2017-18	28.09.2018	12:30 p.m.	National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali, Punjab-160062	None
2016-17	26.09.2017	12.00 Noon	National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali, Punjab-160062	Alteration of Articles of Association of the Company Enabling approval for Fund Raising

There is no immediate proposal for passing any resolution through Postal Ballot as on the date of this report, except as per the details available in public domain.

Details of resolution(s) passed by way of Postal Ballot.

Pursuant to Regulation 44 of Listing Regulations and Section 108, 110 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, the members of the Company have during the year under review, approved the following resolutions by way of postal ballot.

1. Postal ballot Notice dated May 24, 2019 (result declared on July 8, 2019):

- Disinvestment of shareholding in M/s The Medical and Surgical Centre Ltd, an indirect associate company, held through a wholly owned subsidiary, Fortis Healthcare International Limited
- Modification of terms of Non-Convertible Bonds (NCBs) issued by subsidiary companies

For the conduct of the aforementioned postal ballot/electronic voting exercise, Mr. Ramit Rastogi of Ramit Rastogi & Associates, Practicing Company Secretaries (C.P. No. 18465), was appointed as the Scrutinizer.

Summary of the results of aforementioned Postal Ballot/electronic voting process announced by Mr. Sumit Goel, Company Secretary of the Company on July 8, 2019:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Special Resolution-Disinvestment of shareholding in M/s. the Medical and Surgical Centre Ltd, an indirect associate company, held through a wholly owned subsidiary, Fortis Healthcare International Limited	502776184	502749458 (99.9947%)	26726 (0.0053%)
Modification of terms of Non-Convertible Bonds (NCBs) issued by subsidiary companies	502772854	502763952 (99.9982%)	8902 (0.0018%)

2. Postal Ballot Notice dated December 26, 2019 (result declared on February 1, 2020):

- a) To widen the scope / coverage of limits of creation of charge, mortgages, etc. up to ₹ 6,000 crores.

For the conduct of the aforementioned postal ballot/electronic voting exercise, Mr. Ramit Rastogi of Ramit Rastogi & Associates, Practicing Company Secretaries (C.P. No. 18465), was appointed as the Scrutinizer.

Summary of the results of aforementioned Postal Ballot/electronic voting process announced by Mr. Sumit Goel, Company Secretary of the Company on February 1, 2020:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Special Resolution- To widen the scope / coverage of limits of creation of charge, mortgages, etc. up to ₹ 6,000 crores.	466602091	465044215 (99.6661%)	1557876 (0.3339%)

Procedure for Voting by Postal Ballot and E-voting

In compliance with Regulation 44 of Listing Regulations and Section 108, 110 and other applicable provisions of Companies Act, 2013 read with Rules made thereunder, the Company provides e-voting Facility to the Members. The Notice of Postal Ballot along with the Explanatory Statement pertaining to the draft resolution(s) explaining in detail, the material facts along with Postal Ballot form and the self-addressed postage prepaid business reply envelope are sent to all the members, whose name appear on the register of members as on the cut-off date, under secured mode of Posting/through e-mail. The members were given option to vote either through the Postal Ballot Forms or through e-voting facility. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013.

The members are required to carefully read the instructions printed in the Postal Ballot Form, fill up the Form, give their assent or dissent on the resolution(s) at the end of the Form and sign the same as per the specimen signature available with the Company or Depository Participant, as the case may be, and return the form duly completed in the attached self-addressed postage prepaid envelope so as to reach the scrutinizer before the close of working hours of the last date fixed for the purpose or post their assent or dissent through e-voting module. Postal Ballot Form received after this date, is strictly treated as if the form has not been received from the member.

Voting rights are reckoned on the basis of number of shares and paid-up value of shares registered in the name of the shareholders on the specified date. A resolution is deemed to have been passed as special resolution if the votes cast in favor are at least three times than the votes cast against and in case of ordinary resolution, the resolution is deemed to have been passed, if the votes cast in favor are more than the votes cast against.

For the members who opted for e-voting facility, they cast their votes via electronic platform (<https://evoting.karvy.com>) of M/s. KFIN Technologies Private Limited (previously known as Karvy Fintech Private Limited) (Karvy). Requisite notices were given to such members to e-vote /send their reply.

The scrutinizer appointed for the purpose scrutinizes the postal ballots and e-votes received and submit his consolidated report to the Company. The results are also displayed on the website of the Company i.e. www.fortishealthcare.com and the last date for receipt of duly completed postal ballot forms/e-voting is deemed to be the date of passing the resolution(s).

Till the date of signing of this report, no Special Resolution is proposed to be conducted through postal ballot, unless as disclosed by the Company.

Further, resolution(s), if required, shall be passed by Postal Ballot during the year ending on March 31, 2021, as per the prescribed procedure under the Companies Act, 2013 and Listing Regulations.

8. DISCLOSURES

➤ Related Party Transactions

The details of transactions with related parties as prescribed in the Listing Regulations, are placed before the Audit and Risk Management Committee periodically. Further, the details of all material transactions with related parties are also disclosed quarterly along with the compliance report on corporate governance.

In the cases of material transaction, the same are pursued under direct guidance of the Audit and Risk Management Committee with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, independent Advisory Committees are constituted, and external expert opinion sought for Board consideration. Further, in accordance with the Listing Regulations, the Company has adopted a Policy on 'Materiality on Related Party Transactions' and the same is viewed at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Policies/Codes/ Policy on Materiality on Related Party Transactions.

During the year under review, there have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the Management, their relatives or subsidiaries which may have potential conflict with the interest of Company at large except for those disclosed in the Board's Report. Detailed information on materially significant related party transactions is enclosed to the Board's Report.

➤ **Accounting Treatment**

While in the preparation of financial statements, the treatment that has been prescribed in the Accounting Standards has been followed to represent the facts in the financial statement in a true and fair manner.

➤ **Compliances by Company**

The Company has complied with the requirements of the Stock Exchange(s), Securities and Exchange Board of India or other authorities on any matter related to Capital Market during the last 3 (three) years, except, as disclosed from time to time. To the best of our knowledge, below are the non-compliances w.r.t. Listing Regulations for the Financial Year 2019-20:

S No.	Brief details of Clause / Applicable Laws	Particulars
1	Regulation 24(1)- At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India	No independent director(s) of the Company were appointed on the board of Fortis Hospotel Limited and International Hospital Limited both being unlisted material subsidiaries of the Company.

Details of Penalties imposed by Stock Exchanges During last three years:

The details of penalty pertaining to the stock exchanges for the Financial Year 2017-18, for non-compliances under Regulation 33 of Listing Regulations is as given below:

Name of the exchange	Particulars	Amount of penalty (in ₹)
BSE and NSE	Late/Non-submission of financial under Regulation 33 of SEBI (LODR) Regulations, 2015 for the period ended September 2017.	65.98

The details of penalty pertaining to the stock exchanges for the Financial Year 2018-19, for non-compliances under Regulation 33 of Listing Regulations is as given below:

Name of the exchange	Particulars	Amount of penalty (in ₹ Lacs) (rounded off)
BSE and NSE	Late submission of financial under Regulation 33 of SEBI (LODR) Regulations, 2015 for the quarter and financial year ended March 31, 2018	63.44
BSE and NSE	Non-compliance with Regulation 18(1) of SEBI (LODR) Regulations, 2015	1.84

9. MANAGEMENT

During the period under review, no material, financial and commercial transaction has been entered by Senior Management Personnel, where they have any personal interest that may have potential conflict with the Company at large. The Company has obtained requisite declarations from all Senior Management Personnel in this regard and the same were duly placed before the Board of Directors on periodic basis.

10. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company strongly supports and strives to provide a structured platform via Whistle Blower Policy/Vigil Mechanism for reporting of instances of alleged wrongful conduct or gross waste or misappropriation of funds including instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Through this Policy, the Company seeks to provide a procedure for all the employees and Directors of the Company to report concerns about unethical and improper practice taking place in the Company and

provide for adequate safeguards against victimization of Director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee, in exceptional cases. It protects employees, officers and Directors who in, good faith, raise a concern about irregularities within the Company. It is hereby confirmed that no personnel have been denied access to the Audit and Risk Management Committee. The Company has adopted a Whistle Blower Policy in line with the requirements laid down under the Companies Act, 2013 and Listing Regulations. The same is available at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Policies/Codes/ Whistle Blower Policy.

Code of conduct and Prohibition on Insider Trading

Code of Conduct for Prevention of Insider Trading of the Company, as approved by the Board of Directors, *inter alia*, prohibits purchase or sale of securities of the Company by Directors, Designated Employees and other employees while in possession of unpublished price sensitive information in relation to the Company. The said Code is available at <https://www.fortishealthcare.com/investors> - Corporate Governance/ Policies/Codes/ Policy/Code of Conduct for prevention of Insider Trading.

11. MEANS OF COMMUNICATION

- a) **Quarterly Results:** The Company's quarterly / half yearly / annual financial results are sent to the Stock Exchanges and generally published in Financial Express (English) and Jagbani (Punjabi) or Rozana Spokesman (Punjabi).
- b) **Website:** The financial results are posted on the Company's website viz. www.fortishealthcare.com.
- c) **Press Release, Presentations:** The Company also makes a presentation to the institutional investors and analysts after taking on record the financial results of the Company. The press releases/official news, detailed presentation made to media, analysts, institutional investors etc. are displayed on the Company's website viz. www.fortishealthcare.com. Official Media Releases are also sent to the stock exchanges before dissemination to the media.
- d) **Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges on all price sensitive information or such other matters which in its opinion are material and of relevance to the Investors.
- e) **NSE Electronic Application Processing System (NEAPS), BSE Corporate Compliance and the Listing Centre (BSE Listing):** NEAPS and BSE Listing is a web-based application designed by NSE and BSE for corporates. All periodical compliance filings, *inter alia*, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others in accordance with the Listing Regulations are filed electronically.
- f) **SEBI Complaints Redressal System (SCORES):** The investor complaints are processed in a centralized web-based complaints redressal system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- g) **Designated exclusive email-id:** The Company has designated the following email-id for investor servicing: secretarial@fortishealthcare.com. Investors can also mail their queries to Registrar and Transfer Agent at einward.ris@kfintech.com.

12. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date of AGM

The Annual General Meeting is proposed to be held on August 31, 2020 through Video Conferencing / Other Audio Visual Means ('OAVM').

- (i) **Financial Year of the company** is starting from April 1 and ending on March 31 of next year.

(ii) Financial calendar 2020-21 (tentative & subject to change)

S. No.	Tentative Schedule	Tentative Date (On or Before)
1	Financial Reporting for the quarter ending June 30, 2020	August 14, 2020
2	Financial Reporting for the quarter ending September 30, 2020	November 14, 2020
3	Financial Reporting for the quarter ending December 31, 2020	February 14, 2021
4	Financial Reporting for the quarter and financial year ending March 31, 2021	May 30, 2021
5	Annual General meeting for the year ending March 31, 2021	On or before September 30, 2021

(iii) Listing on Stock Exchanges

As on date, the Company's Equity Shares are listed on the following Stock Exchanges:

- National Stock Exchange of India Limited (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai-400051;
- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

The Company has paid listing fees to above stock exchanges for the Financial Year 2019-20 and there are no outstanding payments as on date.

(iv) Stock code of Equity Shares

Trade symbol at National Stock Exchange of India Limited is FORTIS.

Scrip Code at BSE Limited is 532843

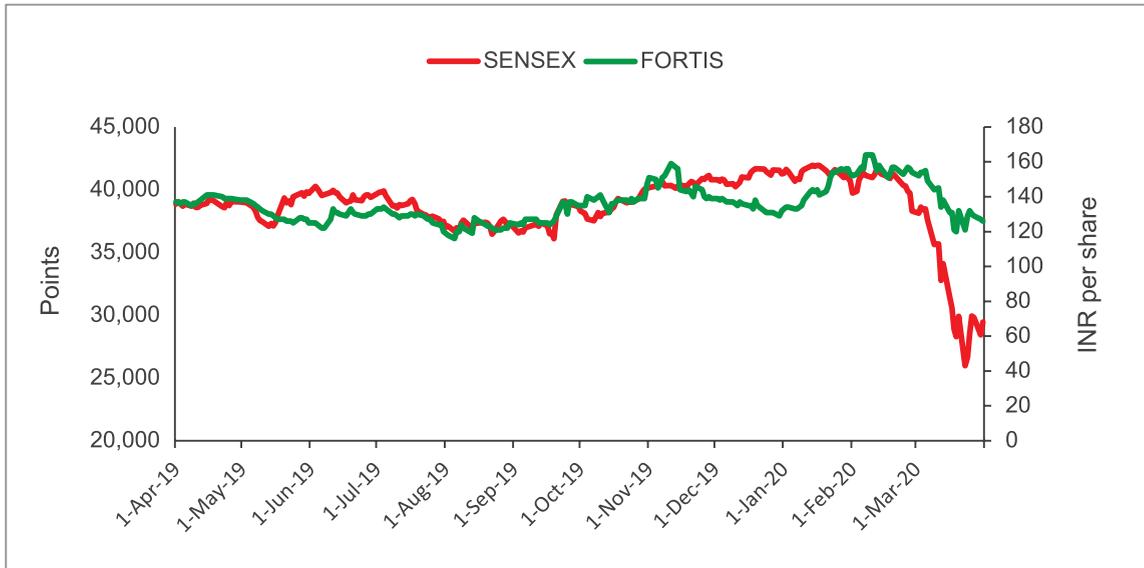
ISIN for equity is INE061F01013

(v) Stock market Data

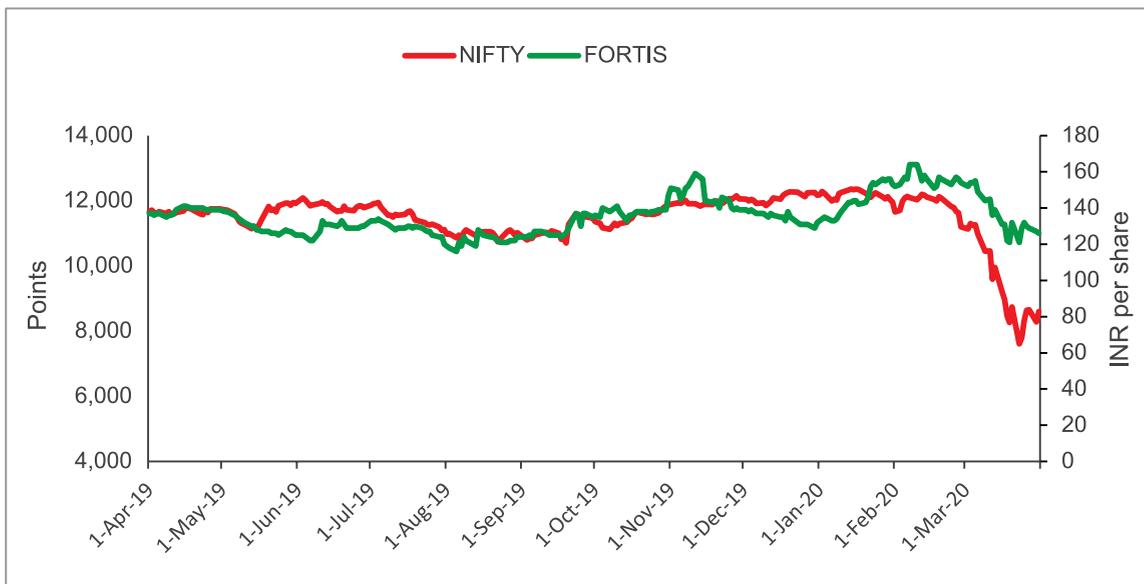
The Company's shares are among the actively traded shares on NSE & BSE. The Monthly high and low of share price of the Company during the Financial Year and comparisons with broad-based indices, viz BSE Sensex and NSE Nifty is as follows:

Month	Share Price (₹) at BSE		Share Price (₹) at NSE	
	High	Low	High	Low
April 2019	144.40	134.00	144.85	134.75
May 2019	138.45	124.00	138.90	124.50
June 2019	134.70	121.35	134.80	121.25
July 2019	134.55	119.35	134.60	119.50
August 2019	129.00	111.60	129.00	111.30
September 2019	138.50	123.00	138.40	122.65
October 2019	148.40	128.80	148.70	131.10
November 2019	161.00	129.00	161.00	129.00
December 2019	139.65	129.10	139.70	129.00
January 2020	158.00	131.25	157.70	131.30
February 2020	169.00	149.30	169.00	149.10
March 2020	157.00	115.40	157.00	115.20

Based on closing data of BSE Sensex (Value) and FHL (Per Share)



Based on closing data of NSE Nifty (Value) and FHL (₹ Per Share)



(vi) Registrar and Transfer Agent

M/s. KFIN Technologies Private Limited (previously known as Karvy Fintech Private Limited) is acting as Registrar and Transfer Agent (RTA) for handling the shares related matters both in physical as well as dematerialized mode. All work relating to equity shares are being handled by them. The Shareholders are therefore, advised to send all their correspondence directly to the RTA. The address for communication is:

M/s. KFIN Technologies Private Limited
Karvy Selenium, Tower B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally Mandal
Hyderabad-500032
Phone No. - +91 40 6716 2222
Fax No. - +91 40 23420814
E-mail: einward.ris@kfintech.com

However, for the convenience of shareholders, correspondence relating to shares received by the Company is forwarded to the RTA for necessary action thereon.

(vii) Nomination Facility

The shareholders holding shares in physical form may, if they so want, send their nomination(s), as per Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, in form SH-13, which can be obtained from the Company's RTA. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

As on March 31, 2020, 754,141,286 Equity shares representing 99.89% of the paid-up Equity Share Capital of the Company have been dematerialized.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, as the Company's Shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

(viii) Elimination of Duplicate Mailing

The shareholders who are holding shares in more than one folio in identical name or in joint holders' name in similar order, may send the share certificate(s) along with request for consolidation of holding in one folio to avoid mailing of multiple Annual Reports.

(ix) Share Transfer System

The Company's share transfer authority has been delegated to the officials of the Company. The delegated authority(ies) attend the share transfer formalities to expedite all matters relating to transfer, transmission, transposition, split and re-materialization of shares and take on record status of redressal of Investors' Grievance, etc., if any. Further in terms of Regulation 40 of Listing Regulations, the board of directors of a listed entity may delegate the power for certain activities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s). The Board of Directors of the Company has authorized M/s. KFIN Technologies Private Limited (previously known as Karvy Fintech Private Limited), Registrar and Transfer Agent of the Company for approving certain activities on behalf of the Company upto a threshold limit. Further, any request beyond the specified limit is approved by the Stakeholders Relationship Committee and subsequently placed before the Board for its noting.

As per the requirements of Regulation 7 of Listing Regulations the Company has obtained the half yearly certificates from Compliance Officer and authorised representative of share transfer agent for due compliance of share transfer formalities.

(x) Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit as stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018) (erstwhile Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996) was carried out by a Practicing Company Secretary for each of the quarter in the

Financial Year 2019-20, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit Reports (the Audit report) confirm that the total issued/subscribed paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the depositories. Such Audit Report for each quarter of the Financial Year 2019-20, has been filed with Stock Exchanges within one month of end of the respective quarter.

(xi) Details of Demat Suspense Account

The Company had opened a Demat Suspense Account-“Fortis Healthcare Limited IPO Suspense Account”.

- i. Aggregate Number of the Shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2019: 48 (Forty Eight) shareholders and 4,677 (Four Thousand Six Hundred Seventy Seven) shares.
- ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year: 0
- iii. Number of shareholders to whom shares were transferred from the suspense account during the year: 0
- iv. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2020: 48 (Forty Eight) shareholders and 4,677 (Four Thousand Six Hundred Seventy Seven) shares.

It is also confirmed that the voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

(xii) Share Dematerialization System and Liquidity

The requests for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of dematerialization is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges-BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Relevant data for the average daily turnover for the Financial Year 2019-20 is given below:

Particulars		BSE	NSE	Average
Average Shares Traded	Share Nos.	3,84,617	14,86,493	9,35,555
Average Daily Turnover	Value (₹)	5,20,67,711	20,85,27,471	3,64,47,591

[Source: This information is compiled from the data available on the website of BSE and NSE]

Further, w.e.f April 1, 2019, as per the circular issued by SEBI, no transfer can be effected in physical form.

(xiii) Details on Outstanding Securities as on March 31, 2020 and details of commodity price risk, foreign exchange risk & hedging activity

As on March 31, 2020, the Company has not issued any GDRs, ADRs, Warrants or any other convertible instruments. No FCCBs stand outstanding in the Books of the Company as on date.

Details of commodity price risk, foreign exchange risk & hedging activity (commodity or otherwise), as applicable, during the financial year under review are provided in notes to accounts which forms part of the Annual Report. It is hereby confirmed that the Company is not involved in commodity and/or derivative market.

(xiv) Distribution of Shareholding as on March 31, 2020

Category	No. of Shareholders	% of Shareholders	% of Total Paid up share Capital
1-5000	91419	88.06	1.41
5001- 10000	6040	5.82	0.65
10001- 20000	2928	2.82	0.59
20001- 30000	963	0.93	0.33
30001- 40000	480	0.46	0.23
40001- 50000	440	0.42	0.28
50001- 100000	630	0.61	0.63
100001& Above	911	0.88	95.89
Total:	103811	100.00	100.00

(xv) Shareholding pattern as on March 31, 2020

S. No.	Description	No. of Shareholders	Total Shares	% Equity
1	Mutual Funds	5	53818516	7.13
2	Foreign Portfolio -Corp	179	325606453	43.13
3	Trusts	7	809285	0.11
4	Alternative Investment Fund	3	244402	0.03
5	Resident Individuals	97803	82868334	10.98
6	Employees	32	851536	0.11
7	Non Resident Indians	1167	1251565	0.17
8	Clearing Members	105	1750307	0.23
9	Indian Financial Institutions	1	723517	0.10
10	Foreign Promoters	1	235294117	31.17
11	Foreign Portfolio Investors	1	3636	0.00
12	Banks	2	9000096	1.19
13	Qualified Institutional Buyer	2	651837	0.09
14	Foreign Collaborators	1	670194	0.09
15	Non Resident Indian Non Repatriable	696	1115915	0.15
16	Bodies Corporates	876	37583323	4.98
17	NBFC	9	69488	0.01
18	H U F	2920	2642627	0.35
19	Foreign Nationals	1	3000	0.00
	Total:	103811	754958148	100.00

(xvi) Lock-in of Equity Shares

As on March 31, 2020, of 23,52,94,117 Equity Shares of the Company, held by Northern TK Ventures Pte Ltd, Promoter, 8,43,03,727 Equity Shares were under lock-in upto January 3, 2020 in terms of the regulatory requirements and the balance upto January 3, 2022.

(xvii) Employee Stock Option

Detailed information relating on Employee Stock Option, has been mentioned in the Board's Report.

(xviii) Hospitals/Unit(s)/Location(s)

Fortis Healthcare Limited alongwith its subsidiaries provide healthcare services in Delhi-NCR, Chennai, Bangalore, Punjab, Jaipur and other cities. The locations of the hospital units managed by your Company are as follows:

Fortis Hospital, Mohali

Sector-62, Phase-VIII, SAS Nagar, Mohali, Punjab-160062

Fortis Hospital

Arcot Road, Vadapalani, Chennai, 600026

Fortis Hospital

A Block, Shalimar Bagh, Near Kela Godown, New Delhi-110088

Fortis-Escorts Hospital

2nd Floor, Coronation Hospital, Curzon Road, Dehradun – 248001

(xix) Shareholders Communication –Address for correspondence

The Company understands the significance of two-way communication with the shareholders. The Company's website is constantly updated with the latest disclosures/information as the shareholders may require from time to time. In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, Annual Report, Quarterly/Annual financial results along with the applicable policies of the Company. The Company's official press releases and presentations made to the institutional investors and analysts are also available on the Company's website (www.fortishealthcare.com).

For Share transfer/ dematerialization of shares/ payment of dividend and any other query relating to shares, the shareholders may contact at the below address:

M/s. KFIN Technologies Private Limited
 Karvy Selenium, Tower B,
 Plot No. 31 & 32, Financial District,
 Nanakramguda, Serilingampally Mandal
 Hyderabad-500032
 Phone No. - +91 40 6716 2222
 Fax No. - +91 40 23420814
 E-mail: einward.ris@kfintech.com

For Investor Assistance

The Company Secretary,
 Fortis Healthcare Limited
 Sector-62, Phase-VIII, SAS Nagar, Mohali, Punjab-160062
 Telephone No.: 0172-5096001 Fax No.: 0172 5096221
 Email: secretarial@fortishealthcare.com
 Website: www.fortishealthcare.com

(xx) Details of Credit Ratings

List of all credit ratings obtained by the the Company and its subsidiaries along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad is as given below:

Entity	Credit Rating Agency	Type of Rating	Rating as on March 31,2020	Changes in Rating		
				Apr-19	Sep-19	Mar-20
Fortis Healthcare Limited	ICRA	Long Term- Fund Based Limits	ICRA A-	-	ICRA BBB+	ICRA A-
Fortis Healthcare Limited	ICRA	Long Term - Term Loans	ICRA A-	-	ICRA BBB+	ICRA A-
Fortis Healthcare Limited	ICRA	Short Term- Non Fund Based Limits	Withdrawn	-	ICRA A2	ICRA A1
Fortis Healthcare Limited	ICRA	Long Term- Non Convertible Debentures	Withdrawn	-	-	-
Fortis Healthcare Limited	ICRA	Short Term- Commercial Papers	Withdrawn	-	-	-
Fortis Healthcare Limited	CARE	Long Term - Term Loans	Withdrawn	CARE BBB-	-	-
Fortis Healthcare Limited	CARE	Short Term- Fund Based	Withdrawn	CARE A3	-	-
Fortis Healthcare Limited	CRISIL	Long Term/Short Term- Fund Based Limits	CRISIL A	-	-	CRISIL A
Fortis Healthcare Limited	CRISIL	Long Term/Short Term- Non Fund Based Limits	CRISIL A1	-	-	CRISIL A1
Fortis Hospitals Limited	ICRA	Long Term- Fund Based Limits	ICRA A-	-	ICRA BBB+	ICRA A-
Fortis Hospitals Limited	ICRA	Long Term - Term Loans	ICRA A-	-	ICRA BBB+	ICRA A-
Fortis Hospitals Limited	ICRA	Short Term- Non Fund Based Limits	Withdrawn	-	ICRA A2	ICRA A1
Fortis Hospitals Limited	CRISIL	Long Term/Short Term- Fund Based Limits	CRISIL A	-	-	CRISIL A
Fortis Hospitals Limited	CRISIL	Long Term/Short Term- Non Fund Based Limits	CRISIL A1	-	-	CRISIL A1
Escorts Heart Institute and Research Centre Limited	ICRA	Long Term- Fund Based Limits	Withdrawn	-	ICRA BBB+	ICRA BBB+
Escorts Heart Institute and Research Centre Limited	ICRA	Long Term - Term Loans	Withdrawn	-	ICRA BBB+	ICRA BBB+
Escorts Heart Institute and Research Centre Limited	ICRA	Short Term- Non Fund Based Limits	Withdrawn	-	ICRA A2	ICRA A2

Entity	Credit Rating Agency	Type of Rating	Rating as on March 31,2020	Changes in Rating		
				Apr-19	Sep-19	Mar-20
Escorts Heart Institute and Research Centre Limited	CARE	Long Term - Term Loans	Withdrawn	CARE BBB-	-	-
Escorts Heart Institute and Research Centre Limited	CARE	Short Term- Fund Based	Withdrawn	CARE A3	-	-
International Hospital Limited	CRISIL	Long Term/Short Term- Fund Based Limits	CRISIL A	-	-	CRISIL A
International Hospital Limited	CRISIL	Long Term/Short Term- Non Fund Based Limits	CRISIL A1	-	-	CRISIL A1
Hiranandani Healthcare Private Limited	ICRA	Long Term- Fund Based Limits	Withdrawn	-	ICRA BBB+	-
Hiranandani Healthcare Private Limited	ICRA	Long Term - Term Loans	Withdrawn	-	ICRA BBB+	-
Hiranandani Healthcare Private Limited	ICRA	Short Term- Non Fund Based Limits	Withdrawn	-	ICRA A2	-

Note: Please note all the ratings are under Credit Watch.

(xxi) Details of Utilization of funds raised through preferential allotment

The details of utilisation of funds raised through preferential allotment forms part of Notes to Financial Statement which forms part of this Annual Report.

(xxii) Certificate from Practicing Company Secretary

The Company is in receipt of a certificate from M/s. Mukesh Agarwal & Co., Practicing Company Secretaries confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

(xxiii) Payments to statutory auditors

Particulars of total fees for all services paid by the listed entity and its subsidiaries (including indirect taxes), on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:-

Particulars	(₹ in Lacs)
	Amount*
Statutory Audit	431.93
Tax Audit	31.28
Limited Reviews	190.12
Other services & Certifications	81.04
Reimbursement of expenses	62.26
Total	796.63

*On accrual basis

(xxiv) Disclosure(s) in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in the Board's Report.

(xxv) It is confirmed that there was no instance during Financial Year 2019-20 when the Board had not accepted any recommendation of any committee of the Board.

13. MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance i.e. Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations except elsewhere mentioned in this report.

M/s. Sanjay Grover & Associates, Practicing Company Secretaries has audited the compliances of Corporate Governance and after being satisfied on the same, issued a certificate on compliance to the Company, which forms part of this report.

14. DISCRETIONARY REQUIREMENT UNDER PART E TO SCHEDULE II TO THE LISTING REGULATIONS

A. Separate posts of Chairman and CEO

The Company has appointed separate persons to the post of Chairman and Managing Director/CEO, as and when applicable.

B. Reporting of Internal Auditor

The Head- Risk and Internal Audit reports directly to the Audit and Risk Management Committee.

C. Modified Opinion(s) in Audit Report

The Company endeavours to move towards a regime of financial statements with unmodified audit opinion.

15. GO GREEN INITIATIVE

(a) The shareholders having shares in physical form are requested to register their e-mail ids with us or our RTA, at the address given in this report, to enable us to serve any document, notice, communication, annual report, etc. through e-mail.

(b) The shareholders holding shares in Demat form are requested to register their e-mail id with their respective Depository Participant for the above purpose.

Declaration as required under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Fortis Code of Conduct for the Financial Year ended March 31, 2020.

For & on behalf of Board of Directors

Date: June 17, 2020

Place: Gurugram

Sd/-
Dr. Ashutosh Raghuvanshi
Managing Director & CEO

CERTIFICATE

[As per Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**To
The Members
Audit & Risk Management Committee/Board of Directors
Fortis Healthcare Limited**

Dear Sir(s)/ Madam(s),

We, Dr. Ashutosh Raghuvanshi, Managing Director & Chief Executive Officer and Vivek Kumar Goyal, Chief Financial Officer of the Company, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, other no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee that:
 - (1) There have been no significant changes in internal control over financial reporting during the year under review;
 - (2) There have been no significant changes in accounting policies during the year except to the extent already disclosed in the notes to the financial statement(s); and
 - (3) There are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Fortis Healthcare Limited

Sd/-
Vivek Kumar Goyal
Chief Financial Officer

Sd/-
Dr. Ashutosh Raghuvanshi
Managing Director & CEO

Place : Gurugram
Date : June 15, 2020

CORPORATE GOVERNANCE CERTIFICATE

To
The Members
Fortis Healthcare Limited

We have examined the compliance of conditions of Corporate Governance by **Fortis Healthcare Limited** ("the Company"), for the financial year ended March 31, 2020, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations except that *the Company has not appointed Independent Director on the Board of Directors of its two unlisted material subsidiaries i.e. Fortis Hospotels Limited and International Hospital Limited, as required under Regulation 24(1) of Listing Regulations.*

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Date : June 17, 2020
Place : New Delhi

Kapil Dev Taneja
Partner
CP No.: 22944
UDIN: F004019B000357460

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L85110PB1996PLC045933
2.	Name of the Company	Fortis Healthcare Limited
3.	Registered Address	Fortis Hospital, Sector 62, Phase VIII, Mohali-160062, Punjab
4.	Website	www.fortishealthcare.com
5.	E-mail id	secretarial@fortishealthcare.com
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Healthcare
8.	List three Key products/services that the Company manufactures/provides (as in balance sheet)	IPD, OPD, Medical & Clinical Services
9.	Total number of locations where business activity is undertaken by the Company and its subsidiaries:	Healthcare Services through 31 locations Diagnostic Services through approx. 415 labs, and 1450 collection centers.
	(a) Number of International Locations (provide details of major five).	The Company operates 2 Heart Command Centers in Bangladesh. The Company through its subsidiaries has minority stake in The Lanka Hospitals Corporation Plc, Sri Lanka. The Company through its step sown subsidiaries / joint ventures operates diagnostic labs in Nepal (2), Dubai (1) and Kabul (1).
	(b) Number of National Locations	Healthcare Services – 28 locations Diagnostic Services - ~1,840 locations (includes labs and collection centers)
10.	Markets served by the Company – Local/State/ National/International	Primary National

SECTION B. FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars	Details
1.	Paid up Capital	7,549,549,480
2.	Total Turnover (₹ in Lakhs)	70,184.59
3.	Total profit after taxes (₹ in Lakhs)	49,831.73
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	37.53*
5.	List of activities in which expenditure in 4 above has been incurred	

For details on CSR Programmes, please refer to Annexure on CSR which also forms part of Annual Report.

* being 2% of Average net profits of the Company under section 198 of the Companies Act, 2013 for last three financial years

SECTION C. OTHER DETAILS

S. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? if yes, then indicate the number of such subsidiary company(s)	Yes. The details of number of subsidiaries forms part of the Directors Report.
3.	Do any other entity/entities (e.g suppliers, distributors etc.) that the company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company does not mandate its suppliers/ distributors to participate in the Company's Business Responsibility ("BR") initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business.

SECTION D. BR INFORMATION

S. No.	Particular	Details		
1.	Details of Director/Directors responsible for BR	The Board of Directors and the Management are collectively responsible for implementation of BR policies.		
	(a)	Details of the Board of Directors / Director responsible for implementation of the BR policy/policies		
		DIN Number	Name	Designation
	1.	00067073	Ravi Rajagopal	Chairman- Independent Director
	2.	00106054	Suvalaxmi Chakraborty	Independent Director
	3.	01365405	Indrajit Banerjee	Independent Director
	4.	08033111	Heng Joo Joe Sim	Non-Executive Director
	5.	01880497	Low Soon Teck*	Non-Executive Director
	6.	08515101	Dr. Chi Keon Kelvin Loh	Non-Executive Director
	7.	08646785	Farid Bin Mohamed Sani	Non-Executive Director
	8.	06556481	Shirish Moreshwar Apte	Vice Chairman-Non-Executive Director
	9.	02775637	Dr. Ashutosh Raghuvanshi	Managing Director & CEO
	10.	02148022	Dilip Kadambi**	Non-Executive Director
		*Resigned w.e.f. June 4, 2020		
		**Appointed w.e.f. June 4, 2020		
	(b)	Details of the BR head		
	1.	DIN Number (if applicable)	02775637	
	2.	Name	Dr. Ashutosh Raghuvanshi	
	3.	Designation	Managing Director & CEO	
	4.	Telephone Number	0124-4921021	
	5.	E-mail id	secretarial@fortishealthcare.com	

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. Do you have a policy/policies for ...	Y	**Y	Y	Y	Y	Y	N	Y	N
2. Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	-
3. Does the policy conform to any national/ international standards? If yes specify in 50 words	Y*	Y	Y*	Y*	Y*	Y*	-	Y	-
4. Has the policy being approved by the Board? If yes, has it been signed by MD/OWNER/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	-
5. Does the company have a specified committee of the Board/ Directors/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	-
6. Indicate the link for the policy to be viewed online?	https://www.fortishealthcare.com/investors - Corporate Governance/ Policies/Codes/ Code of Conduct	http://www.myfortishealthcare.com/Intranet/ StartIntranet.aspx?returnUrl=&GoToUrl=#x	https://www.fortishealthcare.com/investors - Corporate Governance/ Policies/ Codes/ Policy for prevention, prohibition and redressal of sexual harassment	https://www.fortishealthcare.com/investors - Corporate Governance/ Policies/Codes/ Corporate Social Responsibility policy	https://www.fortishealthcare.com/investors - Corporate Governance/ Policies/Codes/ Code of Conduct	http://www.myfortishealthcare.com/Intranet/ StartIntranet.aspx?returnUrl=&GoToUrl=#	-	https://www.fortishealthcare.com/investors - Corporate Governance/ Policies/Codes/ Code of Conduct	-
7. Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	-
8. Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	-	Y	-
9. Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	N	Y	Y	Y	N	-	Y	-
10. Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	-	Y	-

* Please refer respective Code / Policy for relevant details

**Governed by our Internal Standard Operating Procedures

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles		✓				✓			
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)							Note 1	Note 2	Note 3

Note 1: The Company does not have a specific Policy as such, however, the Company from Healthcare Industry perspective adheres to specific protocols which are consistent with its principles and core elements, while influencing trade chambers or associations. The Company is in the process of formalising these principles and would form a definitive policy in due course of time.

Note 2 - While FHL does not have any policy around community connect activities however the Company do have guidelines and frameworks around the same. The guidelines help the units understand the way the activities have to be carried across various communities while the framework helps them choose the kind of activities they want to do, the partners they would like to work with, the teams responsible at the unit to carry out the activity etc.

Note 3 – While regular branding and marketing activities are carried out by the marketing team at the hospital, regions and the support office, there has been no need to create a policy around the same. The marketing activities are also governed by a set of guideline and framework created with the inputs from all stakeholders. These guidelines and framework govern almost all activities that fall under the branding and marketing umbrella like media buying, Campaign creation, digital marketing to name a few.

3.	Governance related to BR	
(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than one year.	Annually
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes and it forms part of annual report. The same is hosted on the website of the Company at www.fortishealthcare.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1:

Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes

i. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others? No

The **Consequence Management Policy** is applicable to all fulltime employees of Fortis Healthcare Limited and its subsidiaries and / or entities under its direct or indirect control. Also we have a guiding framework called the Code of Conduct to which each employee should adhere to. The Consequence Management Policy is an internal policy document and is hosted on Company Intranet.

Additionally, Whistleblower policy of Audit and Risk function also covers aspects of the above principle in greater details.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

180 employees have been terminated under “Disciplinary/Misconduct/Integrity” and these complaints have been resolved with appropriate action taken and hence no complaint remains pending as on March 31, 2020.

Principle 2:

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Fortis through its various enterprise level initiatives fosters to build sustainable environment for a healthy lifestyle and promotes measurement of healthcare system performance.

Since 2010 all Hospitals that have been commissioned by Fortis are Green certified facilities. As enterprise mandate, all new Greenfield Projects of Fortis shall be certified Green Hospitals. Fortis is committed to minimize the effect of its business activities on the Environment and use Sustainable Design practices for all its new Projects. This helps to reduce Carbon Foot Prints as most of the materials used will adhere to Green Building norms.

Process for award of Contracts. Fortis follows a transparent standard operating process for tendering and award of Contracts. The whole process is conducted by competitive bidding process which is based on ethical practices and professionalism.

Risk Management. Fortis follows a transparent risk management policy for forecasting and mitigating the potential risks. There is always an endeavor to introduce latest technologies which would help in reducing carbon foot prints. Risk identification and mitigation, and Patient Safety are an integral part of accreditations like NABH and JCI; Fortis is one of the most accredited healthcare organizations of the country with more than 100 accreditations to its credit.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Healthcare is a long term business that maps profitability with public good. For this to be sustainable, there is a need to constantly rebalance the imperatives of growth and self-improvement. Fortis understands that being compliant with quality & audit systems, and an emphasis on academics, research & training are the benchmarks for being socially & environmentally responsible.

Following key initiatives from Fortis have had a huge impact socially:

- a) **More to Give Campaign:** As the leading healthcare service provider in India, Fortis decided to take up the cause of organ donation in an effort to positively impact the well-being of the nation. Fortis has

been able to create one of the largest organ donation pledge repositories in the country. A total of 25k individual participated in the on-ground events during the campaign. A total of 98 cadaver donations have happened across the Fortis Network since Jan 2012. These donations have resulted in 260 plus organs being harvested & transplanted (including 26 hearts, 78 livers & 147 kidneys)*. Across the Fortis network, 11 out of 18 transplanting hospitals have seen at least one cadaver donation take place.

- b) **Clean Air Initiative:** To create awareness around clean air, Fortis has reached out to a million individuals via 30 plus social media posts in FY 19. Additionally, Fortis has distributed masks to 10000 individuals. On the occasion of World Asthma day, a free Pulmonary Function Test was organized for over 1000 individuals, across multiple PVR cinemas in Delhi-NCR.
- c) **Fortis School Mental Health Program:** Under the National Mental Health program around 707 school workshops were conducted and more than 5000 students from 300+ schools completed their Summer Internships. The 24*7 stress helpline received close to 100 calls per day, with as many as 300-400 calls during the exam period. In Psych-ED (national psychology quiz), 800 schools participated from 299+ cities. Through all these initiative taken by the Fortis Mental Health team, over 10 Lac lives were touched.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.)

A. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain

- a) As part of design standard, for all new upcoming projects, Fortis is providing hot water generation system with solar panels and heat pumps as secondary source
- b) Fortis has entered into a 10-year Power Purchase Agreement (PPA) for utilizing wind power at Malar and Mulund.
- c) Fortis continues to explore avenues to employ renewable source of energy like Solar power & wind power.

B. Reduction during usage by consumers (energy, water) has been achieved since the previous year

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

Reduction in Specific Energy Consumption has been achieved over previous year (Refer table below):

Sr.	Hospital	Units consumed (kWH) in Lacs	
		Year 18-19 (A)	Year 19-20 (B)
1	Noida	53.71	52.23
2	Shalimar Bagh	50.57	51.85
3	Mulund	62.69	62.15
4	Mohali	57.94	55.91
5	BG Road	68.72	71.18
6	Vasant Kunj	37.67	35.25
7	Nagarbhavi	6.48	6.70
8	CG Road	19.13	19.74
9	Jaipur	51.99	50.26
10	Anandpur	54.10	56.37
11	Kalyan	8.96	8.85

Sr.	Hospital	Units consumed (kWH) in Lacs	
		Year 18-19 (A)	Year 19-20 (B)
12	Okhla Road	93.83	91.55
13	Rajaji Nagar	4.39	4.11
14	Vashi	29.25	29.97
15	Adyar	31.82	30.60
16	Amritsar	37.68	37.68
17	Gurgaon	104.56	98.19
18	Ludhiana	35.14	32.36
	Total	808.63	794.95

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Yes. Sustainable sourcing is the key focus area for Fortis and is built around ethical and environmental sourcing principles to mitigate sourcing risks, stronger supplier relationships for trustworthy business conduct. To ensure the medical efficacy of goods, suppliers are asked to adhere to the guidelines as defined in Drugs and Cosmetics Act, 1947 including GMP for every manufacturer supplier. Most of the products are procured through local distribution channels of suppliers to reduce risk involved in transport and reduction in carbon footprint. Suppliers are asked to commit to Non-Conflict of Interest and are encouraged to raise ethical concerns if any while dealing with Fortis management at any level. Employees dealing with suppliers are covered through Fortis employee code of conduct.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

To ensure effective and efficient healthcare delivery, we need to ensure the availability of quality product and services in our hospitals. Without compromising on quality, many pharma and medical consumables are sourced from local suppliers as well. The specifications, basis both international and Indian standards, as approved by our esteemed doctors and committees are defined to ensure quality product is procured and patient safety is ensured. Local suppliers develop these products which are assessed on Quality, Safety, Delivery and Morals by respective stakeholders and feedback is provided for further improvements, if required. This helps suppliers to produce quality products and develop robust supply chain so as to compete with established suppliers. Similar process is also followed while procuring non-medical goods and services from local suppliers. Periodic suppliers meeting and reviews are conducted to drive continuous improvement in quality of goods and services.

5. Does the company have a mechanism to recycle products and waste

Bio Medical Waste / Solid Waste Management:

Fortis has a documented SOP for biomedical waste management in place which provides guidelines to ensure correct sorting, labeling, handling, storage, transporting and disposal of solid and liquid waste and, thus, prevention of infection and contamination of personnel and equipment. Accordingly, all the hazardous waste viz. mercury, residuals from wastewater treatment, etc. and general health care wastes are sent to the authorised central municipal, biomedical and hazardous waste treatment facilities as stipulated by local regulations. Fortis also verifies the chain of custody documentation for the authorised waste management contractors (which will be as per individual hospital requirements) from time to time.

Fortis also employs paper recycling practice across all its units.

- i. **If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

Bio Medical waste is handed over to a Government approved vendor as specified under Bio Medical Waste Management Rules, 2016. The Company has aligned its Bio Medical Waste SOP as per the regulatory norms.

Principle 3:

Businesses should promote the wellbeing of all employees

1. **Please indicate the total number of employees:** Total number of employees including subsidiaries as on March 31, 2019 was 15582.
2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 6409 employees were hired on a contractual basis
3. **Please indicate the number of permanent women employees:** Total number of permanent women employees as on March 31, 2020 was 8548.
4. **Please indicate the number of permanent employees with disabilities:** None- On the basis of self-declaration
5. **Do you have an employee association that is recognized by management?** Yes
6. **What percentage of your permanent employees is members of this recognised employee association?** 0.7% (109 employees are in Union as on March 31, 2020).

*(All Escorts Union Faridabad – 25, Malar Hospital Union – 84) , SL Raheja Mumbai is an O&M and has additional 260 employees in Unionized cadre.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.** During the Financial Year 2019-20, FHL and its subsidiaries received 21 complaints on sexual harassment. 17 complaints have been resolved with appropriate action taken and 4 complaint remains pending as on March 31, 2020. No child labour, forced labour, involuntary labour reported in the Financial Year 2019-20.
8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**
 - Permanent Employees
 - Permanent Women Employees
 - Casual/Temporary/Contractual Employees
 - Employees with Disabilities

- In the Financial Year 2019-20, over 10,00,000 hours were invested in professional & personal capability development of clinician & non clinician employees (including women & employees with disability) across FHL, this includes organisation wide leadership development (7376+ hours), functional capability development (8,32,000+ hours), service capability development (77761+ hours), New employee induction (64000+ hours). Leveraging multi-modal training methodologies, an average of 80 hour/employee/year were delivered across the network. Amongst the new initiatives –Nursing Supervisory Solution , Young Nurse Leaders Training program were rolled out for our Nursing cadre along with Nursing Leadership Program to enhance Operational Excellence, People Management, Technical & Business Orientation skills & capabilities of nursing leaders. Understanding Healthcare Finances was launched to enhance healthcare financial acumen of Medical Administrators. A comprehensive e-learning curriculum helped widen & deepen learning across

the organisation providing just in time, learner led learnings on medical domain, patient safety, patient rights & responsibilities, communication skills amongst other topics. Our contractual workers form the backbone of our service delivery nearly 40,000 training hours were invested in their functional & behavioral skill enhancement. Additionally, health & safety trainings were imparted to all categories of employees across FHL. Regular trainings on disaster management, fire safety, radiation safety, waste management, HAZMAT (Hazardous Material), laboratory safety, employee safety i.e. 75,000 plus training hours of safety/environment related training modules.

Principle 4:

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders?

Yes, these details are available in respect of shareholders/investors, vendors, bankers, employees (full time employees and those on contract), contractors, business partners, patients

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Disadvantaged, vulnerable, marginalized and BPL patients are tracked and served as per company policy

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof:

Yes, these are governed either under the Government regulations (for BPL category) or else under the Company's CSR programmes.

Principle 5:

Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The policy is applicable to Fortis Healthcare Limited and its subsidiaries. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'Fortis Code of Conduct', adopted by the Company. All employees are sensitized to human rights as part of their orientation programme.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaint or concern with respect to violation of human rights.

Principle 6:

Business should respect, protect, and make efforts to restore the environment

The Company respects, protects and makes efforts to restore the environment. For instance, all emissions/waste generated at various Fortis hospitals are within permissible limits. These are continuously monitored, reviewed internally and reported to the CPCB/SPCB as per the requirement.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Fortis' environmental, health and safety (EHS) policies and standard operating procedures at Group level is applicable to all the business units/subsidiaries.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, Fortis is committed to continuous energy consumption monitoring, system efficiency enhancement and identification of opportunities for energy optimisation.

Some of the key design elements incorporated in Fortis Hospitals are:

- Admission of natural day light through building design to reduce HVAC energy consumption.
- Optimisation of boilers to improve efficiency and reduce fuel oil consumption.
- Building Management System (BMS) has been installed for efficient monitoring and modulations of HVAC, lighting & electrical operations.
- Provide hermetically sealed stainless steel doors for OTs to plug air leakage.
- Streamlining of Sewerage Treatment Plant (STP) and Irrigation System for effective utilisation of wastewater, resulting in water conservation.
- High speed diesel (HSD) fuel savings by running only one boiler thereby providing condensate storage in a tank and using hot water back in washers.
- Entered into a 10-year Power Purchase Agreement (PPA) for utilising wind power at Malar and Mulund.

3. Does the company identify and assess potential environmental risks?

Yes, Company has in place elaborate Environmental & Social Assessment policies.

All Fortis units strictly adhere to established SOPs and protocols for

- Bio-medical waste management
- Waste water management
- Environmental risk assurance
- Collection and safe disposal of unused drugs
- Waste disposal policies for Hazardous waste, Radiation waste, E-waste etc.
- Personnel protection equipment policy for staff who handles waste

A comprehensive and thorough assessment is undertaken for potential new projects (acquisition or Greenfield development) covering legal, business, technical and E&S aspects. Fortis is 100% compliant in obtaining mandatory environmental clearances, Consent to establish and Consent to operate before commissioning new Hospitals.

Fortis applies for Environmental Impact Assessment (EIA) clearance for all Greenfield projects. Design and development are done strictly in accordance with requirements defined by the National Building Code of India 2016 (NBC) – as well as company’s corporate policies - such as Green Building certification and Sustainable construction material usage.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Fortis has partnered with Smart Joules Private Limited at Fortis Hospital Noida, to implement an energy

efficient Building management system to eliminate energy wastage and observe an actual reduction in energy bills. Their technology platform DeJoule leverages a combination of its self-designed IoT (Internet of Things) infrastructure and robust algorithms for a paradigm shift from 'thumb rule'-based and human-centric operational practices to automatic and continuous data-based optimisation.

Following actions have been taken to reduce energy consumption:

1. Optimization of AHUs (VFDs automation)
2. Automation by installing Timer Control for AHUs, Timer on Exhaust Fans, Timers for parking/ street lighting
3. Replacement of non-LED Lights
4. Chiller Plant Optimization
5. Reducing Building Heat Load
6. Repair of VFD of Hydra pneumatic tank
7. Monitoring, targeting and automation
8. Heat Recovery in CSSD from Steamer Condensate (for pre-heating of water)
9. VFD on CT FANs from Primary pumps
10. Automatic tube cleaning system & Chemical dosing for Condenser
11. Replacing raw water pump with a new efficient pump
12. Replacing HW Boilers with a new Water to water Heat Pump
13. Replacement of 224 Tr Chiller with a best in class highly efficient new Chiller
14. Two new Chilled Water Pumps (Primary & secondary) and two new condenser pumps

Fortis, at an enterprise level has mandated protocol to identify learnings from aforesaid Pilot project and implement in other units to become a trendsetter in Healthcare segment for energy optimization practices.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. All emissions/waste generated at various Fortis hospitals are within permissible limits. These are continuously monitored, reviewed internally and reported to the CPCB/SPCB as per the requirement.

7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7:

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association?

Yes, the Company is member of several Industry associations.

2. If Yes, Name only those major ones that your business deals with

Some of the major ones include the Healthcare Federation of India, CII and FICCI

3. Have you advocated / lobbied through above associations for the advancement or improvement of public good?

Yes

If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

We have advocated, through the Industry associations, for improvement in the areas of Healthcare reforms and public healthcare arena.

Principle 8:

Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives / projects in pursuit of the policy related to Principle 8? If yes details there of:

- a. We advocate public private partnerships to deliver larger social good; and currently operate 2 PPPs.
- b. We subscribe to Sustainable development in all our hospital projects.
- c. Our CSR programmes are focused towards Sustainable Development Goals (SDG) on 'Good health and Wellbeing'

2. Are the programmes / projects undertaken through in-house team? Largely by In-House teams.

3. Have you done any impact assessment of your initiative? We measure the outcome and impact of our work.

4. What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?

The community connect activities carried out last year (FY 19-20) approx. 3120 community connect activities were conducted. The nature of activities are as follows:

- Maintaining parks and public spaces around the hospital.
- School outreach activities under the aegis of School Mental Health Program.
- Health talks and health camps in RWAs, Jogger's parks, malls, markets and corporates.
- BLS trainings and blood donation camps

The amount of spent would be close to ₹ 68 lacs.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? If yes, please explain

The adoption of these programs is ensured through active engagement of community volunteers / RWAs. The community connect team / representative at the hospital ensures that engagement activities such as health talks, health camps are regularly carried out in the community. Further, the community volunteers and RWA office bearers are also invited for various trainings such as BLS trainings as well as taking inputs for creation and launch of CRM programs like the Fortis Neighbourhood program and Fortis Seniors First program.

Principle 9:

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

On a daily basis, Fortis serves patients through its network of hospitals. Patients' complaints are redressed through trained patient service coordinators and counsellors. They are escalated as may be necessary to Departmental Heads, Medical Superintendents, Facility Directors depending on their gravity and the exigencies of the situation. Most of them end up being resolved amicably resulting in many satisfied patients that bring goodwill. Fortis has Medical Grievance Committee at each Hospital which carefully studies complaints and takes prompt corrective action as may be required. In exceptional and rare instances the aggrieved seek available legal recourse, wherein Fortis represent and defend the case through legal department and often utilize the services of specific domain legal experts to stand for what we believe is correct, in the best interest of the Company and our stakeholders. As on March 31 2020, 306 consumer cases were pending in various courts/forums and during FY 2019-20, 71 consumer cases were disposed of.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Not Applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof:

Not Applicable

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company has conducted a consumer perception survey covering 112 qualitative and 1044 quantitative sessions. The sample primarily comprised of Fortis and competition OPD and IPD patients along with Fortis, trade and competition doctors. The research outcomes have been tabled in front of the Board in September & November 2019. The broad highlights of the Brand study are as follows –

1. Fortis as a brand stands for some key strengths which continue to be a part of its identity:
 - a. The brand has a good standing in terms of its aura and overall presence: large brand, multiple specialties, visible and present in multiple locations, good ambience and treatment quality
 - b. This allows it to be placed and clustered at the top end of the spectrum in any market that it operates in: is not seen as an inferior brand in any market
 - c. Especially amongst patient community, there is no significant impact of past events in terms of brand erosion.
2. At the same time, there are potential watch-outs and threats which the brand and business need to take cognizance of
 - a. As the consumer/patient becomes more and more evaluative and critical; the brand's differentiating edge is likely to be diffused.
 - b. Given the premium cluster in which the brand operates, if the brand does not have a strong functional hook; can be seen as low value for money going forward

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

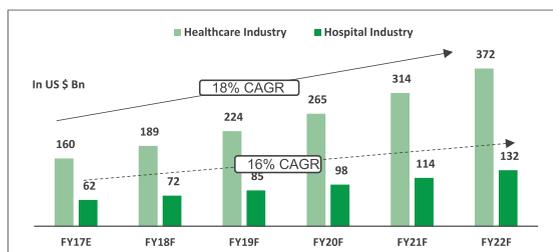
SECTION I

(A) Overview of The Indian Healthcare Industry

Healthcare is one of India's largest sectors (Source: IBEF.org) both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, pharmaceutical, clinical trials, telemedicine, medical tourism, health insurance and diagnostics. The Indian healthcare delivery system is categorised into two major components - public and private. The Government, i.e. public healthcare system comprises limited secondary and tertiary care institutions in key cities and provides basic healthcare through primary healthcare centres (PHCs) in rural areas. The private sector provides majority of secondary, tertiary and quaternary care institutions with a major concentration in metros, tier I and tier II cities.

The overall Indian healthcare sector is expected to record a three-fold rise, at a CAGR of 18% during 2017-2022 to reach US\$372 billion in 2022 from US\$ 160 billion in 2017 (Source: IBEF.org). India's hospital industry stood at US\$ 62 billion in FY17 and is expected to grow at a CAGR of 16% to reach US\$ 132 billion by FY22.

Size of the Indian Healthcare and Hospital Industry



Source: IBEF, Frost and Sullivan, LSI Financial Services, Deloitte, TechSci Research

India's overall healthcare spend as a % of GDP stood at 3.6% in 2018 with the private healthcare

sector spending 2.2% of this. The government's expenditure on the health sector has grown to 1.4% in FY18 from 1.2% in FY14 with a plan to increase public health spending to 2.5% of the country's GDP by 2025. To put in perspective, some of the other developing countries such as China, Turkey, Mexico, Colombia and South Africa have an overall healthcare spend as a % to GDP in the range of 4% to 8%, highlighting the need for the government to provide a higher budgetary allocation to the sector (Source: Statista.com).

The Indian Healthcare Industry continues to be characterised by strong growth drivers of our country such as rising income levels, ageing population, growing health awareness and changing attitude towards preventive healthcare; we believe these are compelling reasons for the increase in healthcare services demand in the future. The COVID- 19 pandemic is expected to further accelerate this demand for healthcare services. In addition, low cost and better value driven outcomes has resulted in the rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research. Additionally, India's favourable investment environment encouraging FDI, tax benefits, favourable government policies coupled with promising growth prospects have helped the industry attract private equity, venture capitals and foreign players. The healthcare sector attracted Foreign Direct Investment (FDI) worth US\$ 6.6 billion between April 2000 and December 2019, according to data released by the Department for Promotion of Industry and Internal Trade (DPIIT). The interest and investments in the healthcare sector amplify the opportunity for private sector players to play a major role in providing high quality healthcare services and increasing healthcare accessibility.

(i) Evolving Healthcare Models

The Indian healthcare delivery and services landscape has evolved significantly over the last few decades with majority of the growth and advancement in India's healthcare industry driven by private players. With the creation of a vibrant private sector in the urban areas becoming the predominant provider of care for the community, the state of healthcare in rural areas where a majority of the population resides has become a challenge. Coupled with this the burden of healthcare cost has started to become unaffordable for the masses in both urban and rural areas.

The above becomes more apparent in light of the COVID-19 pandemic that the world continues to witness. The pandemic in its aftermath should expectedly force a re-think on India's medical preparedness and push for higher budget allocations in all segments of healthcare in order to become more self-reliant to serve the country's large population. This temporary aberration will also lead to short to medium term disruptions in some growth drivers of the industry while at the same time also provide more opportunities for growth as demand for healthcare services and infrastructure will take higher precedence than before. Development of a robust primary and preventive care model that allows higher accessibility and better affordability to the masses would become a key area of focus that the health system should address.

Reinventing better and efficient hospital care model: We believe that the private sector will continue to be the mainstay of hospital care in India. For private providers, it is imperative to understand that given the nature of healthcare as a sector, the economics of the business will always lend itself to the highest scrutiny and hence will continue to be subjected to regulatory pressures and challenges. At the same time it is also important to recognise that the business of healthcare with investments by

various stakeholders should earn reasonable profit and there will be a cost to deliver quality healthcare and fulfil the experienced needs of different segments. Hence, models and methods for best possible efficiencies, one's that focus on primary care, wellness and value driven health outcomes are increasingly becoming essential to provide universal health coverage. This can be ably supported by the advancement in technology in products, information and communication, that has the potential to transform access and "point of care" capabilities and consequently the quality of care at the last mile. Initiatives like tele-medicine, tele and video consults, E-ICU and the like utilize IT and communication systems effectively to ensure increased accessibility and quality standards of care to the country's population.

(ii) Government Initiatives

To promote the Indian healthcare Sector and to provide healthcare access to population of the country at large, the Government of India has rolled out some policies and taken some major initiatives.

- The Pradhan Mantri Jan Arogya Yojana (PMJAY) has enrolled around 125.7 million families as beneficiaries (data as of July 2019) with the scheme covering almost 16000 public and private hospitals.
- The Union Cabinet approved setting up of National Nutrition Mission (NNM) with a three-year budget of ₹ 9,046 crore (US\$ 1.29 billion) to monitor, supervise, fix targets and guide the nutrition (for children, pregnant women and lactating mothers) related interventions across ministries.
- The Government of India approved the continuation of National Health Mission (NHM) with a budget of ₹ 31,745 crore (US\$ 4.40 billion) under the Union Budget 2019-20. The NHM aims for attainment of universal access to equitable, affordable and quality health care

services, accountable and responsive to people's needs.

- Drug Controller General of India (DCGI) has proposed to setup a single window system for start-ups and innovators seeking approvals, consents, and information regarding regulatory requirement.
- The Ayushman Bharat programme seeks to transform nearly 1,50,000 subcentres and primary health centres as health and wellness centres by 2022 to provide primary care. It also aims to cover upto ₹ 0.5 million per family per year for hospitalisation for over 100 million families.

(iii) Key Growth Drivers

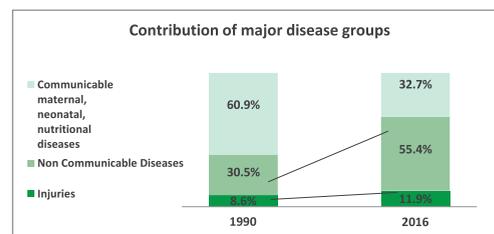
Demand for healthcare services in India is expected to remain robust in the foreseeable future. The current Covid – 19 crisis will also see the need for healthcare services as being one of paramount importance in terms of coverage, preparedness and accessibility, providing a further impetus to growth and longer-term opportunity in the sector. Some of the key factors that are expected to continue to drive demand for healthcare services are stated below:

- **Favorable demographics of India** - India is on the right side of demographic transition with one of the youngest populations in an aging world. In 2020, the median age in India would be just 28, compared to 37 in China and the US, 45 in Western Europe, and 49 in Japan.
- **Increasing per capita income of India** - According to the annual national income and GDP 2019-20 data released by the Ministry of Statistics and Programme Implementation (MoSPI), the per-capita net national income during 2019-20 grew 6.8% over FY 18-19 to ₹ 1,35,050. This would lead to a higher demand for healthcare services primarily led by households that have a spending capacity. This factor will also see an aberration of sorts in the next one to two years as the economic

impact of the covid pandemic will take time to normalise but at the same time it would expectedly lead to healthcare becoming a priority spend for many relative to the pre-Covid scenario.

- **Transition in disease profile of India's population** - India is currently undergoing major epidemiological transition with the noncommunicable disease (NCD) burden increasing to 55% of the total disease burden in 2016, up from 30% in 1990. The rising incidence of NCDs and increasing health awareness, precautionary treatments and preventive care are likely to result in higher healthcare spend.

Contribution of major disease groups



Source: NSSO 71st round Key Indicators of Social Consumption in India: Health, Jan-June 2014, NSSO 60th round Morbidity, Health Care and the Condition of the Aged, Jan.-June 2004, India: Health of the Nation's States 2017, EY analysis

- **Medical Tourism to continue to witness traction** - Medical tourism industry is expected to be US\$ 9 billion in 2020 with a growth rate of 18% (Source: IBEF Org , Ministry of Tourism). The Country's advanced facilities and skilled doctors providing value driven outcomes makes India a preferred destination for medical tourism. Along with the above, the Government has also enabled relatively easier Visa rules with respect to e-tourist visa's and e-medical visa's to ease the travel process and duration of stay.

Medical tourism has been one of the key areas of significant disruption in the current crisis for the country and will perhaps take the longest to recover. As the situation stabilizes and healthcare spending on infrastructure and providing broad scale access to healthcare to citizens of one's

own country takes precedence, the medical tourism opportunity in the country may have to be re-calibrated so as to ensure that it remains an attractive value proposition for medical tourists looking to India for their healthcare needs.

- **Increasing Insurance Coverage to make healthcare more accessible** - In the private healthcare space, it is estimated that approximately 50% of the revenue is generated through cash i.e. from self-paying patients while 20-30% of the revenue is being generated through insurance i.e. third party administrators. Approximately 48 crore people in India have access to health insurance cover (Penetration level of ~36%). Over the last decade or so with an increase in penetration, the contribution to healthcare revenue from insurance has been on the rise. With the Covid pandemic, it would be expected that this would further accelerate and continue to cover a relatively larger section of the population.

In the organized sector, it is estimated that 27%-28% of Educated Urban Mass and above is covered by health insurance. Given the relatively low penetration of health insurance in India, a fast-growing private insurance market has the capacity to support higher utilization of private healthcare facilities. Gross direct premium income underwritten by health insurance grew 17% y-o-y to ₹ 32,683 Crore (US\$ 4.68 billion) in FY20 (up to November 2019) (Source: IBEF.org).

(B) Indian Diagnostic Industry

The Indian diagnostics industry is estimated at USD 6 billion and is growing at a rate of 13-14% per annum. The industry is highly fragmented with approximately 1 lakh labs in the country and the largest of the organised players has a market share of less than 5%. The industry plays a critical role with respect to entire health care spectrum, be it for diagnosis, prevention, monitoring or treatment. Approximately 70% of medical decisions across the globe are based on laboratory results.

The industry has evolved over the years from being just an investigation provider to a solution provider. The value chain in this industry today has three core components – clinical, retail and logistics. With regard to the clinical component, the industry has matured and today offers a wide array of tests (approximate 4,500). With respect to the retail component, large labs have successfully opened collection centres across the country, including in the most backward districts, to enable them to serve the remotest populations. Finally, with regard to the logistics component, companies have developed a mechanism to regularly collect and take samples from these areas to their labs (located kilometres away), ensuring quick turnarounds and no contamination.

A closer look at the growth numbers indicates that the industry has been witnessing growth which is driven by volumes and case-mix change. However, the price points of tests have not increased over the years as indexed to inflation. Prices have mostly remained flat or at best increased by 5–10% in the last 5 years, while the consumer price index (CPI) price inflation has grown by around 30%. This in large part is due to the competition and price pressures in the pathology segment which accounts for a major portion of overall tests in the industry. This metrics also highlights the need for diagnostic players to focus and increase their presence in higher value diagnostics as pertaining to specialized and chronic lifestyle diseases and tests such as advanced genome based predictive tests.

The country has witnessed improvement in test quality over the years with more automation and more sophisticated tests being performed. The industry is increasingly opting for accreditation and deploys some of the best standards like CAP accreditation, NABL and ISO certification.

Currently, approximately 2% of labs in the country are NABL accredited with majority of these labs being associated with hospitals or regional/national diagnostics chains. However, the number of accredited labs is increasing rapidly and the number of those with NABL accreditation has increased from ~980 in 2012 to over 2,500

currently. As consumer awareness increases, many more laboratories in the country are expected to opt for accreditation bringing standardization in testing and quality parameters in order to improve patient trust and confidence.

There are multiple growth drivers that are contributing to the higher growth of this industry compared to the overall growth of the healthcare market including but not limited to factors such as shift in disease profile, ageing population, shift towards evidence based treatment and increasing awareness levels.

Regulation and standardization are the two important aspect of the diagnostics industry that needs to be addressed in the coming years. This is primarily due to presence of mid-sized and small individual labs across the country who hold an estimated 85% of the market share. However, in most markets across the globe, the industry is dominated by large organised laboratory chains. Bringing in standardization and regulations to govern lab functioning will not only ensure a healthier and consequently more productive population but also remove low standard, low quality and unreliable diagnostic labs from the market.

(C) Global Economy being impacted due to Covid-19

The COVID-19 pandemic has disrupted global supply chains and international trade. With over 200 countries closing national borders during April & May 2020, the movement of people and tourism flows have come to a halt.

According to United Nations (UN), it is being estimated that the global economy could shrink by up to 1% in 2020 due to the pandemic, a reversal from the previous forecast of 2.5% growth. The Global economy may contract even further if restrictions on the economic activities are extended without adequate fiscal responses.

- **COVID-19 – Impact on India and the economy**

India announced a nationwide lockdown on Mar 24, 2020 to control the spread of Covid

– 19 and began easing lockdown restrictions after a month and a half in the beginning of May.

The effect of the state-wide lockdowns/ curfews and the national level lockdown has been a closure of all commercial and private establishments and suspension of all transportation services (save and except transportation involving movement of essential goods and services).

Most multilateral agencies and credit rating agencies have revised their 2020 and 2021 growth projections for India keeping in view the negative impact of coronavirus-induced travel restrictions, supply chain disruptions, subdued consumption and investment levels on the growth of both global and the Indian economy. The International Monetary Fund (IMF) reduced its FY21 growth projection for India to 1.9% from 5.8% projected in January 2020.

(D) Outlook of Healthcare Sector

In the short to medium term, the Covid-19 crisis, its ongoing impact and its aftermath will be the central focus for the entire healthcare industry. The healthcare community is at the forefront in the battle against this pandemic and has come together to ensure that whatever is possible to ensure patient safety as well the safety of the healthcare workforce is being done. At the same time across the medical and healthcare value chain, all organizations are involved in some form or manner to help in managing this unmitigated disaster. While short term challenges will remain, the current crisis has also led to a recognition that the industry both public and private needs to work closely together to become more self-reliant during such times and hence the need for a collaborative – partnership approach and a larger allocation of resources for healthcare services development.

The Covid-19 pandemic would result in the focus of healthcare shifting from curative care to preventive care with change in hygiene and social etiquettes. Even the way healthcare delivery was

being provided will witness a significant transition going forward and technology will be used to its full potential. For example, primary care could transition towards telemedicine where in OPD / doctor consultation would happen through phone chat, video chat or through interactive apps. Home healthcare services would also gain prominence given the current environment. The hospitals will have to take various precautionary measures for all the inpatients and attendants against communicable diseases which may have serious repercussions on the hospital staff as well as other patients. Therefore, there would be opportunities for improvement and betterment of the healthcare segment in the country.

The private sector will continue to be the mainstay in terms of catering to the urban and semi-rural population. However, the current pandemic is expected to witness temporary aberrations in operational performance of the private sector prompting them to look at ways and means to ensure the short-term sustainability of the business. At the same time, given the new realities in the emerging post Covid environment; there would be a renewed focus of private players to innovate and re-look at the various aspects of the business in terms technology, digitization, existing business models, patient servicing and clinician engagement that may act as differentiators and enablers for a robust longer term roadmap for business performance. Companies such as Fortis Healthcare are well positioned to leverage this opportunity and are taking significant strides in capitalizing and leveraging their clinical strengths, medical expertise and geographical presence to provide patients with high quality advanced medical treatments and a superlative patient experience.

SECTION II

(A) THE COMPANY

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India providing secondary, tertiary and quaternary care. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates its healthcare delivery and diagnostic

services in India, Dubai, Nepal and Sri Lanka with 36 healthcare facilities (including projects under development), over 4,000 operational beds and over 415 diagnostics centres.

In India, the Company's majority owned subsidiary SRL Limited is amongst the largest private healthcare chains. It has a presence in over 600 cities and towns, with an established strength of 415 laboratories, 8,200 direct clients and 1,400 Collection Centers. SRL reached out to over 50,000+ doctors and diagnosed approximately 12.7 million specimens in FY 2019-20.

(i) BUSINESS STRATEGY

FY 2019-20 witnessed the Company embarking on a new strategic direction with "An aspiration to be the most trusted healthcare organization in the country". The new Board and management team have undertaken a number of transformative initiatives to re-establish and rebuild the Company with a focus on the fundamental building blocks of patient centricity and robust clinical outcomes. The Company in the previous year undertook a comprehensive review of its portfolio with an objective of driving higher synergies through deepening presence in key markets. It also identified select non-core assets and started the process for their divestment with an aim to strengthen liquidity and re-invest in the business. The Company re-initiated its capital expenditure program which was at a standstill due to liquidity constraints in the previous years. This was a key imperative that allowed the Company to expand its clinical programs, invest in high end technologies and medical equipment and refurbish existing facilities. As part of the cost transformation program aimed at driving higher margins, several key initiatives were implemented including streamlining operations, reducing corporate office cost, optimizing headcount to enhance manpower productivity, lowering procurement costs in Supply Chain and IT, evaluating models from outsourced to inhouse for radiology and thorough review of all outsourcing contracts.

Going forward, the hospital business growth will be driven by focus on key geographies where we have a strong presence – NCR, Mumbai, Bengaluru and Kolkata highlighting the emphasis on a cluster based approach. We will continue to comprehensively evaluate and assess our portfolio of all the hospitals, while taking following actions

- Nurturing and investing in high-performing facilities;
- Transformation and turn-around of the under-performing but high potential facilities; and
- Exploring options to exit non-performing and low potential facilities.

On Clinical side, we will consolidate our existing position in specialties such as Cardiac Sciences and Orthopedics, while focusing on high growth specialties such as Oncology, Neurosciences, Gastro Sciences and Renal to improve margins. Over the next 5 years, we plan to expand our capacity to more than 5,000 beds by commissioning more than 1,300 new beds in our existing facilities to leverage economies of scale – majority of addition will happen in our facilities in Noida (NCR), BG Road (Bengaluru), Shalimar Bagh (NCR), FMRI (NCR) and Mohali (Punjab).

Key strategic levers that will help Fortis drive profitable growth include:

- Focus on clinical excellence, adding new clinical programs and monitoring clinical outcomes
- Building patient trust and transparency through bundling of services and transparent pricing
- Improving operational efficiencies by ensuring robust systems and processes are in place
- Driving cost transformation initiatives across different functions
- Enhancing manpower productivity through deployment of an agile,

lean and de-centralized organization structure

- Strengthening technology systems with focus on digitization, business intelligence and new HIS roll out

(ii) DIGITAL TRANSFORMATION

The Company is progressing towards one integrated platform across all hospitals vis-à-vis the present diverse legacy systems, aimed at creating a singular view of a patient irrespective of which Fortis Hospital the patient visits.

The Company has made substantial progress in adoption of technology to ease the patient journey from the first touch point which is searching for a credible and reputed healthcare provider to the actual footfall/visit in the Company's hospitals. The MyFortis App allows the consumers to book their appointments, get doctor details, schedule a health check among other things. Our App revenue grew by 127% over last year and it contributes nearly 25% to the total digital revenue.

With adoption of MarTech stack we are improving lifetime value of patients through constant engagement at various life-stages by offering relevant healthcare solutions and information that helps them stay healthy. With a cloud telephony solution, it's easier to track all digitally generated calls, primarily from website click-to-calls, GMB listings, and search campaign call extensions. We are able to quantify the number of calls received through online sources/channels, listen to every call recording to improve the quality of conversations, track missed calls and make sure the hospital is accessible and available to its patient's base.

As a part of the initiative, the Company also launched an AI Digital Covid-19 screener on the bot framework. The solution uses artificial intelligence to create a Digital Covid screener which acts as a rapid, accurate tool for helping individuals assess their risk of Covid-19. It is an

interactive online tool which determines the risk factor of an individuals based on multiple factors and then guides them on the next line of management. Information provided by the screener follows the approved MoHFW guidelines.

Continuity of care and patient safety measures during Covid 19: Fortis rolled out online consultations for patients in 23 hospitals across its network. The Company witnessed significant traction in its doctor consultations with both tele-consults as well as video consult services running successfully and seeing an encouraging response from patients. Patients at the entrance of our hospital in Bengaluru undergo a thermal screening by Robots to mitigate the risk to healthcare workers and to keep the hospital environment COVID-safe

(iii) KEY BUSINESS DEVELOPMENTS

- During the year, the management focused on various initiatives to achieve efficiency and enhance operational performance of the company.
 - o Realigned organizational structure and created clusters compared to regional structure earlier to create direct working relationships between Corporate and SBU units
 - o Optimizing number of cost elements both at the hospitals and at the corporate office. These initiatives included personnel costs comprising medical and non-medical manpower costs including looking to optimize the doctor engagement models at Fortis.
 - o In addition, the management focused on cost efficiencies in procurement costs including re-negotiation of business contracts to cover various aspects such as housekeeping, F&B, sales and marketing, general and administration and outsourced processes.
- o Focused on improving cost efficiencies and further rationalization for improved Lab optimization and higher productivity in the diagnostics business
- For the medium and long-term growth of the company, the Company also focused on enhancing the medical offerings and also on the refurbishment of its network hospitals. During the year, the committed capital expenditure stood at ₹ 280 Cr with ₹ 188 Cr on routine capex which included ₹ 110 Cr for medical equipment. ₹ 92 Cr was committed for growth capex for BG Road, Bengaluru, Arcot Road, Chennai and Noida Liver Transplant Block and certain other facilities which was pending for last few years due to capital constraints.
- During the year, the company changed its outlook towards certain non-core facilities and made an exit from few of them viz. the company discontinued its operations from Bikaner, Udiapur and Aashlok facilities.

As a part of its non-core asset divestment program, in May 2019, Fortis Healthcare International Limited, a wholly owned subsidiary of Fortis Healthcare limited, sold its entire 28.89% equity stake in MSCL, Mauritius to CIEL Healthcare Limited at a per share price of MUR 2.39 translating into a cash consideration of MUR 393.6 Million (approx. ₹ 78 Cr).

The company will continue to rationalise its network and investments in the ensuing years. Sustainable Profitability and margins rather than size and scale would be the driving force for the Company from both a strategic and operational perspective.

(iv) MEDICAL STRATEGY & OPERATIONS

As an organization, it has been our constant resolve to adopt a patient centric approach in all aspects of healthcare service delivery and ensure that our systems-based approach is continuously monitored, evaluated and improved upon, enabling greater transparency and clinical success.

1. Clinical Governance

A robust clinical Governance framework with a number of new initiatives were implemented to enable greater clinician participation in decision making on matters related to quality of patient care services and their safety. The objective of this initiative is to improve upon clinical outcomes by promoting Evidence Based Medicine, sharing of Best practices and following a process-based approach.

The framework entails collaborative working and streamlined information exchange between hospital committees, central committees and specialty councils, all led by senior clinicians working in tandem. Issues related to clinical governance and risk management which are not resolved at unit level flow in through various central committees to the apex body, the Fortis Medical Council (FMC) for resolution and to obtain policy directives. The FMC comprises of senior and eminent clinicians, the MD & CEO and senior administrators as members. This council deliberates on policy matters impacting the organization.

This year, the Company introduced the concept of Specialty Councils within the clinical governance framework. Through these councils, we will be able to realize the full potential of our clinical expertise as our highly respected clinicians come together and share evidence based best clinical practices. To begin with specialty councils have been established for 14 key specialties including Cardiac Sciences, Renal Sciences, Gastroenterology, Oncology, Neurology and Robotics.

In response to the COVID-19 pandemic, Fortis established the COVID-19 Command Centre and released first of the central advisories as early as January 23, 2020. Management of COVID-19 was the immediate priority and as a means to contain the spread of infection, Fortis was amongst the first organizations to establish Flu Clinics at its hospitals by January 2020.

In order to further enhance the safety of our staff and patients, we are exploring the possibility of limiting human interactions and contain spread of infection by deploying Robots at our hospitals. Possible areas of implementation include screening of patients, delivering food and medications and sanitizing isolation wards among others.

a) Quality and Patient Safety

Patient safety continues to remain the cornerstone of high-quality health care. Patient safety and infection control practices are key performance indicators in the Fortis network of hospitals. Continuous monitoring of quality indicators and proactive interventions have led to reductions in hospital-acquired infections, thereby improving quality and patient safety standards.

i. Clinical Excellence Scorecard (CESC)

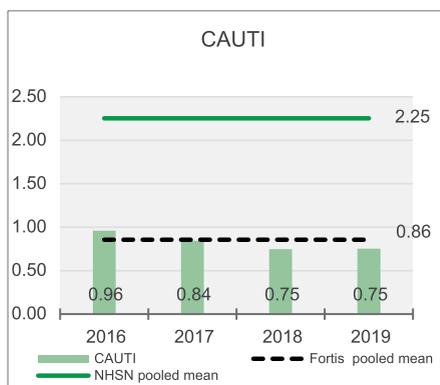
Fortis has been tracking Quality and Patient safety parameters across its network hospitals since 2013 through centrally designed Clinical Excellence Scorecard (CESC). Subsequently, as the process evolved, focus expanded to process analysis and identification of critical factors impacting quality and patient safety.

Over the past 3 years, our reporting has expanded to 22 hospitals and as a natural progression, a need was felt to evaluate our standards against established benchmarks. However, in the absence of national benchmarks, Fortis decided to determine its own

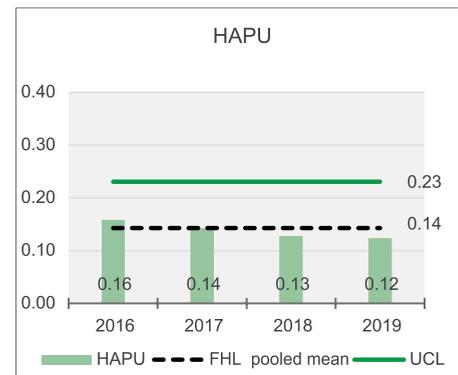
Internal Benchmarks. We continue to evaluate our infection control outcomes and measures against International standards, namely, US based National Healthcare Safety Network (NHSN). Due to continuous monitoring and stringent controls, data suggests, Fortis Healthcare is able to perform better than NHSN standards.

CDC's NHSN is one of the most widely used healthcare-associated infection (HAI) tracking system to identify problem areas, measure progress of prevention efforts, and ultimately eliminate healthcare-associated infections. NHSN now serves over approximately 25,000 medical facilities tracking HAIs.

Fortis hospitals continue to perform well against the indicators, reiterating the high level of patient care standards. As a result of rigorous data collection over years, Fortis has been able to create Internal Benchmarks for 14 key CESC parameters some of which include the Catheter Associated Urinary Tract Infection (CAUTI), Ventilator Associated Pneumonia (VAP), Venous Thromboembolism (VTE), Sharps Injury (Needle Stick Injury), Patient Falls, Hospital Associated Pressure Ulcers (HAPU) and Central Line Associated Bloodstream Infection (CLABSI).



Graph indicates lower CAUTI rates at Fortis Healthcare as compared to NHSN standards (external benchmarks)



Graph indicates lower HAPU rates at Fortis Healthcare as compared to Upper Control Limit (internal benchmarks)

ii. Antimicrobial Stewardship (AMS)

Antimicrobial resistance has been identified as a global emergency. The inappropriate prescription and use of antimicrobials increases the potential for resistance. Fortis is running a coordinated AMS program to address the increasing challenge of antimicrobial resistance. Key initiatives include:

- o Antibiograms (an overall profile of antimicrobial susceptibility to antibiotics) are prepared for each hospital and shared with clinicians for their reference, encouraging them towards rational use of antimicrobials.
- o Annual review of Unit antibiotic policy
- o Monitor and evaluate use of restricted antibiotics and ensure their use justification
- o Compliance to surgical prophylaxis ensuring appropriate choice of antibiotics and adherence to timing/ type/ dose.

iii. Drug Resistance Index (DRI)

The DRI is a single, composite measure or index, reflecting the relationship between drug resistance trend and

antimicrobial usage practice. As a monitoring tool, the Drug Resistance Index (DRI) can assess the effectiveness of the Antimicrobial Stewardship (AMS) program. For the past five years, Fortis has been calculating its own Drug Resistance Index using it as a monitoring

and analysis tool for antimicrobial usage in Fortis hospitals.

iv. Accreditation and Certifications:

The below table shows the number of various accreditations across the Fortis Network.

JCI	NABH HCO/SHCO	NABH Entry Level	NABH Blood Bank	NABH Emergency	NABH Nursing Excellence	NABL	Green OT	Pharmacy Certification by Abbott	Total
4	19	3	10	1	20	15	8	10	90

b) Clinical Outcomes

These are the globally agreed upon, evidence based measurable indicators for changes in health or quality of life resulting from patient care with respect to a specific disease or procedure. By tracking, measuring and evaluating such outcomes, we are able to promote transparency and informed decision making by patients.

We were among the first private healthcare service delivery chains to measure and report outcomes for various clinical procedures. As part of the steering committee at International Consortium for Health Outcomes Monitoring (ICHOM) for designing the Coronary Artery Disease (CAD) Standard Set, Fortis has been instrumental in promoting the evidence-based medicine.

Since 2016, Fortis has partnered with Vital Health (an ICHOM Certified Software Provider) for the use of Quest Manager™ software to ensure complete compliance with respect to ICHOM norms. At present, 20 of our hospitals utilize the VitalHealth portal for reporting and tracking clinical outcomes for 11 procedures.

A Heart Failure registry has also been designed and rolled out at our Delhi NCR hospitals. Improved recording of Patient Reported Outcomes Measure (PROM) for Coronary Artery Disease patients marks a major milestone that measures patient experience along with clinical outcomes.

Website link for clinical outcomes: <http://www.fortishealthcare.com/clinical-outcomes>

c) Patient Experience

Patient responses collected both digitally and in-person, are monitored and evaluated. Any shortcomings in patient satisfaction are critically examined at hospitals for early resolution while the unresolved concerns are escalated to the highest level for remedy. The entire patient experience process now comprises of 5 levels of escalation, thereby not limiting the information within the confines of hospital and escalating unresolved matters to Senior Management in a structured and time-bound manner.

d) Fortis Operating System (FOS)

The Company's FOS assesses the efficiency of our patient facing processes, identify improvement opportunities followed by timely implementation remedial measures. Constituent metrics include turnaround time (TAT) for radiology and laboratory investigations, length of period for doctor consultations and discharge, ICU communication updates for attendants, stockouts among others. Through these self-assessments, hospitals are able to address their shortcomings through suitable interventions and resource allocation.

The FOS program underwent a thorough assessment in FY'19-20. All existing 35

parameters were extensively studied and critically reviewed. The FOS report card now comprise of 21 parameters, including 14 mandatories. The endeavor of the review exercise was to focus on process improvement in order to limit manual data collection and gradually move towards an automated/ digital process with minimum human intervention.

e) **Clinical Academics and Training**

Academics have a huge impact in terms of enhancing clinical standards and patient care. Across the Fortis network, 14 hospitals are actively participating in Academics. Currently, a total of 331 students are pursuing DNB/ FNB courses in 28 specialties. We are running 16 Non-NBE courses, with a strength of 46 students.

2. **Clinical Talent Management**

The Company's clinical governance framework enables continuous engagement with senior clinicians while they head various hospital committees, central committees and specialty councils. Succession planning for key clinicians has been instituted for continuity of care. Additionally, digital platforms such as Facebook and LinkedIn are made use of for reaching out to young clinicians and engage with them.

3. **Medical Equipment**

Advancements in medical technology have allowed healthcare practitioners to find ways to improve their practice – better prevention and diagnosis, surgical procedures, and improved patient care.

Key additions at our hospitals include:

1. *State-of-the-art, Magnetic Resonance Imaging (MRI) machines at 3 hospitals.*
2. *Computerized Tomography (CT) scan machines at 3 hospitals.*
3. *New Catheterization (Cath) labs at 5 hospitals.*
4. *Increasing ICU bed capacity at Kolkata hospital*

Post installation, the Medical Operations team continuously monitors their utilization rates to identify areas of sub-optimal performance and suggest appropriate remedy.

In line with our strategic outlook, there are plans in place to replace our Catheterization (Cath) labs at almost all the hospital locations over the next few years.

In addition to the above, over the next couple of years, the Company plans to further invest in adding and expanding medical programs at hospitals with the latest technologies some of which include LINAC, CT Simulator, PET CT, CT Scan, Neuro navigation system and neuro microscopes.

4. **Medical IT Initiatives**

a) **Blood Bank software**

A comprehensive blood bank module integrated with our Hospital Information System (OneFortis) as well as with biomedical equipment will help improve functional efficiency by reducing manual documentation, improving turnaround times, reducing redundant inventory and meeting regulatory/ compliance requirements. Phase wise launch of this software has been planned in 14 of Fortis network hospitals in FY' 20-21.

b) **Picture Archiving and Communications System (PACS)**

A central, Picture Archiving and Communications System (PACS) will enable Fortis hospitals to share imaging data across locations in real time. Additional benefits would include images being stored on a single data base with all PACS features and help leverage clinical talent across Fortis network and increase efficiency and turnaround times.

c) **CIMS drug database**

The implementation of the CIMS drug database provides a ready reference

for drug information, mapping drug allergies to prescription, flagging drug duplications and overall enhancing medication safety. It is a standard requirement for EMR and HIS systems and will help meet requirements of JCI and NABH accreditations. With integrating the database with the HIS system it will ensure rational prescription of medicines in support of the AMS program.

5. Clinical Research and Drug trials

While we continue to promote and practice evidence-based medicine, Fortis clinicians and hospitals actively participate in trial studies on new treatments and protocols.

Fortis is also participating in research initiatives with respect to the Covid-19 pandemic. Noteworthy among them are:

- Council of Scientific and Industrial Research (CSIR) led study for building a National Database of Clinical Data and support indigenous research on COVID-19.
- A Multi-center, randomized, controlled, Phase-III study to evaluate the Clinical Outcomes and Safety of Tocilizumab along with Standard of Care in Patients with Cytokine Release Syndrome associated with COVID-19 infection.
- An internal project to explore Convalescent Plasma therapy for COVID patients.

6. Nursing - Best Practices and Patient Safety:

A pilot on Preventing Medical Adhesive Related Skin Injuries (MARS) was implemented for six months at Paediatric ICU, Fortis Mulund between Jan – Jun 2019. Following Root Cause analysis, MARS Prevention bundle and structured SOP were formulated. This parameter is now included as a nursing practice outcome indicator and implemented across all nursing teams in the network.

(v) Launch of New Medical Programs and Clinical Services during the year

- **Fortis BG Road, Bengaluru** launched a State-of-the-art Cancer Institute during the year. The 200-bed institute offers comprehensive cancer care including advanced surgical oncology, robotic cancer surgery, medical oncology, radiation oncology, haemato oncology and other services.,
- **Fortis Escorts Hospital, Faridabad**, in December 2019, launched a state-of-the-art and next generation Cath Lab and a comprehensive Mother & Child Care wing.
- **Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj (FHVK), New Delhi**, in collaboration with Fresenius Medical Care India Pvt. Ltd, launched a state-of-the-art dialysis centre offering a range of advanced dialysis options including high-flux haemodialysis and online haemodiafiltration (HDF). Online HDF allows better removal of waste products from the blood, which may contribute to improved survival for patients compared with those receiving standard haemodialysis.
- **Fortis Hospital, Noida**, inaugurated a day-care wing with eight beds and will undertake all day-care procedures covered under surgical and medical specialities. It also became the first hospital in Delhi NCR to launch a Specialist Training in Emergency Medicine (STEM) in association with EduMed, which is certified by Alfred Health & Monash University, Australia.
- **Fortis Hiranandani Hospital, Vashi, Mumbai** procured the state-of-the-art Alair System, used to conduct Bronchial Thermoplasty which uses radio-frequency controlled energy to shrink the bronchial muscles, a procedure used to treat patients of severe asthma to help open their airways.

- **Fortis Hospital, Mulund, Mumbai** launched the 'National Trauma Life Support' programme, a training initiative aimed at doctors involved in Emergency Care and Acute Trauma Care, in association with the Society for Emergency Medicine India (SEMI).
- **Fortis Escorts Hospital, Okhla, New Delhi**, commissioned the department of Physiotherapy.

(vi) Update on the IHH Open Offer

Post the preferential allotment to IHH Healthcare Berhad of 31.1% equity stake for an investment consideration of ₹ 4,000 Crs in November 2018, IHH made an open offer to the public shareholders of the Company to acquire upto 26% shareholding at a price of ₹ 170 per share. The matter is currently sub-judice due to a Supreme Court order and hence the open offer stands in abeyance. The Company is making all efforts to ensure a speedy resolution to the matter. Further details are mentioned in the Directors Report under the sub-heading of 'Significant Matters during the year under review'

(B) SRL LIMITED

The diagnostic sector is growing at a healthy rate on account of an increase in lifestyle-related diseases, increased penetration of healthcare services, and greater dependency on evidence-based treatment by doctors. While the organized sector is managing only a minor portion (estimated at around 15%) of the diagnostic business – in the regional and national diagnostic chains, the diagnostic service market is moving towards consolidation providing an opportunity for large organized diagnostic chains such as SRL.

Niche technologies like deployment of AI & ML, Teleradiology, genomics, and the arrival of point of care diagnostics is also increasingly being used to increase efficiency and turn-around times. In its efforts to harness technological improvements and provide differentiated products, SRL has partnered with Microsoft in the field of Artificial Intelligence (AI) and digital pathology to assist

our expert team of histopathologists. High investment in technology, talents, and focus on esoteric tests are the new trends in the specialized segments.

On the other hand, online aggregators are squeezing the market share in terms of pricing and marketing burn. Price capping by the government on basic diagnostics services like H1N1, Dengue, Chikungunya, and COVID-19 pose a challenge. Coupled with the above, competition emerging from all sides in terms of geography, product offerings, aggressive expansion, and brand investments are all leading to a higher competitive industry.

Business Strategy

SRL's growth in the last few years, has been impacted due to an increasing competitive environment and a slower pace of expansion in both the retail network (collection centre) and institutional network (direct clients). SRL has undertaken initiatives primarily aimed to fortify its key pillars of a focussed channel strategy along with a balanced and better integrated product portfolio. SRL's revenue mix between the B2C and B2B currently is at approx. 40:60. The B2C segment primarily comprises the Lab Walk-ins, Collection Centres, Franchisee labs and Partner Doctors while the B2B segment comprises revenues from Hospital Lab management, SRL's labs in Fortis facilities, Doctors and other corporate and institutional clients. FY 2019-20 has seen the first leg of the "SRL near You" initiative, and SRL has posted a 40%+ growth in retail footprint, continuing the consumer-centric strategy. SRL added approx. 420 collection centres and ~1,100 direct clients added during the year. With this SRL as on date has 1,400 collection centres and 8,200 direct clients. The business continues to focus on growing both the B2C and the B2B segments of the business.

On the B2C side, specific plans on channel strategy going forward include expanding further the collection centre network with a performance-linked channel incentive plan along with retail activities to drive consumer

awareness and provide superior customer experience and increased accessibility. The B2B segment is expected to see further direct clients being added and plans to increase the hospital lab management agreements and business from wellness and co-marketing initiatives. SRL also plans to undertake actions in order to further build on doctor connects and relationships along with patient engagement with the objective of enhancing brand equity amongst important stakeholders and driving repeat business. In parallel, an integrated product portfolio approach to capture value from specialised diseases, lifestyle diseases and preventive checks across the spectrum of B2B and B2C segments would also be aggressively pursued.

Public-Private Partnership

SRL continues to occupy a dominant position in Public-Private Partnership (PPP) space of providing diagnostic services in states of Jharkhand, Himachal Pradesh, and holy pilgrimage site-Tirupati (started in Mar '19). In Jharkhand, SRL has assisted state government in various healthcare schemes like Mukhya Mantri Janani Sishu Swasthya Abhiyan (MMJSSA). It has provided diagnostic services to more than 2.9 lakh individuals and carried out 8.2 lakh tests of communicable and non-communicable diseases in FY 19-20 and also set up diagnostic centers in remotely located PHCs.

SRL, in the state of Himachal Pradesh, provides diagnostic services on PPP mode in 24 health institutions of state government. SRL has served approx. five million patients since inception. In the process, SRL has carried out 17.7 million routine and specialized tests in its diagnostic set ups.

Research and Development

During FY 2019-20, the primary focus of the R&D division continued in the domain of Oncology with the introduction of super-specialized tests for the diagnosis of Lymphoma – a form of hematological cancer and breast/ovarian cancer. SRL introduced tests to strengthen the test portfolio for establishing familial relation before solid organ transplantation and high-resolution

HLA typing by Next Generation Sequencing (NGS) for Bone Marrow transplantation. SRL is the first commercial lab to offer the *mtDNA* Next Generation Sequencing test for maternal lineage testing.

On the technology front, R&D operationalized the Ion Chef System, which is the next generation of workflow simplification products for our NGS systems in Mumbai. The Ion Chef System provides automation for the Non-invasive Prenatal test (NIPT), enabling the organization to offer the advanced genomic analyses at a competitive price and turnaround time in the market. During Q4 of FY 2019-20, R&D with the assistance of the Government authorities as well as with local administrative bodies in both Mumbai and Gurugram built the capability for pandemic Coronavirus 2019 testing. The facilities were operationalized in the last week of March 2020. During the financial year, R&D established an institutional level partnership with the Translational Health Science & Technology Institute (THSTI) of India for developing indigenous diagnostic assays.

Quality & Compliance

In FY 2019-20, the Quality team has worked for the continuation of all current accreditation status - NABL (38 Labs), CAP (3 Labs National/International), and NABH (1 MIS) as per their cycle of assessment. SRL also achieved NABL accreditation at two new labs (SRL Limited Raipur & Paschim Marg, New Delhi) in FY 19-20. SRL performed Internal annual quality audits of all laboratories (SRL & SRLD), Radiology, Wellness Centre (185), and Collection Centers (Nos. 1220). Follow-up and Maintenance of Accreditation cycle for laboratories, Collection Centers, Radiology Centre, and Certification of support function, i.e., ISO 27001 for IT (Goregaon & Gurgaon), ISO 9001 for R &D, RNTP (Revised National TB Control Programme), NGSP (National Glycohemoglobin Standardization Program) have also been attained.

As a new initiative, from February 2019, SRL completed 13 webinars as part of the monthly QA webinar online series for training on various

topics to update the Laboratory with the revised regulatory requirements.

SRL team was invited as consultants to assist IHH in their preparedness for their accreditation requirements for CAP (College of American Pathologists) for Parkways Lab Services, Singapore.

Sales and Marketing Initiatives

The Company continued to engage with the medical fraternity and promoted the scientific use of its repertoire of tests in diverse clinical settings. New tests like NIPS (Non-Invasive Prenatal Screening), CMA (Chromosomal Microarray), eFTS (Enhanced First Trimester Screening), High-Resolution HLA, ABPA, Biofire based tests continued to create ripples and gained recognition from clinicians. SRL conducted more than 5000 health camps, in which approximately 1.8 lac consumers/patients were screened for various lifestyle disorders. To disseminate information about new diagnostic modalities and algorithms, SRL engaged with 8,600 specialists and super-specialist doctors in 470 CMEs (Continuous Medical Education)/RTMs (Round Table Meets). New Marketing campaigns like "Plant for Transplant" received appreciation from various sections of the medical community. SRL COE for Transplant Immunology supported testing for 1800 solid organ transplants PAN India in renowned medical setups in FY 19-20.

As a part of innovation drive, 250+ business locations from 70 cities across 15 states were digitized (listed on Google Business Listing), making it easier for consumers/customers to navigate to the nearest SRL center. The year saw SRL accomplishing 2 Million+ downloads of its mobile app, highest in Diagnostics Category. This year also saw SRL mobile app and website extending its reach to now 800+ tier 2 & tier 3 cities across India.

Information Technology

To improve retail customers' experience, SRL has revamped the existing mobile app with better UI and recommendation engines based on Machine learning and data mining algorithm for suggesting

tests/packages to customers. For business clients, SRL adopted a new content delivery platform based on mobile/tablet devices. The test details can be demonstrated to doctors animatedly and conveniently, helping our sales team to strike clear conversations and steer seamlessly through the presentation (E-Detailing).

In process automation, SRL has automated various existing processes including Logistics Sample tracking application (pre-analytical sample pick up), as well as multiple other processes in Lab operation to reduce downtime and minimize human intervention.

To increase employee productivity, SRL upgraded its HR-IT platform to a new and updated product, which is mobile app-enabled. Routine features of attendance management, approvals, travels, claims, and leave management can now be managed from within the mobile app.

SRL continued to ensure that new Lab setup, instrument interfacing, and other operational work continues with an improved pace.

Training and Development

The Company's 15 days training program "Nneev" has been further strengthened with the inclusion of courses such as 'Consultative Selling Skills,' 'Effective Communication Skills' and 'Biomedical Waste Management.' In FY 2019-20, the Company clocked 3,952 Man days covering over 1,700 employees, including 6 Nneev trainings each for the Sales and Operations team. The Company also launched F.A.C.E. TOTAL (Foremost Attention to Customer Engagement) workshops for the customer-facing employees and trained 456 employees in FY 2019-20.

(C) FINANCIAL & OPERATIONAL PERFORMANCE OF THE COMPANY

For the financial year 2019-2020, the Company reported a consolidated revenue from operations of ₹ 4,632 Crore compared to ₹ 4,469 Crore reported for the financial year 2018-19. Revenue from Hospital business stood at ₹ 3,752 Crore compared to ₹ 3,527 Crore reported during the corresponding year, a growth of 6.4%. SRL Ltd,

the diagnostic business of the company, reported gross revenues of ₹ 1,016 Crore compared to ₹ 1,010 Crore in the previous financial year. Considering elimination of inter-company revenue, net revenue of SRL Ltd was at ₹ 879 Cr compared to ₹ 877 Cr in 2018-19.

Revenue (₹ Cr)	FY19	FY20	% Change
Group Revenue*	4,562	4,685	2.7%
Hospital Business	3,527	3,752	6.4%
Diagnostic Business (Gross)	1,010	1,016	0.6%
Diagnostic Business (net)	877	879	0.2%

(group revenues include other income)

The consolidated EBITDA of the company stood at ₹ 662 Crore compared to ₹ 318 Crore for the previous corresponding year. EBITDA margin of the company improved to 14.1% in FY19-20 versus 7.0% reported in FY18-19. The increase in EBITDA is on account of improving operational performance of the hospital business and also due to savings in the net service fees that company used to pay to RHT Health Trust. Hospital business EBITDA for the year 2019-20 was at ₹ 476 Cr compared to ₹ 99 Cr reported for the financial year 2018-19. EBITDA margin of the hospital business expanded from 2.8% in FY18-19 to 12.7% in FY19-20. However, the profitability of the company was

impacted in Q4 due to the Covid-19 pandemic beginning February 2020 and further increased towards end March during the lockdown.

International patient revenues for the hospital business for the year stood at ₹ 398 Crore representing 10.6% of overall hospital business revenue, compared to ₹ 394 Crore reported in the previous financial year.

The diagnostic business of the company witnessed revenues similar to the previous year with an EBITDA of ₹ 197 Cr compared to ₹ 186 Cr reported in the previous corresponding year. EBITDA margin of the diagnostic business stood at 19.4% (basis gross revenue) for the year FY2019-20 compared to 18.4% in FY18-19. The diagnostic business was similarly impacted by Covid-19 pandemic in Q4 FY20.

EBITDA* (₹ Cr)	FY19	FY20	% Change
Group EBITDA	318	662	108.4%
EBITDA Margin	7.0%	14.1%	14.1%
Hospital Business	99	476	381.6%
EBITDA Margin	2.8%	12.7%	
Diagnostic Business	186	197	6.2%
EBITDA Margin (basis gross revenue)	18.4%	19.4%	

(EBITDA includes other income and one off's / forex impact)

Key Performance Indicators (Hospitals)	FY19	FY20	Key Performance Indicators (Diagnostics)	FY19	FY20
Occupancy	67%	68%	Lab med revenue contribution	93.8%	93.3%
Average revenue per occupied bed (₹ Cr)	1.52	1.59	No of Accessions (in Mn)	12.49	12.69
Average length of stay (days)	3.39	3.23	Average real. per accession (₹)	804	796
OPD Footfalls (in Mn)	2.40	2.54	Tests performed (in Mn)	30.06	30.38
IPD Discharges	0.28	0.30	Average real. per test (₹)	334	333

Depreciation: The Company's depreciation and amortization charges for the year stood at ₹ 291.7 Cr compared to ₹ 232.9 Cr in the corresponding previous year. The increase is due to new investments into the business and also due to acquisition of Indian entities of RHT Health trust in January 2019.

Interest and Finance Charges: The interest and finance charges of the company reduced significantly to ₹ 205.1 Cr in FY19-20 compared to ₹ 336.8 Cr in FY18-19. The decline is due to reduction and replacement of high cost debt with low cost debt. The company also witnessed improvement in its Credit ratings during the year from BBB- to A, an improvement of 4 notches.

Profit Before Tax: The company's profit before exceptional items and tax for the financial year stood at ₹ 165.4 Cr compared to a loss of ₹ 252.1 Cr in FY18-19.

PATMI: The company's Profit for the year from continuing operations attributable to owners of the company stood at ₹ 57.9 Cr compared to a loss of ₹ 298.9 Cr in FY18-19. This was negatively impacted by a non-cash Deferred Tax Asset (DTA) charge in Q3 FY20 of ₹ 102 Crs. The Company, on a conservative basis, de-recognized deferred tax asset (DTA) in respect of one of its subsidiaries partially off-set due to recognition of DTA in certain other subsidiaries; both basis their respective future taxable profits. In FY20, PATMI also includes an exceptional gain of ₹ 61.8 Cr which primarily pertains to profit on sale of certain investments. For FY19, PATMI includes share in profit of associate companies amounting to ₹ 333 Cr which was on account of RHT Health Trust's profit on divestment of assets to Fortis in January 2019. It also includes exceptional loss of ₹ 222.4 Cr which primarily pertains to impairments related to the goodwill and of certain assets.

Gross debt of the company (excluding lease liabilities as per Ind AS 116) stood at ₹ 1,363 Cr as of 31 March 2020 translating to gross debt to equity ratio of 0.19 times compared to a gross debt of ₹ 1,971 Cr as of 31 March 2019 (gross debt to equity ratio of 0.28 times). The net debt of the company stood at ₹ 1,013 Crore with a net debt

to equity ratio of 0.14 times as on 31 March 2020. This compares to a net debt of ₹ 974 Crore in the previous financial year with a net debt to equity ratio of 0.14 times as on 31 March 2019.

The company's gross debt to EBITDA ratio as on 31 March 2020 stood at 2.06 times compared to 6.20 times as on 31 March 2019. Net debt to EBITDA ratio stood at 1.53 times compared to 3.06 times respectively.

(D) HUMAN RESOURCES

2019-20 was a year of consolidation for the Company. The new management had a fresh start, bringing in clarity through an integrated approach involving review and revision of policies, initiatives, programs and practices. It entailed a city-based business approach through new organization structure and standardized GAM for medical and non-medical streams.

Year of unlocking potential: To achieve scale, the new management team guided to a unified, simple and uncluttered organization structure. Faster operational decision making and more authority at the unit level were the key principles to review and bring about changes in the way we worked. More collaboration which accentuates cross-functional interactions and prompt actions, efficiency & excellence was a key ask.

As a result, we have a leaner & matrix organization, which is responsible with clear authority and functional independence while maintaining the overall strategic objective of the enterprise

Putting People First: We continued to strengthen all our communication & collaboration platforms to foster positive employee engagement. The Management Committee was reconstituted with participation by SBU heads on a rotational basis.

Talent Management: Fortis Talent Management strategy was reviewed with a five-year vision and specific focus on key pillars of talent identification, talent acquisition, talent assessment, talent engagement & development. As a first step, organization design was optimized and implemented. Fortis has further strengthened its employer brand value amongst key potential hires despite extensive M&A activity amongst

competition. Attritions levels remained at similar levels despite an overall dip in the average headcount.

Nursing: The year saw an intense focus on nursing retention by introducing various programs including a trail with “Retention bonus” basis continuity of service. The Company continues to focus on developing its nursing talent.

Enhancing Nursing capabilities has been an integral part of our Learning & Development Strategy. Amongst the new programs launched include Nursing Supervisory Solutions (NSS) a targeted intervention for enhancing Ward Administration, Clinical Nursing Administration, People Management, Patient Communication, Resource Management capabilities of Nursing in charge across Fortis. Young Nurse Leaders Training Program (YNLT) launched in partnership with the global initiative ‘Nightingale Challenge’ which inspires the next generation of nurse leaders (under 35 years) gained traction during the year. ‘Communicating Care is Delivering Care’ the Company’s flagship learning & development program for new nurses focused on imparting, skilling & reinforcing Patient-Centric Service Behaviours. Over 2100 nurses were covered as part of the initiative this year.

Climate of Learning - To further enhance the climate of learning within the organization, 342 Learning Forums were conducted with 1900 employees participating in the sessions post attending the training program. Learning Forums across Fortis provide ‘Non-formal’ space for employees to share experiences, practices, successes, failures, challenges, explore solutions post attending a learning intervention. Focus on the transfer of learning continued with 7800 on floor observations conducted on service excellence behaviours for front-facing employees.

As on March 31, 2020, the Company had a total employee base in the hospitals & the diagnostics business of 22,714 employees.

(E) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control system has been designed to commensurate with the nature of business, size

and complexity of operations and is monitored by the management to provide reasonable assurance on the achievement of objectives, effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Company has institutionalized a robust process and internal control system commensurate with its size and operations. The organizational hierarchy, role, responsibility, authority and accountability structures have been defined to provide an enabling environment for business functions and units to operate as per the designed control environment. Review and oversight procedures are designed to monitor effective adherence to design. The Company appointed a reputed independent consultant to conduct tests and checks of internal controls for its design and operating effectiveness during the year.

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and through its observations provides an input to the management to support continuous improvement program. The internal audit program is managed by an Internal Audit function directly reporting to the Audit & Risk Management Committee of the Board.

The scope and authority of the Internal Audit Function is derived from the Audit Charter approved by the Board. The Internal Audit function develops an internal audit plan to assess control design and operating effectiveness, as per the risk assessment methodology.

The Internal Audit function provides assurance to the Board and management that a system of internal control is designed and deployed to manage key business risks and is operating effectively. For the identified observations, management provides an action plan to address the process and control deficiencies noted in the internal audit reviews and action plans are monitored for compliance by the Internal Audit Function under the supervision and guidance of the Audit and Risk Management Committee.

FORWARD LOOKING STATEMENT

Except for the historical information contained herein, statements in this discussion which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy, future business plans, our growth and expansion in business, the impact of any acquisitions, our financial capabilities, technological implementation and changes, the actual growth in demand for our products and services, cash flow projections, our

exposure to market risks as well as other general risks applicable to the business or industry. The Company undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof. These discussions and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

References

- (1) FICCI_Re-engineering-Indian-Healthcare-2.0
- (2) An Assessment of India's Laboratory Diagnostic Industry – NATHEALTH
- (3) IBEF, Healthcare Update, December 2019
- (4) Goldman Sachs – India: Healthcare Services (Seeking the Specialist)
- (5) Market Research, Equity and Other Reports, Web Articles, Press & Media Reports and Others

INDEPENDENT AUDITORS' REPORT

To the Members of Fortis Healthcare Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of Fortis Healthcare Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects, if any, of the matters described in the "Basis for Qualified Opinion" paragraph of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, of its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- (i) As explained in Note 29 of the standalone financial statements, pursuant to certain events/transactions, the erstwhile Audit and Risk Management Committee (the "ARMC") of the Company carried out an independent investigation and special audits by external professional firms on matters relating to systematic lapses/override of internal controls. As a result of investigation/ special audits, the Company recorded adjustments in its books of accounts during the year ended 31 March 2018 which are explained in Note 25 and 29 of the standalone financial statements. However, the report of said investigation was subject to limitations on the information available to the external professional firms; and their qualifications and disclaimers including completeness of related party transactions which relate to or which originated prior to loss of control of erstwhile promoters/directors in the year ended 31 March 2018.

Further, as explained in Note 29 and 30 of the standalone financial statements, various regulatory authorities including Securities and Exchange Board of India ("SEBI") and Serious Fraud Investigation Office ("SFIO") are undertaking their own investigations on these matters, which are currently ongoing.

As explained in Note 29(e) of the standalone financial statements, the management has also initiated additional procedures/ enquiries, which are ongoing, of certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm. Consequently, an overall assessment of the impact of the additional procedures/ enquiries and/or investigations on the Standalone financial statements is yet to be concluded.

Also, as explained in Note 12 of the standalone financial statements, a Civil Suit claiming ₹ 25,344 lacs was filed by a third party against various entities including the Company relating to "Fortis, SRL and La-Femme" brands. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. The matter is currently sub-judice.

In view of the above, we are unable to comment on further adjustments/ disclosures which may become necessary as a result of findings arising out of the ongoing additional procedures/ enquiries/ investigations

required, if any, and outcome of civil suit on the statement including completeness/accuracy of the related party transactions which relate to or which originated prior to loss of control of erstwhile promoters/ directors in the year ended 31 March 2018, the regulatory non-compliances, if any, and the consequential impact of the above adjustments, if any, on the standalone financial statements.

- (ii) As explained in Note 32 of the standalone financial statements, during the year ended 31 March 2018, the Company concluded that it had paid amount aggregating to ₹ 2,002.39 lacs to the erstwhile Executive Chairman in excess of the amounts approved by the Central Government under Section 197 of the Companies Act, 2013 as his remuneration and other reimbursements. This is accordingly a non-compliance with the provisions of Section 197 of the Companies Act, 2013. Due to the uncertainty involved on recoverability of the said amounts, a provision for this amount has also been recorded in the year ended 31 March 2018.

The matters stated above were subject matter of qualification in our audit opinion on the standalone financial statements for the year ended 31 March 2019 also.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Standalone financial statements.

Emphasis of matter

- (i) We draw attention to Note 35 of the accompanying Standalone financial statements relating to the order dated 15 November 2019 of the Hon'ble Supreme Court, where it is stated that the Hon'ble Supreme Court has issued suo-moto contempt notice to, among others, the Company and directed its Registry to register a fresh contempt petition in regard to alleged violation of its order dated 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 Standalone financial statements.
- (ii) We draw attention to Note 36 to the Standalone financial statements, which explains that due to a significant amount of dividend received during the year from a wholly owned overseas subsidiary, the 'income from financial assets' of the Company is more than 50 per cent of the gross income for the year ended 31 March 2020. Since the Company's financial assets as at that date are also more than 50 per cent of its total assets, the Company meets the criteria for classification as a Non-Banking Financial Company (NBFC) as per press release by Reserve Bank of India (RBI) vide No. 1998-99/1269 dated 8-4-1999 as at 1 April 2020. As per the Company such dividend is non-recurring in nature and does not represent income from ordinary activities of the Company and the Company does not intend to carry on the business as a NBFC. The Company has made a representation to the RBI in this regard. The Company has not received any response from RBI in this regard till date.

Our conclusion is not modified in respect of the matters mentioned in paragraph (i) and (ii) above.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the “Basis for Qualified Opinion” paragraphs, we have determined that the following are the key audit matters:

The key audit matter	How the matter was addressed in our audit
<p>Going concern</p> <p>See note 33 to the Standalone financial statements.</p> <p>As disclosed in note 33, the financial statements of the Company have been prepared on a going concern basis. As at 31 March 2020, the current liabilities of the Company exceeded its current assets by ₹ 10,979.49 lacs. The recent pandemic and decline in business has put further pressure on its projections. The Company has prepared budget/ cash flow forecast, which involve judgement and estimation around sources of funds to meet the financial obligations and cash flow requirements over this period. Considering the above (and outcome of the pending litigations as explained below), we have identified the assessment of going concern assumption as a key audit matter.</p>	<p>Our audit procedures included:</p> <p>Assessing the cash flow requirements of the Company based on budgets and forecasts.</p> <ul style="list-style-type: none"> • Understanding what forecast expenditure is committed and what could be considered discretionary. • Considering the liquidity of existing assets on the balance sheet. • Considering the terms of the bank loan and trade finance facilities and the amount available for drawdown. • Considering potential downside scenarios and the resultant impact on available funds. • Assessed the adequacy of disclosures in the financial statements relating to uncertainties and mitigation thereof.
<p>Legal matters</p> <p>The Company is involved in several legal proceedings. In some of these cases, the Company has counter claims against the other party. Management judgement is involved in assessing the accounting for claims, and in particular considering the probability of a claim being successful. The risk related to the claims is mainly associated with the adequacy of disclosure, and the completeness of the provisions in the standalone financial statements. Accordingly, we have designated this as key audit matter.</p>	<p>Our audit procedures included, on all significant legal matters, assessment of correspondence with the Company’s legal counsel (internal and / or external) accompanied by discussions and formal confirmations from that legal counsel.</p> <p>We read the minutes of the board meetings and inspected the Company’s legal expenses.</p> <p>We also assessed whether the Company’s disclosures detailing significant legal proceedings adequately disclose the potential liabilities of the Company.</p>

The key audit matter	How the matter was addressed in our audit
<p>IND AS 116 “Leases”</p> <p>Ind AS 116 replaces the existing standard Ind AS 17 and sets out the principles for the recognition, measurement, presentation and disclosure for both lessors and lessees.</p> <p>The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application. Accordingly, the Company has not restated comparative information.</p> <p>As on April 1, 2019, the Company has recognized a right of use asset at an amount equivalent to the lease liability and consequently there is no adjustment to the opening balance of retained earnings as on 1 April, 2019. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.</p> <p>We considered the first-time implementation of Ind AS 116 as a key audit matter due to the material nature of the leases on the standalone financial statements and significance of the Company management’s judgements needed in establishing the underlying key assumptions including lease term and discount rates.</p>	<p>Through our discussions with Company’s management, we understood the process of identifying the lease contracts or contracts which contain leases.</p> <p>We inspected the contracts for identification of leases under IND AS 116.</p> <p>We obtained the Company’s quantification of ROU assets and lease liabilities and agreed the inputs used in the quantification to the lease agreement, challenged the calculations of the discount rate applied and performed computation checks.</p> <p>We also considered the adequacy of disclosures in Note 7 to the standalone financial statements.</p>
<p>Impairment of Goodwill and Investments</p> <p>The Company is required to annually test the amount of Goodwill for impairment. Investments in subsidiary companies, associates and joint ventures are tested for impairment in case an indicator of potential impairment is identified. There are inherent uncertainties involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability. Accordingly, this is one of the key judgmental areas in our audit.</p>	<p>In this area our audit procedures included testing of the Company’s budgeting procedures upon which the forecasts are based; and the principles and integrity of the Company’s discounted cashflow model. We used our valuation specialist to assist us in evaluating the assumptions and methodologies used by the Company. In particular this included those relating to the forecast revenue growth, profit margins and discount rates. We compared the Company’s assumptions to externally derived data as well as our own assessment in relation to key inputs such as projected economic growth, cost inflation and discount rates. We also performed sensitivity analysis of the key assumptions. We also assessed the adequacy of related disclosures in note 5(ii) and note 5(xxix) of standalone financial statements and sensitivities of key assumptions.</p>

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We believe that except as stated in the "Basis for Qualified Opinion" paragraphs, the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, which is subject to the effects/ possible effects of the matters described in the "Basis for Qualified Opinion" paragraphs of our Audit Report and the material weakness described in the "Basis for Qualified Opinion" paragraph in our separate Report on the Internal Financial Controls with reference to financial statements.

2. (A) As required by Section 143(3) of the Act, we report that:
- a) We have sought and, except for the matters described in the “Basis for Qualified Opinion” paragraphs above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the effects/ possible effects of the matters described in the “Basis for Qualified Opinion” paragraphs above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) Except for effects/ possible effects of the matters described in the “Basis for Qualified Opinion” paragraphs above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) The matters described in the “Basis for Qualified Opinion” paragraphs and the “Emphasis of Matter” paragraphs above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the “Basis for Qualified Opinion” paragraphs above.
 - h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (B) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the effects/ possible effects of matters described in paragraph 1 of the “Basis for Qualified Opinion” section above, the Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 11 and Note 12 to the standalone financial statements;
 - ii. Except for the effects/ possible effects of the matters described in paragraph 1 of the “Basis for Qualified opinion” section above, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sd/-
Rajesh Arora
Partner
Membership No. 076124
UDIN: 20076124AAAABC7924

Place: Gurugram
Date: 17 June 2020

Annexure A to the Independent Auditor's report on the standalone financial statements of Fortis Healthcare Limited for the year ended 31 March 2020

(Referred to in paragraph (1) under 'Report on Other Legal and Regulatory Requirements' section of our Audit Report of even date and except for the effects/possible effects of the matters described in the "Basis for Qualified Opinion" paragraphs of our Audit Report and the material weakness described in the "Basis for Qualified Opinion" in our separate Report on the Internal Financial Controls with reference to financial statements)

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, plant and equipment).
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets (i.e. property, plant and equipment) by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the books of accounts of the Company, the title deeds of immovable property are held in the name of the Company.
- (ii) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) Except for the effects/ possible effects of the matters described in paragraph 1 of the "Basis for Qualified Opinion" section, the Company has granted loans, secured or unsecured, to companies, covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been as per stipulations.
 - (c) There is no amount overdue for more than 90 days in respect of above mentioned loans.
- (iv) Except for the effects/ possible effects of the matters described in the "Basis for Qualified Opinion" paragraph, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) As per the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for activities carried out by the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records with a view to determine whether they are accurate or complete.

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Goods and Services tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

We are informed that the operations of the Company during the period did not give rise to any liability for Excise duty, Sales tax, Value added tax and Service tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Duty of customs, Goods and Services Tax, Cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

Also refer note 11(B), wherein, it is explained that on account of the uncertainty with respect to the applicability of the Hon'ble Supreme Court judgment on the provident fund matter, management has not recognized and deposited any additional provident fund amount with respect to earlier years.

- (b) According to the information and explanations given to us, the following dues of Income-tax, Value added tax and Service tax have not been deposited by the Company with the appropriate authorities on account of disputes:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates (Assessment year)	Amount Involved (Lacs)	Amount paid under protest (Lacs)
Income Tax Act, 1961	Income Tax and Interest thereon	Income Tax Appellate Tribunal, Delhi	2012-13	332.00	332.00
Income Tax Act, 1961	Income Tax and Interest thereon	Commissioner of Income Tax (Appeals)	2012-13	2,641.41	-
Income Tax Act, 1961	Income Tax and Interest thereon	Income Tax Appellate Tribunal, Delhi	2016-17 and 2017-18	1,251.00	-
Central Excise Act, 1944	Value Added Tax	Supreme Court	2010-11	1,412.35	-
Central Excise Act, 1944	Value Added Tax	Supreme Court	2011-12	2,208.82	-
Finance Tax, 1994	Service Tax and penalty	Custom Excise & Service Tax Appellate Tribunal	2008-09 to 2013-14	265.00	-
Finance Tax, 1994	Service Tax and penalty	Custom Excise & Service Tax Appellate Tribunal	2009-10 to 2013-14	294.00	-

We are informed that there are no dues in respect of Duty of Customs, Excise duty, Sales tax and Goods and Services tax as at 31 March, 2020 which have not been deposited on account of any dispute.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to banks and financial institutions and dues to debenture holders. The Company did not have any loans or borrowings from government during the year.
- (ix) Except for the effects/ possible effects of the matters described in paragraph 1 of the "Basis for Qualified Opinion" section, in our opinion and according to the information and explanations given to us, the term loans taken by the Company during the year have been applied for the purpose for which they were raised.

As informed to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).

- (x) As explained in Note 29 of the Standalone Financial Statements:
- (a) At this juncture the Board is unable to make a determination on whether a fraud has occurred on the Company in respect of the matters covered in the investigation by the external legal firm, considering the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation Report.
 - (b) Various regulatory authorities are currently undertaking their own investigation, and it is likely that they may make a determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the matters addressed in the Investigation Report.

Subject to the above, and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) According to the information and explanations given to us, and based on our examination of the records of the Company, managerial remuneration has been paid / provided by the company during the current year in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) Except for the effects/ possible effects of the matters described in paragraph 1 of the "Basis for Qualified Opinion" section of our Audit Report, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of such transactions have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- (xiv) Based on our examination of the books of account and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Also refer to Note 36 to the standalone financial statements.

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

Sd/-
Rajesh Arora
Partner
Membership No. 076124
UDIN: 20076124AAAABC7924

Place: Gurugram
Date: 17 June 2020

Annexure B to the Independent Auditor's report on the standalone financial statements of Fortis Healthcare Limited for the year ended 31 March 2020.**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013****(Referred to in paragraph (2)(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)****Qualified Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Fortis Healthcare Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, except for the effects/possible effects of the material weakness described below on the achievement of the objectives of the control criteria, to the best of our information and according to the explanations given to us, the Company has in all material respects, maintained adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

We have considered the material weakness identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended 31 March 2020 and this material weakness has, inter alia, affected our opinion on the said standalone financial statements and we have issued a qualified opinion on the said standalone financial statements.

Basis for Qualified opinion

As explained in paragraph 1 of "Basis for Qualified Opinion" section of our Audit Report on the standalone financial statements for the year ended 31 March 2020, pursuant to certain events/transactions in earlier years, the erstwhile Audit and Risk Management Committee (the "ARMC") of the Company had initiated an independent investigation by an external legal firm and special audits by professional firms on matters relating to systemic lapses and override of controls. The report has since been submitted and is subject to limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation report. The management has also initiated additional procedures/ enquiries, which are ongoing, of certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm. Consequently, an overall assessment of the impact of the additional procedures/ enquiries and/or investigations on the standalone financial Statements is yet to be concluded. Further, the investigation by different regulatory authorities in these matters is still ongoing and an overall assessment of the impact of the investigations is yet to be concluded. Pending final outcome of the regulatory investigations and additional procedures/ enquiries and/or investigations by management, completeness of identification of deficiencies cannot be ascertained.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including

adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sd/-
Rajesh Arora
Partner
Membership No. 076124
UDIN: 20076124AAAABC7924

Place: Gurugram
Date: 17 June 2020

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2020

Particulars	Notes	As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	5(i)(a)	27,282.71	14,796.18
(b) Capital work-in-progress	5(i)(b)	2,918.02	15,778.16
(c) Right-of-use assets	7(a)(i)	59,827.04	-
(d) Goodwill	5(ii)	2,721.77	2,721.77
(e) Other intangible assets	5(iii)(a)	788.63	483.37
(f) Intangible assets under development	5(iii)(b)	364.37	707.95
(g) Financial assets			
(i) Investments in associates	5(iv)	-	-
(ii) Investments in subsidiaries	5(v)	815,311.19	830,988.05
(iii) Loans	5(vii)	99,132.47	98,347.20
(iv) Other financial assets	5(viii)	115.17	512.83
(h) Deferred tax assets (net)	5(ix)	7,453.14	5,463.05
(i) Non-current tax assets (net)	5(x)	6,192.13	5,509.96
(j) Other non-current assets	5(xi)	107.32	366.87
Total non-current assets (A)		1,022,213.96	975,675.39
B. Current assets			
(a) Inventories	5(xii)	1,017.71	598.47
(b) Financial assets			
(i) Trade receivables	5(vi)	8,134.86	8,365.59
(ii) Cash and cash equivalents	5(xiii)(a)	333.73	1,213.55
(iii) Bank balances other than (ii) above	5(xiii)(b)	60.99	2,059.48
(iv) Loans	5(vii)	1,800.38	3,015.98
(v) Other financial assets	5(viii)	23,571.52	20,190.72
(c) Other current assets	5(xi)	952.76	909.53
Total current assets (B)		35,871.95	36,353.32
Total assets (A+B)		1,058,085.91	1,012,028.71
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	5(xiv)	75,495.81	75,495.49
(b) Other equity		812,151.15	760,828.46
Total equity (A)		887,646.96	836,323.95
Liabilities			
B. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	5(xvi)	62,134.77	31,972.04
(ii) Lease liabilities	7(a)(i)	59,768.38	2,687.77
(iii) Other financial liabilities	5(xvii)	289.22	-
(b) Provisions	5(xviii)	1,395.14	1,150.47
Total non-current liabilities (B)		123,587.51	35,810.28
C. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	5(xix)	8,375.57	110,098.45
(ii) Trade payables	5(xx)		
-Total outstanding dues of micro enterprises and small enterprises		1,372.91	484.83
-Total outstanding dues other than micro enterprises and small enterprises		19,835.71	19,065.33
(iii) Lease liabilities	7(a)(i)	4,367.27	115.28
(iv) Other financial liabilities	5(xvii)	9,635.54	7,039.18
(b) Provisions	5(xviii)	1,453.08	1,312.76
(c) Other current liabilities	5(xxi)	1,811.36	1,778.65
Total current liabilities (C)		46,851.44	139,894.48
Total liabilities (B+C)		170,438.95	175,704.76
Total equity and liabilities (A+B+C)		1,058,085.91	1,012,028.71
See accompanying notes forming integral part of the standalone financial statements		1-37	

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : June 17, 2020

Place : Gurugram
Date : June 17, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

		Notes	Year ended March 31, 2020 (₹ in Lacs)	Year ended March 31, 2019 (₹ in Lacs)
I	Revenue from operations	5(xxii)	70,184.56	65,649.24
II	Other income	5(xxiii)	93,834.24	52,449.17
III	Total income (I+II)		164,018.80	118,098.41
IV	Expenses			
i)	Purchase of medical consumable and drugs		15,166.73	13,071.74
ii)	Changes in inventories of medical consumable and drugs	5(xxiv)	(419.24)	96.87
iii)	Employee benefits expense	5(xxv)	15,544.10	14,952.99
iv)	Finance costs	5(xxvi)	16,016.80	19,227.27
v)	Depreciation and amortisation expense	5(xxvii)	9,681.29	2,714.27
vi)	Other expenses	5(xxviii)	33,099.00	50,070.73
	Total expenses (IV)		89,088.68	100,133.87
V	Profit before exceptional and tax item (III-IV)		74,930.12	17,964.54
VI	Exceptional items	5(xxix)	(12,862.57)	-
VII	Profit before tax (V-VI)		62,067.55	17,964.54
VIII	Tax expense	5(xxx)		
i)	Current tax		12,714.96	4,240.57
ii)	Deferred tax		(1,980.31)	1,415.59
	Total tax expense (VIII)		10,734.65	5,656.16
IX	Profit for the year (VII-VIII)		51,332.90	12,308.38
	Other comprehensive income			
i)	Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit liabilities		(22.13)	34.45
	(b) Income tax relating to items that will not be reclassified to profit or loss		9.78	(12.05)
X	Total other comprehensive income for the year (net of tax)		(12.35)	22.40
XI	Total comprehensive profit for the year (IX+X)		51,320.55	12,330.78
	Earnings per equity share of ₹ 10 each :			
i)	Basic (in ₹)	5(xxxi)	6.80	2.02
ii)	Diluted (in ₹)	5(xxxi)	6.80	2.02
See accompanying notes forming part of the standalone financial statements		1-37		

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Managing Director & Chief Executive Officer

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INDRAJIT BANERJEE

Independent Director

DIN: 01365405

Sd/-

VIVEK KUMAR GOYAL

Chief Financial Officer

Place : Gurugram

Date : June 17, 2020

Place : Gurugram

Date : June 17, 2020

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

	Notes	Year ended	Year ended
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
Cash flows from operating activities			
Profit before tax		62,067.55	17,964.54
Adjustments for:			
Exceptional items		12,862.57	-
Finance cost		16,016.80	19,227.27
Loss on sale of property, plant and equipment (net)		79.92	241.12
Allowance for doubtful trade receivables		101.39	904.83
Allowance for doubtful advances		23.91	62.27
Provision for contingencies		47.65	8.08
Depreciation and amortisation expense		9,681.29	2,714.27
Share based payment to employees (refer note 13)		-	336.66
Receivables written off		-	3.00
Provision / liability no longer required written back		(376.02)	(312.31)
Interest income		(22,412.47)	(27,473.22)
Financial guarantee income		(890.26)	(285.59)
Dividend income		(70,455.88)	(24,270.68)
Operating profit/(loss) before changes in following assets and liabilities		6,746.45	(10,879.77)
Change in operating assets and liabilities			
Decrease / (Increase) in trade receivables		129.34	(2,177.29)
(Increase) / Decrease in inventories		(419.24)	96.87
Decrease in loans, other financial assets and other assets		621.69	7,606.51
Increase in other financial liabilities, provisions, other liabilities and trade payables		4,020.55	4,384.50
Cash generated by / (used) in operations		11,098.79	(969.17)
Income taxes paid (net)		(1,106.64)	(5,156.38)
Net cash generated by / (used) in operating activities		9,992.15	(6,125.55)
Cash flows from investing activities			
Interest on non-convertible bonds		3,165.11	-
Acquisition of subsidiaries (refer note 26)		-	(465,218.36)
Purchase of property, plant and equipment and intangible asset		(2,440.50)	(593.65)
Proceeds on sale of property, plant and equipment		1,003.43	81.78
Investment in bank deposit (net)		1,998.49	-
Interest received		18,706.93	15,226.40
Loans/ advances given to subsidiaries		(28,896.28)	(61,254.19)
Loans/ advances received from subsidiaries		29,320.61	18,686.16
Dividend received*		58,145.83	24,270.68
Net cash generated by / (used in) investing activities		81,003.62	(468,801.18)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
Cash flows from financing activities (refer note 5(xv))			
Proceeds from issue of equity instruments of the Company		2.46	400,976.77
Proceeds from long-term borrowings		64,551.29	30,431.00
Proceeds from/ (Repayment of) short-term borrowing (net)		(107,000.00)	95,400.00
Repayment of long-term borrowings		(34,934.09)	(28,757.68)
Finance cost paid (including interest on lease liability ₹ 7,344.18 lacs)		(16,384.42)	(18,816.81)
Payment of lease liability		(3,387.95)	-
Net cash (used in) / generated by financing activities		(97,152.71)	479,233.28
Net increase / (decrease) in cash and cash equivalents		(6,156.94)	4,306.55
Cash and cash equivalents at the beginning of the year		(1,884.90)	(6,191.45)
Cash and cash equivalents at the end of the year	5(xiii)(a)	(8,041.84)	(1,884.90)
*Net of tax ₹ 12,310.05 lacs for the year ended March 31, 2020.			
See accompanying notes forming part of the standalone financial statements	1-37		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : June 17, 2020

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

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ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Place : Gurugram
Date : June 17, 2020

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

Particular	Notes	Equity			Other equity			(₹ in lacs)	
		Equity share capital	Securities premium*	Share options outstanding account ****	Retained earnings	Amalgamation reserve **	Other reserves General Reserve ***	Total other equity	Total
Balance at April 1, 2018	5(xiv)	51,865.72	347,745.37	2,939.99	14,461.10	156.00	5,513.99	370,816.45	422,682.17
Profit for the year		-	-	-	12,308.38	-	-	12,308.38	12,308.38
Other comprehensive income for the year (net of income tax)		-	-	-	22.40	-	-	22.40	22.40
Total comprehensive income for the year		-	-	-	12,330.78	-	-	12,330.78	12,330.78
Exercise of stock options during the year [refer note 5(xiv) and 13]		100.36	873.98	(511.20)	-	-	511.20	873.98	974.34
Issues of shares during the year [refer note 5(xiv) and 28]		23,529.41	376,470.59	-	-	-	-	376,470.59	400,000.00
Stock options lapsed/cancelled during the year (refer note 13)		-	-	(127.58)	-	-	127.58	-	-
Recognition of share-based payments expense (refer note 13)	5(xxv)	-	-	336.66	-	-	-	336.66	336.66
Balance at March 31, 2019		75,495.49	725,089.94	2,637.87	26,791.88	156.00	6,152.77	760,828.46	836,323.95
Profit for the year		-	-	-	51,332.90	-	-	51,332.90	51,332.90
Other comprehensive income for the year (net of income tax)		-	-	-	(12.35)	-	-	(12.35)	(12.35)
Total comprehensive income for the year		-	-	-	51,320.55	-	-	51,320.55	51,320.55
Exercise of stock options during the year [refer note 5(xiv) and 13]		0.32	2.14	(2.14)	-	-	2.14	2.14	2.46
Stock options lapsed/cancelled during the year (refer note 13)		-	-	(2,545.67)	-	-	2,545.67	-	-
Balance at March 31, 2020		75,495.81	725,092.08	90.06	78,112.43	156.00	8,700.58	812,151.15	887,646.96

* The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act 2013.

** Amalgamation reserve represents the unutilized accumulated surplus created at the time of amalgamation of another company with the Company. This reserve is not available for distribution of dividend and is expected to remain invested permanently.

*** This represents appropriation of profit by the Company and is available for distribution of dividend.

**** The fair value of the equity settled share based payment transactions with employees is recognised in the Standalone Statement of Profit and Loss with corresponding credit to share options outstanding account.

See accompanying notes forming part of the standalone financial statements

1-37

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Independent Director
DIN: 01365405

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Fortis Healthcare Limited (the 'Company' or 'FHL'), a public limited company, was incorporated on February 28, 1996. Its equity shares are listed on BSE Limited and National Stock Exchange of India Limited. Its registered office is located at Fortis Hospital Sector-62 Phase-VIII, Mohali 160062, Punjab and the corporate office of the Company is located at Tower A, Unitech Business Park, Block - F South City - 1, Sector-41, Gurugram 122001, Haryana.

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider. The Company is primarily engaged in the business of healthcare services. The Company holds interests in its subsidiaries, associates and joint ventures which manages and operates a network of multi-specialty hospitals and diagnostics centres.

On November 13, 2018, IHH Healthcare Berhad, Malaysia acquired 31.10% stake in the Company and appointed majority of board of directors, thereby, becoming the controlling shareholder of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements ('financial statements'). The accounting policies adopted are consistent with those of the previous financial year except for changes as described in note 4 due to amendment in applicable accounting guidance (also refer to respective policies).

(a) Basis of preparation

(i) *Statement of compliance*

These Standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, ("the Act") and other relevant provisions of the Act. All the amounts included in the financial statements are reported in lacs of Indian Rupees and are rounded to the nearest lac rounded off to two decimals, except per share data.

The financial statements have been authorized for issue by the Company's Board of Directors on June 17, 2020.

(ii) *Functional and presentation currency*

These financial statements are presented in Indian Rupees, which is also the Company's functional currency.

(iii) *Historical cost convention*

The financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- It is expected to be realised within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

(c) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(d) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

(e) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April 2015 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

(ii) Goodwill and Intangible assets

- For measurement of goodwill that arises from business combination. Subsequent measurement is at cost less any accumulated impairment losses.
- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
 - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of profit and loss as incurred.
 - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- Intangible assets that are acquired (including goodwill recognized for business combinations) are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 01 April 2015 measured as per the previous GAAP and used that carrying value as the deemed cost of the intangible assets.

(iii) Depreciation and amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management. The details of useful life are as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Plant and machinery	3-15 years	15 years
Medical equipment	2-13 years	13 years
Computers	3 years	3 years
Furniture and fittings	4-10 years	10 years
Office equipment	5 years	5 years
Vehicles	4-8 years	8 years

Freehold land is not depreciated.

Depreciation on leasehold assets is provided over the lease term or expected useful life of the asset, whichever is lower.

Goodwill is not amortized and is tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Estimated useful lives of the intangible assets are as follows:

Category of assets	Management estimate of Useful Life
Computer software	3-6 years

Depreciation and amortization on property, plant and equipment and intangible assets added/ disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

Property, plant and equipment and intangible assets are derecognised on disposal or when no future economic benefits are expected from their use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(f) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Financial instrument

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Company may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Equity investments

Equity investments in subsidiaries, jointly controlled entities and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in such entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

All other equity investments which are in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments in scope of Ind AS 109, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries are provided for no compensation by the Holding Company, the fair values are accounted for as a deemed equity contribution (under the head 'Investment in subsidiaries') in the books of Holding Company and as a part of 'Other Equity' in the books of subsidiary.

Where guarantees in relation to loans or other payables of the Holding Company are provided by subsidiary for no compensation, the fair values are accounted for as a distribution and recognised under the head 'Other Equity' in the books of subsidiary and credited to statement of profit and loss in the books of holding company.

(h) Inventories

Inventories are valued at lower of cost and net realisable value except scrap, which is valued at net estimated realisable value.

The Company uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost and other direct costs incurred. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

(j) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities and commitments are reviewed by the management at each balance sheet date.

(k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

(l) Revenue recognition

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services and also includes sale of medical and non-medical items. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Company assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Company expects to receive in exchange for those products or

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

services and is net of tax collected from customers and remitted to government authorities such as sales tax, excise duty, value added tax and applicable discounts and allowances including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognized as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

Other operating revenue comprises revenue from various ancillary revenue generating activities like operations and maintenance agreements, satellite centers, sponsorship arrangements and academic services. The revenue in respect of such arrangements is recognized as and when services are performed.

Income from 'Service Export from India Scheme' (SEIS), included in other operating revenue, is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis to the extent it is certain that economic benefits will flow to the Company.

Interest income on financial assets (including deposits with banks) is recognized using the effective interest rate method on a time proportionate basis.

Dividend income from investments is recognised in statement of profit and loss on the date that the right to receive payment is established.

(m) Employee benefits*Short-term employee benefits*

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) **Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

b) Superannuation

Certain employees of the Company are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Company to the plan during the year is charged to statement of profit and loss.

c) Provident fund

The Company makes contribution to the recognised provident fund - " Fortis Healthcare Limited Provident Fund Trust " for most of its employees in India, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

The Company's contribution to the provident fund is charged to statement of profit and loss.

Other long-term employee benefits:

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans and other long-term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurement gains and losses on other long-term benefits are recognised in the statement of profit and loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Past service cost is recognised as an expense in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the statement of profit and loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(n) Share-based payments

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Company is recognized as an employee expense, and those granted to employees of subsidiaries is considered as the Company's equity contribution and is added to the carrying value of investment in the respective subsidiaries, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share-based payment transaction is presented as a separate component in equity under "share option outstanding account". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of share-based payment reserve is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

(o) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. General and specific borrowing costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(p) Income tax

Income tax comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, associates or joint arrangements, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(q) Leases

Effective April 1, 2019, the Company has applied Ind AS 116 using modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in note 4 below.

Policy applicable from April 1, 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

This policy is applicable to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Policy applicable before April 1, 2019

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfillment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(i) As a lessee

The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

Under Ind AS 17

In the comparative period, a lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(ii) As a lessor

The Company accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Assets subject to operating leases

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

are included in Property, Plant and Equipment. Rental income on operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight-line basis over the lease term.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

(r) Foreign currency translation

The Company has adopted Appendix B, "Foreign currency transactions and advance consideration" to Ind AS 21, "the effects of changes in foreign exchange rates" effective from 1 April 2018 prospectively to all assets, expenses and income in the scope of the said Appendix. The adoption of the above Standard/ Appendix does not have any significant impact on the financial position or performance of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(t) Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be.

The Company is primarily engaged in the business of healthcare services which is the only reportable business segment.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(u) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit/ (loss) attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

3. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these financial statements is included in the following notes.

- Leasing arrangement (classification and accounting) – Note 7
- Financial instruments - Note 15
- Fair value measurement – Note 16
- Estimated impairment of financial assets and non-financial assets – Note 5(xxix)
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 11 & 12
- Recognition and estimation of tax expense including deferred tax– Note 5(xxx) and 5(ix)
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(e)(iii)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 14
- Share-based payments – Note 13

4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company initially applied Ind AS 116 Leases from 1 April 2019. A number of other new amendments to standards are also effective from 1 April 2019 but they do not have a material effect on the Company's financial statements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The Company applied Ind AS 116 using the modified retrospective approach. Accordingly, the comparative information presented for March 31, 2019 is not restated - i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

A. Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under Ind AS 17. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in 2(q).

B. As a lessee

As a lessee, the Company leases many assets including property (land and buildings), medical equipment and office equipment. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognizes right-of-use assets and lease liabilities for most of these leases - i.e. these leases are on-balance sheet. At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

However, for leases of land and building the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

i. Leases classified as operating leases under IAS 17

Previously, the Company classified few property leases (land and buildings) as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17. In particular, the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

ii. Leases classified as finance leases under Ind AS 17

The Company leases a number of lands and buildings. These leases were classified as finance leases under Ind AS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 April 2019 were determined at the carrying amount of the lease asset and lease liability under Ind AS 17 immediately before that date.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Impact on financial statements

On transition to Ind AS 116, the Company recognised right-of-use assets with corresponding lease liabilities.

When measuring lease liabilities for leases that were classified as operating lease, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 11% per annum.

Particulars	1 April 2019 (in ₹ Lacs)
Operating lease commitments at 31 March 2019 as disclosed under Ind AS 17 in the Company's financial statements	87,742.73
Discounted using incremental borrowing rate at 1 April 2019	58,816.05
Lease liabilities recognised from contracts previously not classified as operating lease in the year ended 31 March, 2019	624.20
Extension options reasonably certain to be exercised	5,280.31
Finance lease liabilities recognised at 31 March 2019	2,803.04
Recognition exemption for leases of low value assets	-
Recognition exemption for leases with less than 12 months of lease term at transition	-
Lease liabilities recognised at 1 April 2019	67,523.60

Right to use recognised as at April 01, 2019

Particulars	Amount (in ₹ Lacs)
ROU recognised on transition to Ind AS 116 as at 1 April 2019	64,720.56
Amount reclassified from prepaid to right to use assets	358.92
Right to use recognised at 1 April 2019	65,079.48

Reconciliation of initial recognition of lease liability and right-of-use assets

Particulars	Amount (in ₹ Lacs)
ROU recognised on transition to Ind AS 116 as at 1 April 2019	64,720.56
Adjustment of finance lease liabilities as at 31 March 2019	2,803.04
Lease liabilities recognised at 1 April 2019	67,523.60

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5(i)(a) Property, plant and equipment

(₹ in Lacs)

Particulars	Land	Building (on Leasehold Land)	Leasehold improvements	Plant & machinery	Medical equipment	Furniture & fittings	Computers	Office equipment	Vehicles	Total
Gross carrying amount										
As at April 01, 2018	10.09	-	91.64	683.83	19,520.64	528.75	501.85	228.81	1,426.26	22,991.87
Additions	-	-	-	60.58	494.14	13.34	44.94	2.96	32.81	648.77
Disposals	-	-	-	(30.77)	(372.11)	(27.83)	(42.26)	(14.57)	(863.72)	(1,351.26)
As at March 31, 2019	10.09	-	91.64	713.64	19,642.67	514.26	504.53	217.20	595.35	22,289.38
Additions		11,011.31	-	1,285.22	2,984.90	190.22	177.24	115.67	78.24	15,842.80
Disposals		-	-	(64.34)	(1,342.18)	(1.37)	(18.97)	(2.96)	(165.80)	(1,595.62)
As at March 31, 2020	10.09	11,011.31	91.64	1,934.52	21,285.39	703.11	662.80	329.91	507.79	36,536.56
Accumulated depreciation										
As at April 01, 2018	-	-	52.73	252.75	4,359.44	209.60	350.95	127.76	816.43	6,169.66
Charge for the year	-	-	14.72	78.72	1,865.18	62.11	106.14	36.43	188.60	2,351.90
Disposals	-	-	-	(17.78)	(350.54)	(27.21)	(36.78)	(14.55)	(581.50)	(1,028.36)
As at March 31, 2019	-	-	67.45	313.69	5,874.08	244.50	420.31	149.64	423.53	7,493.20
Charge for the year	-	42.11	14.72	89.92	1,844.07	63.61	75.42	32.79	110.46	2,273.10
Disposals	-	-	-	(0.63)	(327.34)	(0.81)	(17.10)	(2.96)	(163.61)	(512.45)
As at March 31, 2020	-	42.11	82.17	402.98	7,390.81	307.30	478.63	179.47	370.38	9,253.85
Carrying value (As at March 31, 2019)	10.09	-	24.19	399.95	13,768.59	269.76	84.22	67.56	171.82	14,796.18
Carrying value (As at March 31, 2020)	10.09	10,969.20	9.47	1,531.54	13,894.58	395.81	184.17	150.44	137.41	27,282.71

Notes:

(a) Certain assets included under Property, plant and equipment are held as pledge against loans taken by the Company [refer note 8(a),(b),(c),(d),(f) and (g)].

5(i)(b) Capital work-in-progress

The Company accounts for all capitalization of property, plant and equipment through capital work in progress and therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted in additions to property, plant and equipment and impairment of capital work in progress. Capital work in progress as at March 31, 2020 is ₹ 2,918.02 lacs (net of provision for impairment ₹ 2,569.90 lacs) [refer note 25] [as at March 31, 2019 is ₹ 15,778.16 lacs (net of provision for impairment ₹ 2,569.90 lacs) [refer note 25]. Also refer note 7(a)(i) for details of amount classified as right to use on transition to Ind AS 116.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5(ii) Goodwill (₹ in Lacs)

Particulars	Goodwill
Gross carrying amount	
As at April 1, 2018	3,292.57
As at March 31, 2019	3,292.57
As at March 31, 2020	3,292.57
Impairment	
As at April 1, 2018	(570.80)
Impairment during the year	-
As at April 1, 2019	(570.80)
Impairment during the year	-
As at March 31, 2020	(570.80)
Carrying Value	
As at March 31, 2019	2,721.77
As at March 31, 2020	2,721.77

At cash generating unit (CGUs) level, the goodwill is tested for impairment annually at the year-end or more frequently if there are indications that goodwill might be impaired. The entire goodwill balance is allocated to Fortis Hospitals Shalimar Bagh.

The Company made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management. Cash flow projections were developed covering a seven-year period as at March 31, 2020 and March 31, 2019 which reflects a more appropriate indication/trend of future track of business of the Company. Cash flows beyond the seven-year period were extrapolated using estimate rates stated below.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Key assumptions used for value in use calculations are as follows:

	As at March 31, 2020	As at March 31, 2019
Compound average net sales growth rate for seven-year period	10% - 21%	10% - 21%
Growth rate used for extrapolation of cash flow projections beyond seven-year/ten-year period (refer note below)	4.00%	4.00%
Discount rate	12.70%	12.70%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using post-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

5(iii)(a) Other intangible assets

Particulars	(₹ in Lacs)	
	Computer Software	Total
Gross carrying amount		
As at April 1, 2018	2,209.66	2,209.66
Additions	94.55	94.55
As at March 31, 2019	2,304.21	2,304.21
Additions	598.81	598.81
As at March 31, 2020	2,903.02	2,903.02
Accumulated amortisation		
As at April 1, 2018	1,458.47	1,458.47
Charge for the year	362.37	362.37
As at April 1, 2019	1,820.84	1,820.84
Charge for the year	293.55	293.55
As at March 31, 2020	2,114.39	2,114.39
Carrying value		
As at March 31, 2019	483.37	483.37
As at March 31, 2020	788.63	788.63

5(iii)(b) Intangible assets under development

The Company accounts for all capitalization of other intangible assets through intangible assets under development and therefore the movement in intangible assets under development is the difference between closing and opening balance of intangible assets under development as adjusted for additions to intangible assets and amortisation of intangible assets under development. Intangible assets under development as at March 31, 2020 is ₹ 364.37 lacs (as at March 31, 2019 is ₹ 707.95 lacs).

Particulars	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
5(iv) Investments in associates		
Unquoted investments (fully paid)		
(a) Investments in equity instruments - at cost		
i) Sunrise Medicare Private Limited [(3,126 (3,126 as at March 31, 2019) Equity shares of ₹ 10 each)]	0.31	0.31
Less: Impairment of investment	(0.31)	(0.31)
Aggregate unquoted investments in associates	-	-
Aggregate carrying value of unquoted investments in associates	-	-
Aggregate amount of impairment in value of investments in associates	0.31	0.31

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5(v) Investments in subsidiaries

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Non-current		
Unquoted investments (fully paid)		
(a) Investments in equity instruments - at cost		
i) Escorts Heart Institute and Research Centre Limited*	71,919.75	71,919.75
(2,000,310 (2,000,310 as at March 31, 2019) Equity Shares of ₹ 10 each)		
[Of the above, 50 (50 as at March 31, 2019) equity shares are held with nominee share holders]		
ii) Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited)	5.00	5.00
[(50,000 (50,000 as at March 31, 2019) Equity Shares of ₹ 10 each)]		
[(Of the above, 6 shares (6 shares as at March 31, 2019) are held jointly with individual share holders)]		
iii) Fortis Healthcare International Limited, Mauritius*	15,105.47	15,105.47
[(98,560,000 (98,560,000 as at March 31, 2019) Equity Shares of US\$ 0.32 each]		
iv) Fortis Hospitals Limited *	40,880.47	40,535.52
[(40,300,577 (40,300,577 as at March 31, 2019) Equity Shares of ₹ 10 each)]		
[Of the above, 6 shares (6 as at March 31, 2019) are held jointly with individual share holders]		
v) Hiranandani Healthcare Private Limited *	9,171.55	9,171.55
[(4,000,000 (4,000,000 as at March 31, 2019) Equity Shares of ₹ 10 each)]		
[(Of the above, 3 shares (3 as at March 31, 2019) are held jointly with individual share holders)]		
vi) SRL Limited ('SRL')	90,905.48	90,905.48
[(45,236,779 (45,236,779 as at March 31, 2019) Equity Shares of ₹ 10 each)]		
vii) Fortis Hospotel Limited	243,016.88	243,016.88
(417,222,782 (417,222,782 as at March 31, 2019) Equity Shares of ₹ 10 each)		
[of the above, 6 shares (6 as at March 31, 2019) are held by nominee shareholders]]		
viii) Fortis CSR Foundation	5.00	5.00
[(50,000 (50,000 as at March 31, 2019) Equity Shares of ₹ 10 each)]		
[(Of the above, 6 shares (6 as at March 31, 2019) are held with nominee share holders)]		
ix) Fortis Health Management Limited	856.60	856.60
(1,300,000 (1,300,000 as at March 31, 2019) Equity Shares of ₹ 10 each)		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
x)	International Hospital Limited (26,627,304 (26,627,304 as at March 31, 2019) Equity Shares of ₹ 100 each)	207,657.21	207,657.21
xi)	Escorts Heart and Super Speciality Hospital Limited (16,480,000 (16,480,000 as at March 31, 2019) Equity Shares of ₹ 10 each)	40,625.51	40,625.51
	Less: Impairment of investment :		
	- Fortis La Femme Limited	(5.00)	(5.00)
	- Escorts Heart Institute and Research Centre Limited	(10,348.67)	-
	- Fortis Healthcare International Limited, Mauritius	(2,507.90)	-
		707,287.35	719,798.97
(b)	Investments in debt instrument - at amortised cost		
i)	Escorts Heart and Super Speciality Hospital Limited 3,130,400 (3,130,400 as at March 31, 2019) 14.80% Non-Convertible Bonds of face value of ₹ 1,000 each.	46,733.99	46,733.99
ii)	Fortis Health Management Limited 116,000 (116,000 as at March 31, 2019) 14.30 % Non-Convertible Bonds of face value of ₹ 1,000 each.	1,191.96	1,670.87
iii)	Hospitalia Eastern Private Limited 700,000 (700,000 as at March 31, 2019) 13.15 % Non-Convertible Bonds of face value of ₹ 1,000 each.	7,172.50	8,051.64
iv)	International Hospital Limited Nil (75,000 as at March 31, 2019) 13.15 % Non-Convertible Bonds of face value of ₹ 1,000 each.	-	937.31
v)	International Hospital Limited 1,205,000 (1,205,000 as at March 31, 2019) 14.30 % Non-Convertible Bonds of face value of ₹ 1,000 each.	16,487.01	17,356.89
vi)	International Hospital Limited 1,296,000 (1,296,000 as at March 31, 2019) 14.20 % Non-Convertible Bonds of face value of ₹ 1,000 each.	16,884.39	16,884.39
vii)	International Hospital Limited 1,700,000 (1,700,000 as at March 31, 2019) 13.15 % Non-Convertible Bonds of face value of ₹ 1,000 each.	19,553.99	19,553.99
		108,023.84	111,189.08
	Aggregate carrying value of unquoted non-current investments in subsidiaries	815,311.19	830,988.05
	Aggregate gross value of unquoted investments in subsidiaries	828,172.76	830,993.05
	Aggregate amount of impairment in value of investments in subsidiaries	12,861.57	5.00

*The Company has determined the fair value of guarantee given to banks on behalf of the subsidiary companies and debited the cumulative amount to investment. Refer below for the break up of cumulative fair value of financial guarantee attributable to subsidiaries:

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Name of the subsidiary company		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
i)	Escorts Heart Institute and Research Centre Limited	24.96	24.96
ii)	Fortis Healthcare International Limited, Mauritius	360.98	360.98
iii)	Fortis Hospitals Limited	669.89	324.94
iv)	Hiranandani Healthcare Private Limited	31.55	31.55
		1,087.38	742.43

5(vi) Trade receivables

		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
Current			
(a)	Considered good		
	- From Others	8,133.40	8,364.29
	- From Related Parties	1.46	1.30
(b)	Credit impaired		
	- From Others	1,154.08	6,116.03
	- From Related Parties	10.00	10.00
Less: Loss allowance		(1,164.08)	(6,126.03)
		8,134.86	8,365.59
Break-up of security details			
Trade receivables considered good - Secured		-	-
Trade receivables considered good - Unsecured		8,134.86	8,365.59
Credit impaired - Unsecured		1,164.08	6,126.03
Less: Loss allowance		(1,164.08)	(6,126.03)
Total trade receivables		8,134.86	8,365.59

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit allowance %	
0 - 1 year	0% - 35%	0% - 50%
1 - 2 year	1% - 99%	15% - 100%
2 - 3 year	5% - 100%	40% - 100%
More than 3 years	100%	70% - 100%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The movement in Expected Credit Loss during the year is as follows :

	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Balance at the beginning of the year	6,126.03	4,463.11
Creation of the allowance for expected credit loss	101.39	904.83
Utilisation of the allowance for expected credit loss (written off)	(5,063.34)	758.09
Balance at the end of the year	1,164.08	6,126.03

Note: Current assets are held as pledge against loans taken by the Company [refer note 8(b),(c),(f) and (g)].

5(vii) Loans

	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
<u>Non-current - at amortised cost</u>		
Considered good		
(a) Loans to subsidiaries (refer note 22)	99,014.20	98,260.91
(b) Security deposits	118.27	86.29
Credit impaired		
(a) Security deposits [refer note 25]	378.00	378.00
Less: Loss allowance	(378.00)	(378.00)
Total	99,132.47	98,347.20
<u>Current - at amortised cost</u>		
Considered good		
(a) Loan to employees	-	7.64
(b) Loan to subsidiaries (refer note 22)	-	1,122.22
(c) Security deposits	23.65	112.87
(d) Intercompany current account	1,776.73	1,773.25
	1,800.38	3,015.98
Credit impaired		
(a) Loans to others	362.34	362.34
(b) Loans to subsidiaries [refer note 22 and 18(a)]	63.73	57.73
	426.07	420.07
Less: Loss allowance	(426.07)	(420.07)
	(426.07)	(420.07)
	1,800.38	3,015.98

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	As at March 31, 2020 (₹ in Lacs)	As at March 31, 2019 (₹ in Lacs)
Break-up of security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	100,932.85	101,363.18
Loans considered doubtful - Unsecured	-	-
Credit impaired - Unsecured	804.07	798.07
Less: Loss allowance	(804.07)	(798.07)
Total Loans	100,932.85	101,363.18
5(viii) Other financial assets (unsecured)		
Non current		
Considered good		
(a) Deposit accounts with bank	109.51	510.04
(b) Interest accrued on loan	5.66	2.79
	115.17	512.83
Current		
Considered good		
(a) Interest accrued and due on loans and deposits	22,973.65	19,270.98
(b) Contract asset - unbilled revenue	451.79	743.68
(c) Others	146.08	176.06
	23,571.52	20,190.72
Credit impaired		
(a) Advances recoverable in cash [refer note 25]	1,795.57	1,795.57
(b) Amount recoverable for salary and reimbursement of expenses [refer note 32]	2,002.39	2,002.39
(c) Others	425.36	401.45
	4,223.32	4,199.41
Less: Loss allowance	(4,223.32)	(4,199.41)
	(4,223.32)	(4,199.41)
	23,571.52	20,190.72
5(ix) Deferred tax balances		
Deferred tax assets	28,890.72	6,585.76
Deferred tax liabilities	(21,437.58)	(1,122.71)
	7,453.14	5,463.05

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in financial statements:

2019-20					(₹ in Lacs)
	As at April 1, 2019	(Charge)/ Credit to Profit or loss	Creation (adjustment) of MAT from advance tax	(Charge)/ Credit to Other Comprehensive Income	As at March 31, 2020
Deferred tax liabilities					
(a) Property, plant and equipment	(600.07)	(98.11)	-	-	(698.18)
(b) Intangible assets	(522.64)	(78.71)	-	-	(601.35)
(c) Right-of-use assets	-	(20,138.05)	-	-	(20,138.05)
	(1,122.71)	(20,314.87)	-	-	(21,437.58)
Deferred tax assets					
(a) Provision for contingency	92.14	7.02	-	-	99.16
(b) Allowance for doubtful advances	105.79	(6.58)	-	-	99.21
(c) Allowance for expected credit loss	1,880.59	(1,473.81)	-	-	406.78
(d) Defined benefit obligation	768.61	117.73	-	9.78	896.12
(e) Unabsorbed Losses	2,236.22	(2,236.22)	-	-	-
(f) MAT credit entitlement**	1,502.41	4,475.82	-	-	5,978.23
(g) Lease liability	-	21,411.22	-	-	21,411.22
	6,585.76	22,295.18	-	9.78	28,890.72
Deferred tax asset (net)	5,463.05	1,980.31	-	9.78	7,453.14
2018-19					(₹ in Lacs)
	As at April 01, 2018	(Charge)/ credit to profit or loss	Creation (adjustment) of MAT from advance tax	Charge/ (credit) to other comprehensive income	As at March 31, 2019
Deferred tax liabilities					
(a) Property, plant and equipment	(633.80)	33.73	-	-	(600.07)
(b) Intangible assets	(482.14)	(40.50)	-	-	(522.64)
	(1,115.94)	(6.77)	-	-	(1,122.71)
Deferred tax assets					
(a) Provision for contingency	89.31	2.83	-	-	92.14
(b) Allowance for doubtful advances	951.56	(845.77)	-	-	105.79
(c) Allowance for expected credit loss	1,562.74	317.85	-	-	1,880.59
(d) Defined benefit obligation	771.42	9.24	-	(12.05)	768.61
(e) Unabsorbed losses	3,129.19	(892.97)	-	-	2,236.22
(f) MAT credit entitlement	952.51	-	549.90	-	1,502.41
	7,456.73	(1,408.82)	549.90	(12.05)	6,585.76
Deferred tax asset (net)	6,340.79	(1,415.59)	549.90	(12.05)	5,463.05

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

In addition to above, no deferred tax asset has been recognised on*

	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Advances to vendors	4,743.47	4,743.47
Capital losses	14,122.28	14,122.28
	18,865.75	18,865.75

* Deferred tax has not been recognised on temporary differences in relation to indexation benefits on freehold land as the Company is able to control the timing of reversal of temporary differences and it is probable that the temporary differences will not reverse in foreseeable future.

** During the current year, the Company has recognised deferred tax assets (DTA) of ₹ 3,579 lacs based on the projected future taxable profits of the entity.

5(x) Non-current tax assets (net)

	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Advance income tax (net of provision for taxation)	6,192.13	5,509.96
	6,192.13	5,509.96
Provision for taxation	12,714.96	4,240.57

5(xi) Other assets (unsecured)

	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Non-current		
Considered good		
(a) Capital advances	67.23	20.98
(b) Prepaid expenses	40.09	345.89
	107.32	366.87
Current		
Considered good		
(a) Balances with government authorities - Goods and service tax recoverable	115.00	201.28
(b) Advance to vendors	415.75	315.53
(c) Prepaid expenses	422.01	392.72
	952.76	909.53
Credit impaired		
(a) Advance to vendors	2.79	12.68
	2.79	12.68
Less: Loss allowance	(2.79)	(12.68)
	(2.79)	(12.68)
	952.76	909.53

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5(xii) Inventories

	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Valued at lower of cost and net realisable value		
Medical consumables, drugs and others	1,017.71	598.47
	1,017.71	598.47

5(xiii)(a) Cash and cash equivalents

For the purposes of the standalone statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
(a) Balances with banks		
- on current accounts	323.53	1,170.68
(b) Cash on hand	10.20	42.87
Cash and cash equivalents as per balance sheet	333.73	1,213.55
Bank overdrafts (refer note 5(xix))	(8,375.57)	(3,098.45)
Cash and cash equivalents as per statement of cash flows	(8,041.84)	(1,884.90)

5(xiii) (b) Bank balances other than above

Balances with banks		
- Deposits with original maturity of more than 3 months but less than 12 months	60.99	2,059.48
	60.99	2,059.48

Particulars	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)

5(xiv) Share capital

Authorised share capital:		
928,000,000 (928,000,000 as at March 31, 2019) Equity shares of ₹ 10 each	92,800.00	92,800.00
200 Class 'A' (200 as at March 31, 2019) Non-cumulative redeemable preference shares of ₹ 100,000 each	200.00	200.00
11,498,846 Class 'B' (11,498,846 as at March 31, 2019) Non-cumulative redeemable preference shares of ₹ 10 each	1,149.88	1,149.88
64,501,154 Class 'C' (64,501,154 as at March 31, 2019) Cumulative redeemable preference shares of ₹ 10 each	6,450.12	6,450.12
Total authorised share capital	100,600.00	100,600.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Issued, subscribed and fully paid up shares		
754,958,148 (754,954,948 as at March 31, 2019) Equity shares of ₹ 10 each	75,495.81	75,495.49
Total issued, subscribed and fully paid up share capital	75,495.81	75,495.49

Notes :

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

Particulars	March 31, 2020		March 31, 2019	
	Number	₹ in Lacs	Number	₹ in Lacs
At the beginning of the year	754,954,948	75,495.49	518,657,231	51,865.72
Issued under preferential allotment during the year (refer note 28)	-	-	235,294,117	23,529.41
Issued during the year: Exercise of employee stock options plan (ESOP) (refer note 13)	3,200	0.32	1,003,600	100.36
Outstanding at the end of the year	754,958,148	75,495.81	754,954,948	75,495.49

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Where dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the current and previous year, there has been no dividend proposed by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by the holding/ ultimate holding company and/ or their subsidiaries

Equity shares

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Northern TK Venture Pte Ltd (refer note 28) (Holding Company)	235,294,117	31.17%	235,294,117	31.17%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(d) Details of shareholders holding more than 5% shares in the Company

Equity Shares

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Northern TK Venture Pte Ltd (refer note 28) (Holding Company)	235,294,117	31.17%	235,294,117	31.17%
Yes Bank Limited	-	-	63,509,265	8.41%

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 13.

5(xv) Changes in liabilities arising from financing activities

(₹ in Lacs)

Particulars	Equity shares (including premium)	Long term borrowings	Short term borrowings (net)	Interest accrued	Lease liability
As at 01 April 2018	399,611.09	36,015.51	19,447.52	193.77	-
Proceeds from issue of equity shares	400,974.34	-	-	-	-
Proceeds from borrowings	-	30,431.00	95,400.00	-	-
Repayment of borrowings	-	(28,757.68)	-	-	-
Reclassification of bank overdraft*	-	-	-	-	-
Finance cost	-	-	(4,749.07)	19,227.27	-
Finance cost paid	-	-	-	(18,816.81)	-
As at 31 March 2019	800,585.43	37,688.83	110,098.45	604.23	-
As at 01 April 2019	800,585.43	37,688.83	110,098.45	604.23	64,720.56
Finance lease liabilities recognised at 31 March 2019					2,803.04
Lease liability paid					(3,387.95)
Proceeds from issue of equity shares	2.46	-	-	-	-
Proceeds from borrowings	-	64,551.29	(107,000.00)	-	-
Repayment of borrowings	-	(34,934.09)	-	-	-
Reclassification of bank overdraft*	-	-	5,277.12	-	-
Finance cost	-	-	-	8,672.62	7,344.18
Finance cost paid	-	-	-	(9,040.24)	(7,344.18)
Adjustment for financial guarantee	-	(890.26)	-	-	-
Reclassification of finance lease liability	-	(2,803.04)	-	-	-
As at 31 March 2020	800,587.89	63,612.73	8,375.57	236.61	64,135.65

* Bank overdraft have been reclassified from current borrowing to cash and cash equivalent for the purpose of preparation of cash flow statement.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
5(xvi) Non-current borrowings			
Secured			
(a)	Term loans		
	- from banks [refer note 8(i),(a),(b) and (g)]	62,088.20	31,323.94
	- from body corporates [(refer note 8(i) and (f))]	-	648.10
(b)	Vehicle loans	46.57	-
		62,134.77	31,972.04

5(xvii) Other financial liabilities

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
Non Current			
Unsecured			
(a)	Financial guarantee liability	289.22	-
		289.22	-
Current			
Secured			
(a)	Current maturities of term loans [refer note 8(i)(a),(b),(d) and (g)]	1,477.96	2,913.74
		1,477.96	2,913.74
Unsecured			
(a)	Security deposits	2.76	10.09
(b)	Interest accrued and due on borrowings	236.61	604.23
(c)	Capital creditors	2,931.21	225.33
(d)	Technology renewal fund payable to related party	77.91	49.91
(e)	Other payable to related parties	3,801.36	2,259.93
(f)	Employee payable	880.20	693.53
(g)	Financial guarantee liability	55.73	115.79
(h)	Other liabilities	171.80	166.63
		8,157.58	4,125.44
		9,635.54	7,039.18

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5(xviii) Provisions

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
Non current			
Provision for employee benefits			
(a)	Provision for gratuity (refer note 14)	1,395.14	1,150.47
		1,395.14	1,150.47
Current			
Provision for employee benefits			
(a)	Provision for gratuity (refer note 14)	247.07	246.27
(b)	Provision for compensated absences	922.25	802.81
Others			
(a)	Provision for contingencies *	283.76	263.68
		1,453.08	1,312.76

* Provision for contingencies :

Particulars			As at	As at
			March 31, 2020	March 31, 2019
			(₹ in Lacs)	(₹ in Lacs)
(i)	Provision for indemnification (refer note 9(b))	A	205.03	205.03
(ii)	Others	B		
	Opening balance		58.65	50.57
	Add: Provision during the year		47.65	8.08
	Less: Reversed during the year		(27.57)	-
			78.73	58.65
Provision for contingencies - Total (A+B)			283.76	263.68

Particulars			As at	As at
			March 31, 2020	March 31, 2019
			(₹ in Lacs)	(₹ in Lacs)

5(xix) Current borrowings

Secured - repayable on demand				
(a)	Bank overdraft [refer note 8 (i)(c)]		8,375.57	3,098.45
(b)	Working capital demand loan [refer note 8(c)]		-	2,000.00
(c)	Term loan from bank [refer note 8(e)(f)]		-	105,000.00
			8,375.57	110,098.45

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		As at March 31, 2020	As at March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
5(xx)	Trade payables		
(a)	Total outstanding dues of micro enterprises and small enterprises (refer note 21)	1,372.91	484.83
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	19,835.71	19,065.33
		21,208.62	19,550.16
5(xxi)	Other current liabilities		
(a)	Contract liability - advance from patients	670.81	755.31
(b)	Statutory dues payable	1,140.55	1,023.34
		1,811.36	1,778.65
Particulars		Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
5(xxii)	Revenue from operations		
(a)	Sale of services		
i)	Healthcare services		
	- Operating income - in patient department	56,555.11	52,792.31
	- Operating income - out patient department	13,308.65	11,751.39
	- Income from clinical/laboratories services	182.18	411.84
	- Income from medical services	40.42	52.02
	- Management fees from hospitals	311.48	376.37
	- Income from clinical research	25.74	15.21
	Less: Trade discounts	(1,535.96)	(1,103.37)
		68,887.62	64,295.77
(b)	Other operating revenues		
i)	Income from academic services	39.21	54.27
ii)	Income from rent [refer note 7(b)(i)]	19.14	66.58
iii)	Equipment lease rental [refer note 7(b)(i)]	631.78	637.52
iv)	Export benefits	51.85	-
v)	Balances written back	376.02	312.31
vi)	Miscellaneous income	178.94	282.79
		1,296.94	1,353.47
	Total revenue from operations (a+b)	70,184.56	65,649.24

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars		Year ended	Year ended
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
5(xxiii) Other income			
(a) Interest income			
i)	Interest on bank deposits	26.75	3,531.38
ii)	Interest on loan others	22,385.72	23,941.84
		22,412.47	27,473.22
(b) Other non-operating income			
i)	Financial guarantee income	890.26	285.59
ii)	Dividend income (refer note 31)	70,455.88	24,270.68
iii)	Gain on foreign currency transactions (net)	13.17	325.05
iv)	Miscellaneous income	62.46	94.63
		71,421.77	24,975.95
	Total other income (a+b)	93,834.24	52,449.17
5(xxiv) Changes in inventories of medical consumable and drugs			
(a)	Inventory at the beginning of the year	598.47	695.34
(b)	Inventory at the end of the year	1,017.71	598.47
	Changes in inventories [(a)-(b)]	(419.24)	96.87
5(xxv) Employee benefits expense			
(a)	Salaries, wages and bonus	14,145.74	13,371.64
(b)	Gratuity expense (refer note 14)	193.84	200.24
(c)	Compensated absences	204.35	117.99
(d)	Contribution to provident and other funds	833.60	742.40
(e)	Staff welfare expenses	166.57	184.06
(f)	Share based payment to employees (refer note 13)	-	336.66
		15,544.10	14,952.99
5(xxvi) Finance costs			
(a)	Interest expense		
	-on term loans	7,585.38	8,244.16
	-on cash credit	407.13	730.47
	-on defined benefit plan	154.02	149.40
	-on others	36.20	7,435.00
	-on lease liabilities [refer note 7(a)(i)]	7,344.18	-
(b)	Other borrowing cost (including prepayment charges)	489.89	2,668.24
		16,016.80	19,227.27

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
5(xxvii) Depreciation and amortisation expense			
(a)	Depreciation of property, plant and equipment [refer note 5(i)(a)]	2,273.10	2,351.90
(b)	Depreciation of right-of-use assets [refer note 7(a)(i)]	7,114.64	-
(c)	Amortisation of intangible assets [refer note 5(iii)(a)]	293.55	362.37
		9,681.29	2,714.27

5(xxviii) Other expenses

(a)	Contractual manpower	1,409.08	1,386.71
(b)	Power and fuel	1,138.54	1,213.09
(c)	Housekeeping expenses including consumables	352.86	343.92
(d)	Patient food and beverages	784.02	667.31
(e)	Pathology laboratory expenses	1,536.48	1,552.14
(f)	Radiology expenses	6.38	8.39
(g)	Cost of medical services	432.95	507.16
(h)	Professional and consultation fees to doctors	12,640.93	11,137.17
(i)	Hospital service fee expense (refer note 10)	4,979.67	14,154.19
(j)	Repairs and maintenance		
	- Building	89.50	69.55
	- Plant and machinery	1,328.31	1,156.63
	- Others	139.90	143.13
(k)	Rent	395.39	1,026.34
(l)	Legal and professional fee	3,793.66	8,080.19
(m)	Travel and conveyance	669.67	749.40
(n)	Rates and taxes	651.80	464.64
(o)	Recruitment and trainings	257.08	400.47
(p)	Printing and stationary	310.79	312.47
(q)	Communication expenses	146.25	206.46
(r)	Directors' sitting fees	164.02	237.18
(s)	Insurance	471.06	544.81
(t)	Marketing and business promotion	1,083.81	1,076.65
(u)	Loss on sale of assets (net)	79.92	241.12
(v)	Allowance for doubtful receivables	101.39	904.83
(w)	Allowance for doubtful advances	23.91	62.27
(x)	Receivables written off	-	3.00
(y)	Provision for contingencies [refer note 5(xviii)]	47.65	8.08
(z)	Corporate social responsibility expenses (refer note 24)	37.53	-
(aa)	Donations	-	34.11

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(ab)	Expenses relating to business combination (refer note 26)	-	3,328.74
(ac)	Miscellaneous expenses	31.13	50.58
		33,103.68	50,070.73
	Less: Expenses capitalised (refer note 23)	4.68	-
		33,099.00	50,070.73

Note:(i) **Auditors' remuneration comprises (inclusive of indirect tax)***

(a)	Fees as auditors	295.03	568.72
(b)	Tax audit fee	3.13	2.95
(c)	Certification and other services	58.71	91.68
(d)	Out of pocket expenses	43.50	22.23
		400.37	685.58

*Payments made to auditor for the previous year includes amounts paid to previous auditors of the Company.

5(xxix) Exceptional items**Expenses/(income):**

		Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	Allowance for investment in Subsidiary Companies [refer note 18(b)]	12,856.57	-
(b)	Allowance for doubtful loan recoverable from Subsidiary Company [refer note 18(a)]	6.00	-
		12,862.57	-

5(xxx) Income-tax

Current tax			
	Current income tax charge for the year	12,714.96	4,240.57
Deferred tax			
	Deferred tax on profits for the year	(2,422.36)	(31.26)
	Adjustments in respect of deferred tax of previous year	442.05	1,446.85
		(1,980.31)	1,415.59
		10,734.65	5,656.16
Recognised in Other Comprehensive Income			
Deferred tax Charge/ (Credit)			
	Tax related to items that will not be reclassified to Profit and Loss	9.78	12.05
	Income tax charged to Other Comprehensive income	9.78	12.05

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Profit/(Loss) before tax from continuing operations	62,067.55	17,964.54
Enacted income tax rate in India	34.944%	34.944%
Income tax credit calculated	21,688.88	6,277.53
Effect of expenses not deductible in determining taxable profit	-	2,172.35
Effect of provision for diminution in value of Investment	4,492.60	-
Effect of tax in relation to previous years	442.05	1,446.85
Effect of tax in relation to DTA recognised on previously unrecognised MAT	(3,578.83)	-
Effect of tax on income charged at lower rate	(12,310.05)	(4,240.57)
Income tax expense recognised in statement of profit and loss	10,734.65	5,656.16

Expiry in year

	As on 31 March 2020		As on 31 March 2019	
	Gross Amount	Tax effect	Gross Amount	Tax effect
No deferred tax asset has been recognised on below Long Term Capital Loss :				
2020-21	13,168.00	3,068.14	13,168.00	3,068.14
2024-25	951.00	221.58	951.00	221.58
2026-27	-	-	3.00	0.70
Total	14,119.00	3,289.72	14,122.00	3,290.42

No deferred tax asset has been recognised on below Minimum alternative tax (MAT) :

	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
2026-27	-	2,907.28
2032-33	-	671.72
Total	-	3,579.00

5(xxxi) Earnings per share (EPS)

Profit/ (loss) as per statement of profit and loss (₹ in lacs)	51,332.90	12,308.38
Weighted average number of equity shares outstanding	754,957,623	608,704,394
Basic EPS (in ₹)	6.80	2.02
Diluted EPS (in ₹)*	6.80	2.02

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

*Diluted earnings per share

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Profit / (Loss) attributable to equity shareholders (diluted)	51,332.90	12,308.38
Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	754,957,623	608,704,394
Effect of exercise of share options	158,950	2,756,550
Weighted average number of equity shares (diluted) for the year	755,116,573	611,460,944
Diluted earnings per share in ₹	6.80	2.02

6. Related party disclosures

Names of related parties and related party relationship

Nature of relationship	Name of related parties
Ultimate Holding Company	IHH Healthcare Berhad (w.e.f. 13-November-2018)
Intermediate Holding Company	Integrated Healthcare Holdings Limited (w.e.f. 13-November-2018)
	Parkway Pantai Limited (w.e.f. 13-November-2018)
Holding Company	Northern TK Venture Pte Ltd (w.e.f. 13-November-2018)
Subsidiary Companies- direct or indirect through investment in subsidiaries	1) Fortis Hospitals Limited ('FHSL') (wholly owned subsidiary of the company)
	2) Birdie & Birdie Realtors Private Limited (wholly owned subsidiary of FHsL)
	3) Fortis Cancer Care Limited ('FCCL') (wholly owned subsidiary of FHsL)
	4) Fortis Health Management (East) Limited (wholly owned subsidiary of FHsL)
	5) Fortis Malar Hospitals Limited (subsidiary of FHsL)
	6) Fortis Emergency Services Limited (wholly owned subsidiary of FHsL)
	7) Stellant Capital Advisory Services Private Limited (wholly owned subsidiary of FHsL).
	8) Fortis Global Healthcare (Mauritius) Limited (wholly owned subsidiary of FHsL)
	9) Escorts Heart Institute and Research Centre Limited ("EHIRCL") (wholly owned subsidiary of the Company)
	10) Fortis Asia Healthcare Pte. Limited ("FAHPL") (wholly owned subsidiary of EHIRCL)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Nature of relationship	Name of related parties
	11) Fortis Healthcare International Pte. Limited ("FHIPL") (wholly owned subsidiary of FAHPL)
	12) SRL Limited ("SRL") (subsidiary of the Company)
	13) SRL Diagnostics Private Limited (wholly owned subsidiary of SRL)
	14) Hiranandani Healthcare Private Limited (wholly owned subsidiary of the company)
	15) Fortis Healthcare International Limited ("FHIL") (wholly owned subsidiary of the Company)
	16) Fortis La Femme Limited (wholly owned subsidiary of the Company)
	17) Fortis Hospotel Limited (wholly owned subsidiary of the Company w.e.f 15-January-2019)
	18) International Hospital Limited (wholly owned subsidiary of the Company w.e.f 15-January-2019)
	19) Fortis Health Management Limited (wholly owned subsidiary of the Company w.e.f 15-January-2019)
	20) Escorts Heart and Super Speciality Hospital Limited (wholly owned subsidiary of the Company w.e.f 15-January-2019)
	22) Malar Stars Medicare Limited (wholly owned subsidiary of Fortis Malar Hospitals Limited).
	23) RHT Health Trust Manager PTE Limited (wholly owned subsidiary of Stellant Capital Advisory Services Private Limited).
	24) Hospitalia Eastern Private Limited (wholly owned subsidiary of Fortis Health Management Limited).
	25) Fortis CSR Foundation (a non-profit company)
Associates- direct or indirect through investment in subsidiaries (parties with whom transactions have been taken place)	(a) Sunrise Medicare Private Limited
	(b) Medical and Surgical Centre Limited, Mauritius (upto 08-July-2019)
	(c) International Hospital Limited ('IHL') (upto 14-January-2019)
	(d) Escorts Heart and Super Speciality Hospital Limited ('EHSSL') (upto 14-January-2019)
	(e) Fortis Health Management Limited ('FHML') (upto 14-January-2019)
	(f) Hospitalia Eastern Private Limited ('HEPL') (upto 14-January-2019)
	(g) Lanka Hospitals Corporation PLC

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Nature of relationship	Name of related parties
Joint ventures- direct or indirect through investment in subsidiaries (parties with whom transactions have been taken place)	(a) SRL Diagnostics (Nepal) Private Limited (Joint venture of SRL)
	(b) DDRC SRL Diagnostics Services Private Limited (Joint venture of SRL Diagnostics Private Limited)
	(c) Fortis Cauvery, Partnership firm (Joint venture of FCCL)
	(d) Fortis C-Doc Healthcare Limited ('C-Doc') (joint venture of FHsL)
Key Management Personnel ('KMP') / Director (with whom transactions have been taken place)	Additional related parties as per the Companies Act, 2013
	(a) Dr. Ashutosh Raghuvanshi - Managing Director and Chief Executive Officer (w.e.f. 18-March-2019)
	(b) Mr. Vivek Kumar Goyal - Chief Financial Officer (w.e.f 08-April-2019)
	(c) Mr. Girish Gupta - Chief Financial Officer (w.e.f 01-October-2018 to 08-April-2019)
	(d) Mr. Ravi Rajagopal - Independent Director (w.e.f. 27-April-2018)
	(e) Ms. Suvalaxmi Chakraborty – Independent Director (w.e.f. 27-April-2018)
	(f) Mr. Indrajit Banerjee - Independent Director (w.e.f. 27-April-2018)
	(g) Dr. Kelvin Loh Chi-Keon - Non-Executive Non-Independent Director (w.e.f. 28-September-2019)
	(h) Mr. Low Soon Teck - Non-Executive Non-Independent Director (w.e.f. 13-November-2018)
	(i) Mr. Shirish Moreshwar Apte - Non-Executive Non-Independent Director (w.e.f. 31-December-2018)
	(j) Mr. Sim Heng Joo Joe - Non-Executive Non-Independent Director (w.e.f. 26-November-2019)
	(k) Dr. Farid Bin Mohamed Sani - Non-Executive Non-Independent Director (w.e.f. 30-December-2019)
	(l) Mr. Bhagat Chintamani Aniruddha- Non-executive Non Independent Director (from 31-December-2018 to 02-December-2019)
	(m) Dr. Chan Boon Kheng - Non-Executive Non-Independent Director (w.e.f. 13-November-2018 to 31-October-2019)
(n) Dr. Tan See Leng - Additional Director (w.e.f. 13-November-2018 to 27-September-2019)	

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Nature of relationship	Name of related parties
	(o) Mr. Bhavdeep Singh –Chief Executive Officer (upto 17-March-2019)
	(p) Mr. Gagandeep Singh Bedi - Chief Financial Officer (upto 30-September-2018)
	(q) Mr. Rahul Ranjan - Company Secretary (upto 30-September-2018)
	(r) Dr. Brian William Tempest - Non-Executive Independent Director (up to 22-May-2018)
	(s) Mr. Harpal Singh - Non-Executive Director (up to 20-May-2018)
	(t) Lt. Gen. Tejinder Singh Shergill (up to 20-May-2018)
	(u) Ms. Sabina Vaiosha (up to 20-May-2018)
	(v) Mr. Rohit Bhasin-Independent Director (upto 26-June-2018)
	(w) Mr. Sumit Goel-Company Secretary (w.e.f. 01-October-2018).

Transactions taken place during the year are as follows :

Transactions details	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Income (including income from medical services, management fees from hospitals, income from rehabilitation centre, rental, pharmacy income and other income)		
Fortis Hospitals Limited	67.92	1.20
SRL Limited	3.90	-
Escorts Heart Institute and Research Centre Limited	1.02	-
Interest income on loan		
Fortis Hospitals Limited	9,771.14	9,058.15
Fortis Healthcare International Limited	0.32	110.66
Hiranandani Healthcare Private Limited	205.75	59.20
Escorts Heart Institute and Research Centre Limited	785.14	38.52
Fortis Hospotel Limited	-	7,739.04
Escorts Heart and Super Speciality Hospital Limited	4,632.99	1,828.96
International Hospital Limited	5,897.60	3,994.32
Hospitalia Eastern Private Limited	920.50	191.67
Fortis Health Management Limited	165.88	34.54
Fortis La femme Limited	0.75	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Transactions details	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Financial guarantee income		
Fortis Hospitals Limited	887.44	56.54
Escorts Heart Institute and Research Centre Limited	-	4.90
Hiranandani Healthcare Private Limited	2.82	6.15
Fortis Healthcare International Limited	-	218.00
Dividend income		
Fortis Healthcare International Limited	70,455.88	24,270.68
Investment (Financial guarantee)		
Fortis Hospitals Limited	344.95	51.36
Purchase of medical consumables, pharmacy and other services		
Fortis Hospitals Limited	37.62	-
Escorts Heart Institute and Research Centre Limited	1.78	-
Interest expense		
SRL Limited	-	33.27
Interest on delayed payment of hospital service fee		
Escorts Heart and Super Speciality Hospital Limited	-	3.46
Pathology laboratory expenses		
SRL Limited	1,501.54	1,532.87
Hospital service fee expenses		
Fortis Hospotel Limited	9,985.70	9,549.04
Escorts Heart and Super Speciality Hospital Limited	4,843.05	4,605.15
Travel and conveyance		
Fortis Emergency Services Limited	37.26	23.25
Marketing and business promotion		
Fortis Emergency Services Limited	-	20.60

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Transactions details	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Amortisation of investment		
Fortis Hospotel Limited – Debt	-	1,103.99
Provision for doubtful loans and advances		
Fortis La Femme Limited	6.00	-
Managerial remuneration		
Dr. Ashutosh Raghuvanshi	468.91	-
Vivek Kumar Goyal	197.66	-
Bhavdeep Singh	-	678.49
Gagandeep Singh Bedi	-	390.83
Rahul Ranjan	-	86.74
Girish Gupta	0.46	64.43
Sumit Goel	51.12	23.67
Director sitting fee		
Mr. Brian William Tempest	-	4.72
Mr. Harpal Singh	-	4.72
Lt. Gen Tejinder Singh Shergill	-	4.72
Mr. Chintamani Aniruddha Bhagat	7.08	8.26
Mr. Indrajit Banerjee	36.58	57.82
Northern TK Venture Pte. Limited (Dr. Chan Boon Kheng)	14.16	11.80
Northern TK Venture Pte. Limited (Dr. Tan Seel Leng)	3.54	7.08
Northern TK Venture Pte. Limited (Low Soon Teck)	23.60	9.44
Mr. Ravi Rajagopal	29.50	53.10
Mr. Rohit Bhasin	-	9.44
Ms. Shabina Vaisoha	-	3.54
Mr. Shirish Moreshwar Apte	5.90	5.90
Ms. Suvalaxmi Chakrobarty	35.40	56.64
Northern TK Venture Pte. Limited (Dr. Kelvin Loh Chi-Keon)	3.54	-
Mr. Sim Heng Joo Joe	2.36	-
Dr. Farid Bin Mohamed Sani	2.36	-
Director sitting fee received from		
RHT Health Trust Manager PTE Limited	25.50	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Transactions details	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Expense incurred by the Company on behalf of		
Fortis Hospitals Limited	37.85	3.34
Escorts Heart Institute and Research Centre Limited	-	6.38
SRL Limited	19.98	12.32
Hiranandani Healthcare Private Limited	0.19	-
Fortis Hospotel Limited	-	66.72
Fortis Emergency Services Limited	8.75	-
Fortis CSR Foundation	7.54	2.14
Lanka Hospitals Corporation PLC	0.87	-
Stellant Capital Advisory Services Pvt Ltd	0.04	-
Expense incurred on behalf of the Company by		
Fortis Hospitals Limited	45.97	18.62
Escorts Heart Institute & Research Centre Limited	0.79	29.17
SRL Limited	12.24	19.33
Fortis Hospotel Limited	211.75	0.29
Fortis Malar Hospitals Limited	-	1.76
Escorts Heart and Super Speciality Hospital Limited	450.58	601.31
Stellant Capital Advisory Services Pvt Ltd	0.69	-
Reimbursement of expenses to directors		
Mr Ravi Rajagopal	24.44	-
Mr. Indrajit Banerjee	0.20	-
Transfer of employee benefit liability by Company to		
Escorts Heart Institute & Research Centre Limited	1.02	-
Fortis Hospitals Limited	7.62	-
Stellant Capital Advisory Services Pvt Ltd	1.77	-
Transfer of employee benefit liability to Company from		
Escorts Heart Institute & Research Centre Limited	8.31	-
Fortis Health Management (East) Limited	0.46	-
Fortis Hospitals Limited	72.21	-
Stellant Capital Advisory Services Pvt Ltd	18.23	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Transactions details	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Transfer of assets		
Escorts Heart Institute & Research Centre Limited	0.14	-
Fortis Hospitals Limited	2.40	-
Sale of property, plant and equipment		
Fortis Hospitals Limited	-	78.56
Investments		
Fortis Hospotel Limited	-	106,301.76
Fortis Health Management Limited - Equity Instrument	-	856.60
Fortis Health Management Limited - Debt Instrument	-	1,670.87
Escorts Heart and Super Speciality Hospital Limited - Equity Instrument	-	40,625.51
Escorts Heart and Super Speciality Hospital Limited - Debt Instrument	-	46,733.99
International Hospital Limited - Equity Instrument	-	207,657.21
International Hospital Limited - Debt Instrument	-	54,732.58
Hospitalia Eastern Private Limited - Debt Instrument	-	8,051.64
Provision for impairment of investment		
Fortis Healthcare International Limited	2,507.90	-
Escorts Heart Institute and Research Centre Limited	10,348.67	-
Loans and advance to subsidiary company		
Fortis Hospitals Limited	6,665.00	59,718.19
Hiranandani Healthcare Private Limited	1,495.00	868.00
Fortis La Femme Limited	6.00	3.00
Escorts Heart Institute and Research Centre Limited	12,490.00	665.00
Interest converted to loan		
Fortis Hospitals Limited	8,152.33	6,070.43
Hiranandani Healthcare Private Limited	53.28	-
Escorts Heart Institute and Research Centre Limited	34.67	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Transactions details	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Loans and advance refund		
Fortis Hospitals Limited	25,105.00	8,517.42
Fortis Healthcare International Limited	254.23	10,128.66
Escorts Heart Institute and Research Centre Limited	3,900.00	-
Loan paid back		
SRL Limited	-	400.00
Corporate guarantees given to banks by company for loans availed by		
Fortis Hospitals Limited	100,640.00	10,310.36
Escorts Heart Institute and Research Centre Limited	7,640.00	-
Fortis Hospotel Limited	3,250.00	-
Hiranandani Healthcare Private Limited	50.00	-
International Hospital Limited	3,800.00	-
Corporate guarantees given to banks by company withdrawn during the year for loans availed by		
Fortis Hospitals Limited	137,200.00	-
Escorts Heart Institute and Research Centre Limited	13,500.00	-
Hiranandani Healthcare Private Limited	5,060.00	-
Corporate guarantees on behalf of company to avail loan given by		
Fortis Hospitals Limited	122,890.00	-
Escorts Heart Institute and Research Centre Limited	122,890.00	-
International Hospital Limited	122,890.00	-
Escorts Heart and Super Speciality Hospital Limited	122,890.00	-
Hospitalia Eastern Private Limited	122,890.00	-
Fortis Hospotel Limited	79,890.00	-
Corporate guarantees on behalf of company to avail loan given by related parties withdrawn during the year		
Fortis Hospitals Limited	43,000.00	-
Escorts Heart Institute and Research Centre Limited	43,000.00	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Transactions details	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in lacs)	(₹ in lacs)
International Hospital Limited	43,000.00	-
Escorts Heart and Super Speciality Hospital Limited	43,000.00	-
Hospitalia Eastern Private Limited	43,000.00	-
Collection on behalf of Company by		
Fortis Hospitals Limited	49.23	-
Escorts Heart Institute and Research Centre Limited	183.17	156.68
Collection by Company on behalf of		
Fortis Hospitals Limited	1,489.44	1,362.50
Escorts Heart Institute and Research Centre Limited	175.15	96.57
Hiranandani Healthcare Private Limited	5.59	-
Fortis Malar Hospitals Limited	19.65	-
Fortis Health Management (East) Limited	0.34	-
International Hospital Limited	1.91	-
Fortis Health Management Limited	3.15	-
Fortis CSR Foundation	-	51.19
Fortis Hospotel Limited	0.26	-
Balance outstanding at the year end		
	As at March 31, 2020	As at March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Investments (gross)		
Fortis Hospitals Limited	40,880.47	40,535.52
Escorts Heart Institute and Research Centre Limited	71,919.75	71,919.75
SRL Limited	90,905.48	90,905.48
Hiranandani Healthcare Private Limited	9,171.55	9,171.55
Fortis Healthcare International Limited	15,105.47	15,105.47
Fortis La Femme Limited	5.00	5.00
Fortis Hospotel Limited (Equity Instrument)	243,016.88	243,016.88
Fortis CSR Foundation	5.00	5.00
Sunrise Medicare Private Limited	0.31	0.31
Fortis Health Management Limited (Equity Instrument)	856.60	856.60
Fortis Health Management Limited (Debt Instrument)	1,191.96	1,670.87
International Hospital Limited (Equity Instrument)	207,657.21	207,657.21
International Hospital Limited (Debt Instrument)	52,925.39	54,732.58

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Balance outstanding at the year end	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Escorts Heart and Super Speciality Hospital Limited (Equity Instrument)	40,625.51	40,625.51
Escorts Heart and Super Speciality Hospital Limited (Debt Instrument)	46,733.99	46,733.99
Hospitalia Eastern Private Limited (Debt Instrument)	7,172.50	8,051.64
Impairment of investment		
Sunrise Medicare Private Limited	0.31	0.31
Fortis Lafemme Limited	5.00	5.00
Fortis Healthcare International Limited	2,507.90	-
Escorts Heart Institute and Research Centre Limited	10,348.67	-
Loans and advance to subsidiary company		
Fortis Hospitals Limited	86,908.25	98,885.53
Fortis Healthcare International Limited	-	254.23
Fortis La Femme Limited	63.73	57.73
Hiranandani Healthcare Private Limited	2,416.28	875.97
Escorts Heart Institute and Research Centre Limited	9,689.67	1,065.00
Provision for doubtful loans and advances		
Fortis La Femme Limited	63.73	57.73
Interest accrued on loans		
Fortis Hospitals Limited	8,794.03	8,152.33
Hiranandani Healthcare Private Limited	185.18	53.28
Fortis Healthcare International Limited	-	15.01
Fortis Hospotel Limited	4,772.16	4,772.16
Escorts Heart Institute and Research Centre Limited	706.62	34.67
Escorts Heart and Super Speciality Hospital Limited	5,815.75	1,646.06
International Hospital Limited	9,691.84	3,935.61
Fortis Hospital Management Limited	45.38	31.09
Hospitalia Eastern Private Limited	828.59	172.50
Other balances recoverable (including Intercompany current account)		
Fortis Hospitals Limited	1,687.14	39.88
Escorts Heart Institute and Research Centre Limited	283.10	98.64

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Balance outstanding at the year end	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Fortis Health Management (East) Limited	46.37	46.25
Fortis C-Doc Healthcare Limited	28.04	-
Hospitalia Eastern Private Limited	31.83	31.83
Hiranandani Healthcare Private Limited	8.16	-
Stellant Capital Advisory Services Private Limited	9.14	-
International Hospital Limited	25.75	25.75
Trade receivable		
Sunrise Medicare Private Limited	10.00	10.00
SRL Limited	1.46	-
Fortis Hospitals Limited	-	1.30
Provision for doubtful receivables		
Sunrise Medicare Private Limited	10.00	10.00
Trade payables and other current liabilities		
Fortis Hospitals Limited	4,076.39	2,830.67
Escorts Heart Institute and Research Centre Limited	176.42	8.26
SRL Limited	224.73	2,371.58
Hiranandani Healthcare Private Limited	19.89	18.68
Fortis Hospotel Limited	10,152.00	4,208.93
Fortis Malar Hospitals Limited	48.15	28.50
Stellant Capital Advisory Services Private Limited	-	6.67
Fortis Emergency Services Limited	9.50	31.37
Escorts Heart and Super Speciality Hospital Limited	963.10	503.20
International Hospital Limited	1.91	-
Fortis Health Management Limited	3.54	-
Technology renewal fund		
Fortis Hospotel Limited	48.00	42.00
Escorts Heart and Super Speciality Hospital Limited	29.91	7.91
Corporate guarantee liability		
Fortis Hospitals Limited	344.95	112.97
Hiranandani Healthcare Private Limited	-	2.82

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Balance outstanding at the year end	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Corporate guarantee given to banks/related party for loans availed by		
Fortis Hospitals Limited	116,085.00	152,645.00
Hiranandani Healthcare Private Limited	50.00	5,060.00
Escorts Heart Institute and Research Centre Limited	4,140.00	10,000.00
International Hospital Limited	3,800.00	-
Fortis Hospotel Limited	3,250.00	-
Corporate guarantees on behalf of company to avail loan given by		
Fortis Hospitals Limited	79,890.00	-
Escorts Heart Institute and Research Centre Limited	79,890.00	-
International Hospital Limited	79,890.00	-
Escorts Heart and Super Speciality Hospital Limited	79,890.00	-
Hospitalia Eastern Private Limited	79,890.00	-
Fortis Hospotel Limited	79,890.00	-

Notes:

- As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above. The figures do not include accrual recorded for Employee Share Based Payments.
- Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 are as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 29 (d) (ii), (vi) and (vii) below) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties have been identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities. Therefore, there may be additional related parties whose relationship may not have been disclosed to the Company and, hence, not known to the Management.
- Amount shown is inclusive of perquisites (including ESOP exercise, if any), employer's contribution to provident fund and excluding reimbursement of expenses.
- The Company had provided guarantee to RHT Health Trust group of companies (comprising of International Hospitals Limited, Escorts Heart Super Speciality Company Limited and Fortis Health Management Limited) and Fortis Hospotel Limited as per terms of HMSA. During the previous year, after acquisition of 100% holding in RHT Health Trust group of companies and Fortis Hospotel Limited, the Company has cancelled all the bank guarantees.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

7. Leases

(a) *As a lessee*

- (i) The Company leases many assets including Land, Buildings and Medical equipment. Information about leases for which the Company is a lessee is presented below.

(₹ in lacs)			
Right-of-use assets	Buildings	Medical Equipment	Total
Gross carrying amount			
As at April 1, 2019	-	-	-
Recognition on adoption of Ind AS 116 Leases	65,071.29	8.19	65,079.48
Amount transferred from Capital work-in-progress	1,862.20	-	1,862.20
Additions to right-of-use assets	-	-	-
As at March 31, 2020	66,933.49	8.19	66,941.68
Accumulated amortization			
As at April 1, 2019	-	-	-
Charge for the year	7,110.86	3.78	7,114.64
Carrying value			
As at March 31, 2020	59,822.63	4.41	59,827.04
Lease Liabilities	As at March 31, 2020		
	(₹ in lacs)		
Maturity analysis - contractual undiscounted cash flows			
Less than one year	11,099.20		
One to five years	47,680.31		
More than five years	50,248.36		
Total undiscounted lease liabilities at March 31, 2020	109,027.87		
Lease Liabilities included in the Balance Sheet as at March 31, 2020			
Current	4,367.27		
Non-current	59,768.38		
Amounts recognised in Statement of Profit and Loss	Year ended March 31 2020		
	(₹ in lacs)		
Interest on lease liabilities	7,344.18		
Variable lease payments not included in the measurement of lease liabilities	5,231.92		
Expenses relating to short-term leases and leases of low-value assets	143.14		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Amounts recognised in Statement of Cash Flow	Year ended March 31 2020
	(₹ in lacs)
Cash outflow for leases	3,387.95
Interest on lease liabilities (included in finance cost paid)	7,344.18
Total cash outflow for leases	10,732.13

Variable lease payment based on sales

Some leases of clinical establishments (Land, Building and Medical equipment) contain variable lease payments that are based on sales that the Company makes at the respective hospital. Variable rental payments for the year ended 31 March 2020 were as follows:

Particulars	Variable payments	(₹ in Lacs)
		Estimated annual impact on rent of a 1% increase in sales
Lease with lease payment based on sales	4,979.67	49.97

(ii) Assets taken on operating lease (Disclosure under IND AS 17 - Leases):

The total lease payments in respect of such leases recognised in the Statement of Profit and Loss for the year ended March 31, 2019 are ₹ 1,026.34 lacs.

The total future minimum lease payments under the non-cancellable operating leases are as under:

Particulars	As at March 31, 2019
	(₹ in Lacs)
Minimum lease payments:	
Not later than one year	516.59
Later than one year but not later than five years	43.05

(iii) Assets taken on financial lease (Disclosure under IND AS 17 - Leases):

The Company has taken building on financial lease. The total finance charges paid in respect of such lease recognize in the Statement of Profit and Loss during the year is ₹ 305.15 lacs as at March 31, 2019. Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

Particulars	March 31, 2019	
	Minimum Lease Payments	Present value
Not later than one year	251.57	115.28
Later than one year but not later than five years	1,155.53	374.39
Later than five years	7,254.50	2,313.38
Total minimum lease payments	8,661.60	2,803.05
Less: amounts representing finance charges	5,858.55	-
Present value of minimum lease payments	2,803.05	2,803.05
Current	-	115.28
Non-Current	-	2,687.77

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(b) *As a lessor*

(i) Assets given on operating lease:

The Company has sub- leased some portion of hospital premises. In all the cases, the agreements are further renewable at the option of the Company. The total lease income received / receivable in respect of the above leases recognised in the Statement of Profit and Loss for the year are ₹ 19.14 lacs (March 31, 2019 ₹ 66.58 lacs).

The Company has also leased out certain property, plant and equipment on operating lease to a trust managing hospital operations. The lease term is for 3 years and thereafter renewable at the option of the lessor. The total lease payment received in respect of such leases recognised in the statement of profit and loss for the year are ₹ 631.78 lacs (March 31, 2019 ₹ 637.52 lacs).

The details of the capital assets given on operating lease are as under:

	(₹ in lacs)						
	Plant and machinery	Medical equipment	Furniture and fittings	Computers	Office equipment	Vehicles	Total
As at March 31, 2020							
Cost or deemed cost	96.66	4,276.89	129.28	22.98	10.10	15.70	4,551.61
Accumulated Depreciation	96.66	2,806.58	129.25	22.98	10.10	15.13	3,080.70
Carrying Value	-	1,470.31	0.03	-	-	0.57	1,470.91

	(₹ in lacs)						
	Plant and machinery	Medical equipment	Furniture and fittings	Computers	Office equipment	Vehicles	Total
As at March 31, 2019							
Cost or deemed cost	96.66	4,131.20	129.28	50.93	10.10	15.70	4,433.87
Accumulated Depreciation	96.66	2,740.56	129.22	50.93	10.10	13.63	3,041.10
Carrying Value	-	1,390.64	0.06	-	-	2.07	1,392.77

The total of future minimum lease payments receivable under the non-cancellable operating leases are as under:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Minimum lease payments:		
Not later than one year	646.24	652.64
Later than one year but not later than five years	161.56	815.80

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

8. Borrowings

(i) Secured Loans

(₹ in lacs)					
Particulars	Note	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
		Non-Current	Current	Non-Current	Current
Term loan from Bank – HDFC Bank	(a)	-	-	-	1,494.76
Term loan from Bank - Yes Bank	(b)	-	-	31,323.94	1,275.70
Bank overdraft	(c)	-	8,375.57	-	3,098.45
Term loan from a body corporate	(d)	-	-	648.10	143.28
Loan from Bank – Yes Bank	(c)	-	-	-	2,000.00
Loan from Bank – Yes Bank	(f)	-	-	-	15,000.00
Loan from Bank – Citi Bank & affiliates	(e)	-	-	-	90,000.00
Term Loan from Bank – HSBC Bank Limited	(g)	62,088.20	1,462.57	-	-
Vehicle Loan from Kotak Mahindra Prime Limited	(h)	46.57	15.39	-	-
Total		62,134.77	9,853.53	31,972.04	113,012.19

- (a) Secured by a first pari-passu charge by way of hypothecation of the Company's movable fixed assets with contractual rate of interest being HDFC Bank Base Rate of the bank plus 0.85% p.a., payable monthly. The loan is repayable in 52 structured monthly instalments and current effective average rate of interest is 10.15 % p.a. (Previous year 10.15% p.a.). During the current year the loan has been fully repaid. (Balance outstanding as at March 31, 2019 was ₹ 1,494.76 lacs).
- (b) Term loan from Yes Bank includes the following loan:
- Loan of ₹ 3,049.16 lacs as at March 31, 2019 is secured by hypothecation on invoices and insurance copies of medical equipment with contractual rate of interest being 0.50% p.a. over and above yearly MCLR, payable monthly. The loan is repayable in 26 structured quarterly instalments and current effective average rate of interest is 9.80 % p.a. (Previous year 9.80% p.a.). During the current year the loan has been fully repaid.
 - During the previous year, the Company has taken loan for ₹ 30,431.00 lacs which is secured against first pari-pasu charge on movable fixed assets; first pari-passu charge on current assets; pledge up to 30% equity shares of Fortis Hospitals Limited, Hiranandani Healthcare Private Limited, Escorts Heart Institute & Research Centre Limited, Fortis Hospital Limited and Fortis Malar Hospitals Limited; pledge on entire shareholding of Fortis Group in Lanka Hospitals Corporation Plc subject to regulatory approvals; extension of first pari-pasu charge on land and building of hospitals in Ludhiana & Vasant Vihar; mortgage over land and building of identified hospital for YBL facilities upon unwinding of RHT structure in order to ensure cover of 1.33X on this facility (from immovable and moveable assets); and negative lien along with submission of title deed of Escorts Heart Institute, Delhi. The loan is repayable in 48 structured quarterly instalments and current effective average rate of interest is 10.36 % p.a. (Previous year 12.86% p.a.). During the current year the loan has been fully repaid. (Balance outstanding as at March 31, 2019 was ₹ 29,550.48 lacs).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- (c) The Company has an overdraft facility from Standard Chartered Bank having limit of ₹ 4,000 lacs, secured by pari-passu charge over moveable fixed assets at Mohali hospital and current assets of the Company with rate of interest being base rate plus margin, as may be agreed from time to time. The current effective average rate of interest is 11.25% p.a. (Previous year 11.25% p.a.). As on March 31, 2020, the outstanding balance of overdraft is Nil.

The Company has an overdraft facility/ working capital facility from Yes bank with overdraft limit of ₹ 5,000.00 lacs and secured by exclusive charge on 30% shares of Fortis Hospitals Limited, pari-passu charge over moveable fixed assets of the Company, current assets of the Company and exclusive charge on the land and building of hospitals of Ludhiana and Vasant Vihar with rate of interest being MCLR plus margin, as may be agreed from time to time. The current effective average rate of interest is 9.85% p.a. (Previous year 10.48% p.a.). During the current year the working capital loan has been fully repaid.

During the current year, the Company has availed new overdraft facility from HSBC Bank Limited with overdraft limit of ₹ 10,000 lacs (two overdraft limits of ₹ 5,000 lacs each), secured by exclusive charge on the fixed assets (immovable) of Company, Escorts Heart and Super Speciality Hospital Limited, International Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospotel Limited with minimum assets cover of 1.33X basis cumulative property value of assets of such entities. Further, overdraft facility is secured by first pari passu charge on the current assets and movable fixed assets of the borrower (Company) and corporate guarantee from Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited with rate of interest being HSBC overnight MCLR +70 bps payable monthly or any other rate as may be agreed from time to time. As on March 31, 2020, the outstanding balance of overdraft is ₹ 8,375.57 lacs.

- (d) Term loan of ₹ 791.38 lacs as at March 31, 2019 for purchase of medical equipment is secured by exclusive charge by way of hypothecation of that medical equipment having rate of interest of 7.78% p.a., payable monthly. The loan is repayable in 84 structured monthly instalments. The current effective average rate of interest is 12.86 % p.a. (Previous year 12.86% p.a.). During the current year the loan has been fully repaid.
- (e) Short-term loan has been taken for ₹ 110,000 lacs to repay non-convertible debentures holders at RHT Health Trust. The loan is secured by pledge over Fortis' designated dividend account opened overseas for the purpose of receiving dividend of RHT. The loan is repayable within 6 months carrying rate of interest of 9% p.a. During the current year the loan has been fully repaid. (Balance outstanding as at March 31, 2019 was ₹ 90,000 lacs).
- (f) Short-term loan has been taken for ₹ 15,000 lacs for meeting day to day working capital requirements. The loan is secured against first pari-pasu on movable fixed assets, first pari-pasu charge on current assets, pledge up to 30% equity shares of Fortis Hospitals Limited, Hiranandani Healthcare Private Limited, Escorts Heart Institute & Research centre Limited, Fortis Hospotel Limited and Fortis Malar Hospitals Limited, pledge over entire shareholding of Fortis Group in Lanka Hospitals Corporation Plc subject to regulatory approvals, extension of first pari-pasu charge on land and building of hospitals in Ludhiana & Vasant Vihar, mortgage over land and building of identified hospital for YBL facilities upon unwinding of RHT structure in order to ensure cover of 1.33X on this facility (from immovable & moveable assets), negative lien along with submission of title deed of Escorts Heart Institute, Delhi and was repayable in a single instalment on October 10, 2019. The rate of interest is 11.20% p.a. (Previous year 11.20% p.a.). During the current year the loan has been fully repaid. (Balance outstanding as at March 31, 2019 was ₹ 15,000 lacs).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- (g) During the current year, the Company has taken term loan for ₹ 64,483.00 lacs secured by exclusive charge on the fixed assets (immovable) with minimum assets cover of 1.33X basis cumulative property value of assets secured by entities (Escorts Heart and Super Speciality Hospital Limited, International Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospotel Limited), corporate guarantee from Escorts Heart Institute and Research Centre Limited, International Hospital Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited, Fortis Hospitals Limited and Fortis Hospotel Limited and first pari passu charge on the current assets and movable fixed assets of the borrower (Company) with rate of interest being MCLR i.e. 8.10% plus 50 bps with quarterly reset linked to 3 month MCLR or any other rate as may be mutually agreed from time to time. Out of total term loan ₹ 64,483.00 lacs taken, ₹ 30,000.00 lacs is repayable in 5 years in 3 equal instalments from the end of 3rd year, ₹ 2,503.00 lacs is repayable in 6 years with put/call option at end of 18 months and annually thereafter, ₹ 29,480.00 lacs is repayable in 11 years with put/call option at end of 18 months and annually thereafter, ₹ 2,500.00 lacs are repayable in 7 years with 1 year moratorium in 24 equal quarterly instalments. As on March 31, 2020, the outstanding balance of term loans are ₹ 63,550.77 lacs.
- (h) During the current year, the Company has taken vehicle loan for ₹ 68.26 lacs from Kotak Mahindra Prime Limited with current average rate of interest of 9.27% p.a. The loan is repayable in 48 structured monthly instalments. As on March 31, 2020, the outstanding balance of vehicle loan is ₹ 61.96 lacs.

(ii) Unsecured Loans

(₹ in lacs)

Particulars	Note	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
		Non-Current	Current	Non-Current	Current
Lease liabilities	7	59,768.38	4,367.27	2,687.77	115.28
Total		59,768.38	4,367.27	2,687.77	115.28

9. Commitments:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Estimated amount of contracts remaining to be executed on capital account [net of capital advances of ₹ 63.08 lacs (as at March 31, 2019 ₹ 20.98 lacs)]	1,698.61	373.35

- a. Going concern support in form of funding and operational support letters issued by the Company in favour of FLFL, FCCL, Fortis C-Doc Healthcare Limited, FHML, LHPL, FESL, FHIL, FGHML, FHIPL, FAHPL, Birdie & Birdie Realtors Private Limited, FHsL & EHIRCL.
- b. As part of Sponsor Agreement entered between The Trustee-Manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively for International Hospital Limited, Fortis Hospotel Limited, Escorts Heart and Super Specialty Hospitals Limited and Fortis Health Management Limited) (collectively referred as 'Indemnified parties') with the Company, the Company has undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, Company has accrued ₹ 205.03 lacs (as at March 31, 2019 ₹ 205.03 lacs) as provision for contingency. For commitment under sponsor agreement entered between the trustee-manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (Collectively referred as 'Indemnified Parties') with the Company.

- c. The company does not have any long-term commitments or material non-cancellable contractual commitments/ contracts, including derivative contracts for which there were any material foreseeable losses.
- d. These were no amount which were required to be transferred to be the investor education and protection fund by the company.

10. Hospital service and management fees

The company has entered into separate Hospital and Medical Service Agreement (HMSA) with Escorts Heart Super Specialty Company Limited (wholly owned fellow subsidiary w.e.f. January 15, 2019) and Fortis Hospotel Limited (wholly owned subsidiary w.e.f. January 15, 2019) wherein these companies provide and maintain the clinical establishments along with other service like out-patient diagnostics and radio diagnostic to the Company (together known as Clinical establishments).

The term of individual HMSA is 15 years and the Company is required to pay a composite service fee i.e. base and variable fee. The base fee is fixed at the beginning of each year and increases 3% year on year. The variable fee is based on a percentage of Company's net operating revenue in accordance with the HMSA.

The total of future minimum Hospital and Medical Service fees over remaining non-cancelable period payable in form of the base fees is as under:

Particulars	As at March 31, 2019 (₹ in lacs)
Minimum lease payments:	
Not later than one year	9,451.70
Later than one year but not later than five years	37,806.79
Later than five years	39,924.60

The Company had also provided guarantee to RHT Health Trust group of companies (comprising of International Hospitals Limited, Escorts Heart Super Speciality Company Limited and Fortis Health Management Limited) and Fortis Hospotel Limited as per terms of HMSA. The Bank Guarantees which had been provided by the Company in favor of RHT Health Trust group of companies and Fortis Hospotel Limited for the financial year ended 31 March 2018, expired on the 30 April 2018, and are renewed. During the previous year, after acquisition of 100% holding in RHT Health Trust group of companies and Fortis Hospotel Limited, the Company has cancelled all the Bank Guarantees.

For disclosure for current year ended 31 March 2020, refer note 7.

11. Contingent liabilities to the extent not provided for:

A. Guarantees:

Outstanding guarantees furnished to banks on behalf of the subsidiary companies are ₹ 127,325.00 lacs (Previous year ₹ 167,710.00 lacs). The Company has determined the fair value of guarantees given to subsidiary companies. (Refer note 5(v)).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

B. Claims against the Company, disputed by the Company, not acknowledged as debt (In addition, refer claims assessed as contingent liability described in Note 12 and 35 below):

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Income tax	4,224.41	1,779.08
Medical related	5,038.67	4,611.37
VAT	3,621.17	3,621.16
Customs	-	12.00
Service Tax and GST	559.00	559.82
Grand Total	13,443.25	10,583.43

- (i) On 28 February 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. The Company has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.
- (ii) In relation to a judgement passed by Hon'ble Supreme Court of India on January 29, 2016, Central Government constituted a Committee to make recommendations for improvement of working conditions and pay of nurses in private hospitals and nursing homes which could be implemented by way of legislation. The Committee constituted by Ministry of Health and Family Welfare, Government of India made certain recommendations and pursuant thereto Government of NCT of Delhi passed an order dated June 25, 2018 directing all private hospitals /nursing homes in Delhi to comply with the recommendations of the Committee and submit compliance report. Said order was challenged by Association of Healthcare Providers (India) ("AHPI") on behalf of its members including the Company by filing a Writ Petition before Hon'ble High Court of Delhi which was dismissed vide order dated July 24, 2019. Subsequently, AHPI has appealed against the order dated July 24, 2019 before division bench of Delhi High Court which is pending adjudication. The impugned orders and the pending proceedings pertain to all hospitals and nursing homes in Delhi. The Company has informed AHPI that it is in compliance of the applicable Minimum Wages Act. Based on advice from external counsels, Company believes that it has a good case on merits and the order dated June 25, 2018 passed by Government of NCT of Delhi in all likelihood will not adversely financially impact the Company.

Additionally, the Company is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, assessments and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Company believes that none of the above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgements/decisions pending at various stages/forums.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

12. Claims assessed as contingent liability and not provided for, unless otherwise stated:

A party (to whom the ICDs were assigned by a Subsidiary, Fortis Hospitals Limited ('FHsL')) ("Plaintiff" or "Assignee") 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 favor of any other party, affecting the interest of the Plaintiff shall be subject to orders passed in the said suit (also refer note 29).

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. This 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.

In addition to the above, the Company has also received four notices from the Plaintiff claiming (i) ₹ 1,800 lacs as per notices dated May 30, 2018 and June 1, 2018 (ii) ₹ 21,582 lacs as per notice dated June 4, 2018; and (iii) ₹ 1,962 lacs as per notice dated June 4, 2018. All these notices have been responded 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. Subsequently, an application has also been filed in the civil suit, seeking substitution of its name in place of Plaintiff / Assignee .

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.

During the year ended March 31, 2019, the Party also filed an application for being impleaded as party to the Civil Suit by the Plaintiff. The matter is pending adjudication before District Court, Delhi.

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

13. Employee Stock Option Plan

The Company has provided share-based payment scheme to the eligible employees and then directors of the Company/ its subsidiaries and erstwhile Holding company. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at March 31, 2020, the following schemes were in operation:

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of options granted	Vesting Period	Exercise Period up to
Grant III	14-Jul-09	30-Jul-07	27-Sep-07	763,700	July 14, 2010 to July 13, 2014	13-Jul-19
Grant IV	1-Oct-10	30-Jul-07	27-Sep-07	1,302,250	October 1, 2011 to September 30, 2015	30-Sep-20
Grant VII	10-Jun-13	12-Aug-11	19-Sep-11	3,715,000	June 20, 2013 to June 09, 2016	9-Jun-20
Grant IX	June 01, 2015	August 12, 2011	September 19, 2011	100,000	Jun 01, 2015 to May 31, 2018	May 31, 2022
Grant XI	4-Aug-17	August 12, 2011	September 19, 2011	2,500,000	Aug 04, 2017 to Aug 04, 2018	August 4, 2022

The details of activity under the Plan have been summarized below:

Particulars	March 31, 2020		March 31, 2019	
	Number of options	Weighted Average Exercise Price (₹ in lacs)	Number of options	Weighted Average Exercise Price (₹ in lacs)
Outstanding at the beginning of the year	2,756,550	162.04	3,839,650	164.38
Forfeited during the year	2,594,400	162.70	79,500	158.00
Exercised during the year	3,200	77.00	1,003,600	97.33
Outstanding at the end of the year	158,950	152.94	2,756,550	162.04
Exercisable at the end of the year	158,950	152.94	2,756,550	162.04

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	March 31, 2020	March 31, 2019
Range of exercise prices	₹ 91.00 to 158.00	₹ 50.00 to 163.30
Number of options outstanding	158,950	2,756,550
Weighted average remaining contractual life of options (in years)	0.48	3.19
Weighted average fair value of options granted (in ₹)	56.66	68.76
Weighted average exercise price (in ₹)	152.94	162.04

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Stock Options granted

There have been no grants made in the current year by the Company. The Black - Scholes valuation model has been used for computing the weighted average fair value for options exercised during the year considering the following inputs:

Particulars	March 31, 2020	March 31, 2019
Exercise Price	₹ 77.00	₹ 50.00 to ₹ 163.30
Expected Volatility	66.24%	6.42% to 34%
Life of the options granted (Vesting and exercise period) in years	7 years	2 years to 7 years
Average risk-free interest rate	7.50%	7.31% to 8.70%

Expected volatility has been determined considering the daily volatility of the stock prices on National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

On the date of transition to Ind AS (i.e. 1 April 2015), the Company had opted for optional exemption available under Ind AS 101 'First time adoption' and not recorded any stock option outstanding account for the options fully vested as at transition date.

Note:

1. During the year, the Company has recognised expense in relation to employee stock option plan of ₹ Nil (Previous year ₹ 336.66 lacs).
2. In respect of fully vested option forfeited during the year, amount aggregating to ₹ 2,545.67 lacs (Previous year ₹ 127.58 lacs) has been transferred to general reserve.
3. In respect of fully vested options exercised during the year, amount aggregating to ₹ 2.14 lacs (Previous year 511.20 lacs) has been transferred to general reserve.

14. Employee Benefits Plan:

Defined Contribution Plan

The Company's contribution towards its Provident Fund Scheme and Employee State Insurance Scheme are defined contribution retirement plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with Provident Fund Commissioner which is recognised by the Income Tax authorities.

The Company recognised ₹ 163.46 lacs (Previous year ₹ 82.60 lacs) for Provident Fund and Employee State Insurance Contribution in the Statement of Profit and Loss. The Contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

Defined Benefit Plan

(i) Gratuity

The Company has a defined benefit gratuity plan, where each employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service. Vesting occurs upon completion of 5 years of service. The Gratuity plan is unfunded.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The following table summarizes the components of net benefit expenses recognised in the Statement of Profit and Loss and the amounts recognised in the Balance Sheet.

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
i. Movement in Net Liability		
Present value of obligation at the beginning of the year	1,396.74	1,365.54
Current service cost	193.84	200.24
Interest cost	100.39	93.71
Amount recognised to OCI	22.13	(34.45)
Obligation transferred from subsidiary	45.57	3.87
Benefits paid	(116.46)	(231.17)
Present value of obligations at the end of the year	1,642.21	1,396.74

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Present value of unfunded obligation		
Amounts in the Balance Sheet		
(a) Liabilities	1,642.21	1,396.74
(b) Assets	-	-
(c) Net liability/(asset) recognised in the Balance Sheet	1,642.21	1,396.74
Current Liability	247.07	246.27
Non-Current Liability	1,395.14	1,150.47

	Year ended	Year ended
	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
ii. Expense recognised in Statement of Profit and Loss is as follows:		
Amount recognised in employee benefit expense		
Service cost	193.84	200.24
Past Service Cost	-	-
Total	193.84	200.24
Amount recognised in finance cost		
Interest cost	100.39	93.71
Total	100.39	93.71
Total Amount charged to Statement to Profit and Loss	294.23	293.95

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	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in lacs)	(₹ in lacs)
iii. Expense recognised in Statement of Other comprehensive income is as follows:		
Net actuarial loss / (gain) due to experience adjustment recognised during the year	(86.38)	(34.45)
Net actuarial loss / (gain) due to assumptions changes recognised during the year	108.51	-
Total	22.13	(34.45)

The Principal assumptions used in determining gratuity and compensated absences obligation for the Company's plan are shown below:

	As at March 31, 2020	As at March 31, 2019
Principal Actuarial assumptions for gratuity and compensated absences		
Discounting rate (p.a.)	6.75%	7.50%
Expected salary increase rate (p.a.)	7.50%	7.50%
Withdrawal rate		
Age up to 30 years	18%	18%
Age from 31 to 44 years	6%	6%
Age above 44 years	2%	2%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Experience (gain)/loss adjustments on plan liabilities	22.13	(34.45)

Notes:

- The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Significant actuarial assumption for the determination of the defined obligation are discount rate, expected salary escalation rate and withdrawal rate. The sensitivity analyses below have been determined by the actuarial based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.5%	73.75	79.80	59.95	64.98
Change in salary increase rate by 1%	163.55	142.35	134.21	116.38
Change in withdrawal rate by 5%	51.16	54.03	16.21	15.56

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Expected benefit payments for the future years

(₹ in lacs)

Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025 to year ended March 31, 2029
89.45	91.52	124.57	110.48	1,182.18

(ii) **Provident Fund:**

The Company makes monthly contributions to provident fund managed by trust for qualifying employees. Such contributions for the year ended March 31, 2020 are ₹ 670.14 lacs (Previous year ₹ 659.80 lacs). Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Company is obliged to meet interest shortfall, if any, with respect to covered employees.

Assumptions:	March 31, 2020	March 31, 2019
Discount rate (p.a.)	6.75% p.a.	7.50% p.a.
Expected return on exempt fund	8.50% p.a.	8.80% p.a.
Expected EPFO return	8.50% p.a.	8.65% p.a. for first year 8.60% p.a. thereafter
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Withdrawal Rate (for March 31, 2020 and March 31, 2019)

Unit	Withdrawal Rate
Fortis Emergency Services Limited	Ages From 20 - 30 - 12.50%;
	Ages From 31 - 58 - 15.00%
Others	Ages From 20 - 30 - 18.00%;
	Ages From 31 - 44 - 6.00%;
	Ages From 45 - 58 - 2.00%

The assessed actuarial liability in respect of future anticipated shortfall is as follows:

Assets / Liabilities	March 31, 2020 (₹ in lacs)	March 31, 2019 (₹ in lacs)
Defined Benefit Obligation (DBO)	13,616.50	11,953.10
Fair Value of Plan Assets (FVA)**	14,131.87	12,296.24
Funded status {Surplus/(Deficit)}	515.37	343.14

The Defined Benefit Obligation as at 31 March 2019 and 31 March 2020 includes obligation in respect of Interest Guarantee Shortfall in future. The obligation for Interest Guarantee Shortfall as at 31 March 2019 is ₹ 111.71 lacs and as at 31 March 2020 ₹ 213.83 lacs.

**The Fair Value of Assets as at 31 March 2019 represent the book value of assets and the Fair Value of Assets as at 31 March 2020 represents the market value of assets.

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Asset allocation as at March 31, 2020

Asset Category	Percentage
Government of India Securities (Central and State)	52.79%
High quality corporate bonds (including Public Sector Bonds)	40.44%
Cash (including Special Deposits)	1.39%
Mutual Funds	5.38%
Total	100.00%

15. Financial Instruments

i) Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 5(xvi), 5(xvii) and 5(xix) offsets by cash and bank balances) and total equity of the company.

The Company is not subject to any externally imposed capital requirements other than for covenants under various loan arrangements of the Company.

The Company's Board reviews the capital structure of the Company on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

Gearing ratio

The gearing ratio at end of the reporting period was as follows:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Debt*	136,360.56	148,391.51
Less: Cash and cash equivalents [Refer note 5(xiii)(a)]	(333.73)	(1,213.55)
Net debt	136,026.83	147,177.96
Total equity	887,646.96	836,323.95
Net debt to equity ratio	15.32%	17.60%

*Debt is defined as long-term and short-term borrowings (including interest accrued and due on borrowings and excluding derivative, financial guarantee contracts and contingent consideration). Previous year amounts are not comparable to the extent of lease liability recognised on account of Ind AS 116 Leases.

(ii) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks including market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors manages the financial risk of the Company through internal risk reports which analyze exposure by magnitude of risk. The Company has limited exposure from the international market as the Company's operations are in India. However, the Company has limited exposure towards foreign currency risk it earns less than 10% of its revenue from foreign currency from international patients. Also,

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Company has not taken any derivative contracts to hedge the exposure. However, the exposure towards foreign currency fluctuation is partly hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

Market Risk

The Company's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates.

a) Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars		As at March 31, 2020		As at March 31, 2019	
		FC in lacs	Equivalent ₹ in lacs	FC In lacs	Equivalent ₹ in lacs
Trade payables	USD	0.52	39.52	1.06	73.37
Loans given to subsidiary (including interest accrued thereon)	USD	-	-	3.89	269.50
Trade receivables	USD	1.34	101.16	5.55	384.51

Foreign currency sensitivity analysis

The company is mainly exposed to USD currency.

The following table details the company's sensitivity to a 5% increase and decrease in the ₹ against USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the ₹. strengthens 5% against USD. For a 5% weakening of the ₹ against USD, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(₹ in lacs)

Particulars	Currency Impact USD	
	As at March 31, 2020	As at March 31, 2019
If increase by 5%		
Increase / (decrease) in profit or loss for the year	3.08	2.90
If decrease by 5%		
Increase / (decrease) in profit or loss for the year	(3.08)	(2.90)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

b) Interest rate risk management

The Company is exposed to interest rate risk because Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Particulars	Interest impact	
	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Increase / (decrease) in profit or loss for the year	(359.94)	(348.86)

Particulars	Interest impact	
	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Increase / (decrease) in profit or loss for the year	359.94	348.86

c) Other price risks

The Company investment are in group companies and are held for strategic purposes rather than for trading purposes.

d) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company takes due care while extending any credit as per the approval matrix approved by Board of Directors.

Refer note 5(vi) of the standalone financial statements for carrying amount and maximum credit risk exposure for trade receivables.

Expected credit loss on financial assets other than trade receivables:

Company carries other financial assets such as balances with banks, inter-corporate deposits, advances, security deposits, loans to body corporates and interest accrued on such loans etc. Company monitors the credit exposure on these financial assets on a case-to-case basis. Loans to subsidiaries are assessed for credit risk based on the underlying valuation of the entity and their ability to repay within the contractual repayment terms. Company creates loss allowance wherever there is an indication that credit risk has increased significantly.

Reconciliation of loss allowance measured at life-time expected credit losses for credit impaired financial assets other than trade receivables

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Particulars	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
Balance at the beginning of the year	5,015.47	4,908.68
Loss allowance recognised	12,876.59	106.79
Balance at the end of the year	17,892.06	5,015.47

e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	(₹ in lacs)				
	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
As at March 31, 2019					
Lease liabilities	251.58	279.23	8,130.78	8,661.59	2,803.05
Short term loan from Bank	117,004.00	-	-	117,004.00	107,000.00
Term loan	3,296.73	1,868.59	30,756.02	35,921.33	34,885.78
Bank Overdraft	3,098.45	-	-	3,098.45	3,098.45
Trade payables	19,550.16	-	-	19,550.16	19,550.16
Security Deposit	10.09	-	-	10.09	10.09
Interest accrued and due on borrowings	604.23	-	-	604.23	604.23
Capital creditors	225.33	-	-	225.33	225.33
Technology renewal fund	49.91	-	-	49.91	49.91
Payable to related parties	2,259.93	-	-	2,259.93	2,259.93
Employee payable	693.53	-	-	693.53	693.53
Other Liabilities	166.63	-	-	166.63	166.63
Corporate guarantee Liability	115.79	-	-	115.79	115.79
Total	147,326.36	2,147.82	38,886.80	188,360.97	171,462.88

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The above table does not include any effect of the covenants as per the loan agreement.

(₹ in lacs)

Particulars	Within 1 year	1-2 year	More than 2 years	Total	Carrying amount
As at March 31, 2020					
Lease liabilities	11,107.73	11,387.02	86,543.07	109,037.82	64,135.65
Term loan	7,071.46	34,919.20	35,367.79	77,358.45	63,612.73
Bank Overdraft	8,375.57	-	-	8,375.57	8,375.57
Trade payables	21,208.62	-	-	21,208.62	21,208.62
Security Deposit	2.76	-	-	2.76	2.76
Interest accrued and due on borrowings	236.61	-	-	236.61	236.61
Capital creditors	2,931.21	-	-	2,931.21	2,931.21
Technology renewal fund	77.91	-	-	77.91	77.91
Payable to related parties	3,801.36	-	-	3,801.36	3,801.36
Employee payable	880.20	-	-	880.20	880.20
Other Liabilities	171.80	-	-	171.80	171.80
Corporate guarantee Liability	344.95	-	-	344.95	344.95
Total	56,210.18	46,306.22	121,910.86	224,427.26	165,779.37

16. Fair value measurement

Financial assets measured at amortised cost

31 March 2020

(₹ in lacs)

Particulars	Note	Carrying value*			Fair value measurement using*
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	Level 3
Financial assets					
Investment in non-convertible bonds of subsidiary	(b)	-	108,023.84	108,023.84	-
Loans (Non-current)	(b)	-	99,132.47	99,132.47	-
Other financial assets (Non-current)	(b)	-	115.17	115.17	-
Trade receivables	(a)	-	8,134.86	8,134.86	-
Cash and cash equivalents	(a)	-	333.73	333.73	-
Other bank balances	(a)	-	60.99	60.99	-
Loans (current)	(a)	-	1,800.38	1,800.38	-
Other financial assets (current)	(a)	-	23,571.52	23,571.52	-
Total		-	241,172.96	241,172.96	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Note	Carrying value*			Fair value measurement using*
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	Level 3
Financial Liabilities					
Borrowings	(c)	-	62,134.77	62,134.77	-
Borrowings (current)	(a)	-	8,375.57	8,375.57	-
Lease liabilities	(d)	-	59,768.27	59,768.27	-
Lease liabilities (current)	(d)	-	4,367.27	4,367.27	-
Trade payables (current)	(a)	-	21,208.62	21,208.62	-
Other financial liabilities (non current)	(a)	-	289.22	289.22	-
Other financial liabilities (current)	(a)	-	9,635.54	9,635.54	-
Total		-	165,779.26	165,779.26	

31 March 2019

(₹ in lacs)

Particulars	Note	Carrying value*			Fair value measurement using*
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	Level 3
Financial assets					
Investment in non-convertible bonds of subsidiary	(b)	-	111,189.08	111,189.08	-
Loans (Non-current)	(b)	-	98,347.20	98,347.20	-
Other financial assets (Non-current)	(b)	-	512.83	512.83	-
Trade receivables	(a)	-	8,365.59	8,365.59	-
Cash and cash equivalents	(a)	-	1,213.55	1,213.55	-
Other bank balances	(a)	-	2,059.48	2,059.48	-
Loans (current)	(a)	-	3,015.98	3,015.98	-
Other financial assets (current)	(a)	-	20,190.72	20,190.72	-
Total		-	244,894.43	244,894.43	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Note	Carrying value*			Fair value measurement using*
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	Level 3
Financial Liabilities					
Borrowings	(c)	-	34,659.81	34,659.81	-
Borrowings (current)	(a)	-	110,098.45	110,098.45	-
Trade payables (current)	(a)	-	19,550.16	19,550.16	-
Other financial liabilities (current)	(a)	-	7,039.18	7,039.18	-
Total		-	171,347.60	171,347.60	-

The following methods / assumptions were used to estimate the fair values:

- Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.
- Fair value of lease liabilities is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities) to discount the future payouts.

The fair value is determined by using the valuation model/technique with observable/ non-observable inputs and assumptions.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2020 and March 31, 2019.

*excludes investment in subsidiaries of ₹ 720,148.92 lacs (Previous year ₹ 719,803.97 lacs) which are shown at cost in balance sheet as per Ind AS 27 "Separate Financial Statements".

*There are no financial instruments measured at fair value through Other Comprehensive Income. Similarly, there are no financial instruments which are valued under category Level 1 and Level 2.

Financial instruments measured at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

- The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 31, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2020.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

18. Exceptional items

- (a) Allowance of ₹ 6.00 lac (Previous year ₹ 57.73 lacs) recognised for doubtful towards amount recoverable from Fortis La Femme Limited due to inability to pay by the subsidiary.
- (b) The Company has an investment aggregating to ₹ 15,105.47 lacs in Fortis Healthcare International Limited and ₹ 71,919.75 lacs in Escorts Heart Institute and Research Centre Limited which are wholly owned subsidiaries.

During the current year the management based on its impairment test and considering the recoverable value of these investment, the Company has recognised impairment loss of ₹ 2,507.90 lacs and ₹ 10,348.67 lacs as doubtful towards amount invested in Fortis Healthcare International Limited and Escorts Heart Institute and Research Centre Limited respectively.

The recoverable amount of these investments is based on value-in-use calculations which uses discounted cash flow projections and Earnings before Interest, Depreciation and Amortization ("EBITDA") multiple for one step-down investment. The fair value measurement has been categorized as Level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in estimating the recoverable amount of investments in Escorts Heart Institute and Research Centre Limited are as set out below.

Particulars	31 March, 2020
Discount rate	12.70%
Terminal value growth rate	4.00%
Compound average net sales growth rate	6.85%
EBITDA multiple	9.2

The key assumptions used in estimating the recoverable amount of investments in Fortis Healthcare International Limited are as set out below.

Particulars	31 March, 2020
EBITDA multiple	9.2

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. Management has identified that a reasonably possible change in the key assumptions could cause a change in amount of impairment loss/ (reversal).

The following table shows the amount by which the impairment loss/ (reversal) would change from change in these assumptions, all other factors remaining constant.

Increase/ (decrease) in impairment loss	For the year ended 31 March, 2020	
	Escorts Heart Institute and Research Centre Limited	Fortis Healthcare International Limited
Discount rate		
Increase by 0.50%	(2,540.03)	-

(₹ in lacs)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lacs)

Increase/ (decrease) in impairment loss	For the year ended 31 March, 2020	
	Escorts Heart Institute and Research Centre Limited	Fortis Healthcare International Limited
Decrease by 0.50%	2,855.06	-
Terminal value growth rate		
Increase by 1%	(3,821.43)	-
Decrease by 1%	3,033.51	-
EBITDA multiple		
Increase by 1X	(85.18)	(1,123.38)
Decrease by 1X	85.18	1,123.38

19. Segment information

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

Sales by market- Revenue from external customers by location of customers

The following table shows the distribution of the Company's revenues by geographical market:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in lacs)	(₹ in lacs)
India	70,184.56	65,649.24
Outside India	-	-
Total	70,184.56	65,649.24

Carrying value of non-current assets- by location of assets

The following table shows the carrying amount of non-current assets other than financial instruments and deferred tax assets by geographical area in which the assets are located:

Particulars	As at March 31, 2020	As at March 31, 2019
	(₹ in lacs)	(₹ in lacs)
India	100,201.99	40,364.26
Outside India	-	-
Total	100,201.99	40,364.26

Major customer

The Company does not derive revenue from any customer which would amount to 10 per cent or more of the Company's revenue.

20. The COVID – 19 pandemic has impacted the revenues and profitability of the Company during the quarter ended March 31, 2020 and continued subsequently with a decline in occupancy impacting significantly the hospital business revenues, profitability and cash flows. However, with a slew of cost saving measures the Company has been able to partly reduce the significant negative impact on business.

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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.

With the lockdown restrictions easing the Company has begun to witness signs of gradual improvement in operations but would continue to see an impact on its financials through the course of the remaining Apr-June quarter till normalization of business.

The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory and Investments as at the reporting period and has concluded that there are no material adjustments required in the financial statements. The management has considered the possible effects that may result from COVID-19 pandemic in preparation of its financial statements. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Company's Management has considered the global economic conditions prevailing as at the date of approval of these financial statements. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

21. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

The Ministry of Micro and Small Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the micro enterprises and the small enterprises should mention in their correspondences with their customers the Entrepreneur Memorandum Number as allocated after filing of the memorandum. Accordingly, the below information regarding dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	March 31, 2020	March 31, 2019
	(₹ in lacs)	(₹ in lacs)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
- Principal amount due to micro and small enterprises	1,372.91	484.83
- Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

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22. Details of loans given to subsidiaries and associates and firms/ companies in which directors are interested

(₹ in lacs)

	Fortis Hospitals Limited	Fortis Healthcare International Limited	Hiranandani Healthcare Private Limited	Fortis La Femme Limited	Escorts Heart Institute and research center limited	Total
March 31, 2020						
Amount (gross)	86,908.25	-	2,416.28	63.73	9,689.67	99,077.93
Provision for loan	-	-	-	(63.73)	-	(63.73)
Amount (net)	86,908.25	-	2,416.28	-	9,689.67	99,014.20
Maximum Amount Outstanding	111,913.25	254.22	2,416.28	63.73	12,039.67	126,687.15
March 31, 2019						
Amount (gross)	97,195.91	254.22	868.00	57.73	1,065.00	99,440.86
Provision for loan	-	-	-	(57.73)	-	(57.73)
Amount (net)	97,195.91	254.22	868.00	-	1,065.00	99,383.13
Maximum Amount Outstanding	97,920.91	11,136.61	868.00	57.73	1,065.00	111,048.25

The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

(₹ in lacs)

Name of the Party	Rate of Interest	Due date	Secured / unsecured	As at March 31, 2020	As at March 31, 2019
Fortis Hospitals Limited*	10.50%	March 31, 2022	Unsecured	86,908.25	97,195.91
Fortis Healthcare International Limited	5% & 6.5%	August 8, 2019	Unsecured	-	254.22
Hiranandani Healthcare Private Limited	10.50%	March 31, 2022	Unsecured	2,416.28	868.00
Escorts Heart Institute & Research center Limited	10.50%	March 21, 2022	Unsecured	9,689.67	1,065.00
Fortis La Femme Limited	10.50%	March 31, 2022	Unsecured	-	-
TOTAL				99,014.19	99,383.13

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23. During the year, the Company has capitalised ₹ 4.68 lacs (Previous year Nil) to the cost of capital work in progress (CWIP).

24. Corporate social responsibility

As per section 135 of the Companies Act, 2013 and rules therein, the Company is required to spend at least 2% of average net profit of preceding three years towards Corporate Social Responsibility (CSR). Details of Corporate social responsibility expenditure as certified by Management are as follows:

Particulars	(₹ in lacs) Amount
Average net profit of the Company for the last three financial years	187.63
Prescribed CSR expenditure (2% of the average net profit as computed above)	
Total amount to be spent for the financial year	37.53
Amount spent	37.53
Amount unspent	-

25. Recoverability of certain advances / capital work-in-progress

(Also refer to Note 29 [d][vi] of the Standalone Financial Statements)

The Company had paid security deposits and advances aggregating to ₹ 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 ₹ 2,173 lacs. Additionally, expenditure aggregating to ₹ 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 have not yet yielded any results. Further, Company has filed claim before Interim Resolution Professional (IRP) appointed by NCLT in a matter filed by one of creditors of Lessor. IRP is currently adjudicating the claims of various creditors of the Lessor including that of the Company.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Company had recorded provisions aggregating to ₹ 4,743 lacs in the Standalone Financial Statements for the year ended March 31, 2018 (also refer note 29(d)(vi)).

26. Pursuant to the earlier announcements on the restructuring initiative aimed at consolidating the entire India asset portfolio of RHT Health Trust ('RHT') into the Company and its subsidiaries, parties in August 2018, entered into an amendment agreement to modify certain terms of the definitive agreement dated February 12, 2018, including extension of the Long Stop Date of the transaction to December 31 2018. The amendments were approved by shareholders of the Company and RHT had received its unit holder's approval. On December 31, 2018, the Board of Directors of the Company approved the extension of the long stop date of December 31, 2018 to March 26, 2019 as per mutual agreement, and on the same terms and conditions undertaken for the earlier extension vide amendment agreement entered in August 2018. The extension of the long stop date was accepted and approved by RHT also. Effective from January 15, 2019, the Company completed the acquisition of 100% stake in International Hospital Limited, Fortis Health Management Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited and 49% stake in Fortis Hospotel Limited (in which Company already held 51% stake) for a consideration of ₹ 466,630.00 lacs.

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- 27.** During previous year, the Company sold off 18.2 million units of RHT Health Trust, an associate of the Company for a consideration of 13.65 million Singapore Dollars.
- 28.** The Board of Directors had approved an equity infusion of ₹ 400,000.00 lacs (235,294,117 shares at a price of ₹ 170 per equity share) into the Company by Northern TK Venture Pte Ltd, Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia through a preferential allotment (“Preferential Issue”), subject to approval of the shareholders and other regulatory approvals. The shareholders of the Company have approved the Preferential Issue by requisite majority at their Extra Ordinary General Meeting dated August 13, 2018. 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, have the right to appoint 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, as a result of which the Mandatory Open offer was kept in abeyance. The Company has accordingly filed application for modification of the said order.

Out of the proceeds the Company has used a sum of ₹ 356,630.00 lacs for substantially funding the acquisition as described in note 26 and balance towards repayment of debt and general corporate purposes.

29. Investigation initiated by the erstwhile Audit and Risk Management Committee

- (a) 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 (“ICDs”) given by a wholly owned subsidiary of the Company. The erstwhile Audit and Risk Management Committee of the Company in its meeting on February 13, 2018 decided to carry out an independent investigation through an external legal firm on this matter.
- (b) The terms of reference of the investigation, inter alia, comprised: (i) ICDs amounting to a total of ₹ 49,414 lacs (principal), placed by the Company’s wholly-owned subsidiary, FHsL, with three borrowing companies as on July 1, 2017 (refer Notes 12); (ii) the assignment of these ICDs to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party (refer Notes 12); (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on December 31, 2017 (refer Note 12); (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.
- (c) The investigation report (“Investigation Report”) was submitted to the re-constituted Board on June 8, 2018.
- (d) The re-constituted Board discussed and considered the Investigation Report and noted certain significant findings of the external legal firm, which are subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report.
 - i. While the Investigation Report did not conclude on utilization of funds by the borrower companies, there are findings in the report to suggest that the ICDs were utilized by the borrower companies for

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- granting/ repayment of loans to certain additional entities including those whose current and/ or past promoters/ directors are known to/ connected with the erstwhile promoters of the Company.
- ii. In terms of the relationship with the borrower companies, there was no direct relationship between the borrower companies and the Company and / or its subsidiaries during the period December 2011 till December 14, 2017 (these borrower companies became related parties from December 15, 2017). The Investigation Report has made observations where erstwhile promoters were evaluating certain transactions concerning certain assets owned by them for the settlement of ICDs thereby indirectly implying some sort of affiliation with the borrower companies. The Investigation Report has observed that the borrower companies could possibly qualify as related parties of the Company and/ or FHsL, given the substance of the relationship. In this regard, reference was made to Indian accounting Standards dealing with related party disclosures, which states that for considering each possible related party relationship, attention is to be directed to the substance of the relationship and not merely the legal form.
 - iii. Objections on record indicated that management personnel and other persons involved were forced into undertaking the ICD transactions under the repeated assurance of due repayment and it could not be said that the management was in collusion with the erstwhile promoters to give ICDs to the borrower companies. Relevant documents/information and interviews also indicate that the management's objections were overruled. However, the former Executive Chairman of the Company, in his written responses, has denied any wrongdoing, including override of controls in connection with grant of the ICDs.
 - iv. Separately, it was also noted in the Investigation Report that the aforesaid third party to whom the ICDs were assigned has also initiated legal action against the Company (refer note 12). Whilst the matter was included as part of the terms of reference of the investigation, the merits of the case cannot be reported since the matter was sub-judice.
 - v. During the year ended March 31, 2018, the Company through its subsidiary (i.e. Escorts Heart Institute and Research Centre Limited ("EHIRCL")), acquired 71% equity interest in Fortis Healthstaff Limited at an aggregate consideration of ₹ 3.46 lacs. Subsequently, EHIRCL advanced a loan to Fortis Healthstaff Limited, which was used to repay the outstanding unsecured loan amount of ₹ 794.50 lacs to an erstwhile promoter group company. Certain documents suggest that the loan repayment by Fortis Healthstaff Limited 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, the said loan advanced by EHIRCL to Fortis Healthstaff Limited was impaired in the books of accounts of EHIRCL due to anticipated chances of non-recovery during the quarter and year ended March 31, 2019.
 - vi. The investigation did not cover all related party transactions during the period under investigation and focused on identifying undisclosed parties having direct/indirect relationship with the erstwhile promoter group, if any. In this regard, it was observed in internal correspondence within the Company that transactions with certain other entities have been referred to as related party transactions. However, no further conclusions have been made in this regard.
 - vii. Additionally, it was observed in the Investigation Report that there were significant fluctuations in the NAV of the investments in overseas funds by the overseas subsidiaries during a short span of time. Further, similar to the paragraph above, in the internal correspondence within the Company, investments in the overseas funds have been referred to as related party transactions. During the year ended March 31, 2018, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10% with no loss in the principal value of investment.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(e) Other Matters:

- i) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 29 (d) (i), (ii) (vi) and (vii) above) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties were identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities up till March 31, 2018. Therefore, the possibility cannot be ruled out that there may be additional related parties whose relationship may not have been disclosed to the Company and, hence, not known to the Management.
- ii) With respect to the other matters identified in the Investigation Report, the Board initiated specific improvement projects to strengthen the process and control environment. The projects included revision of authority levels, both operational and financial and oversight of the Board, review of Financial Reporting processes, assessment of secretarial documentation w.r.t compliance with regulatory requirements and systems design & control enhancement. The assessment work has been done and corrective action plans have been implemented. The Company's Board of Directors had also initiated additional procedures/ enquiries of certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm. The additional procedures/ enquiries are in progress.
- iii) It is in the above backdrop, that it is pertinent to mention that during the previous year the Company received a communication dated February 16, 2018 from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Company. In the aforesaid letter, SEBI required the Company under section 11C (3) of the SEBI Act, 1992 to furnish by February 26, 2018 certain information and documents relating to the short-term investments of ₹ 473 Crores reported in the media. SEBI had also appointed forensic auditors to conduct a forensic audit, of collating information from the Company and certain of its subsidiaries. The Company / its subsidiaries have furnished all requisite information and documents requested by SEBI.

In furtherance of the above, 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 standalone financial statements of the Company. Further, it issued certain interim directions that inter alia directing the Company shall take all necessary steps to recover ₹ 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 ₹ 40,300 lacs (approx.) 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 has 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 have also been directed not to associate themselves with the affairs of the

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Company in any manner whatsoever, till further directions. Parties named in the Order have 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 SEBI has confirmed the directions issued vide ad interim ex-parte order dated October 17, 2018 read with order dated December 21, 2018, till further orders. SEBI also directed the Company and FHsL to take all necessary steps to recover ₹ 40,300 lacs along with due interest from erstwhile-promoters and various other entities, as mentioned in the Order.

The Company and FHsL have filed all 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 of erstwhile promoters 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. FHsL has filed a civil suit on for recovery of ₹ 52,019 lacs before Hon'ble Delhi High Court against the parties, named in the orders passed by SEBI.

The matter before SEBI is sub-judice and the investigation is ongoing, in as much as it has observed that a detailed investigation would be undertaken to ascertain the role of each entity in the alleged diversion and routing of funds. The Board of Directors is committed to fully co-operating with the relevant regulatory authorities to enable them to make a determination on these matters and to undertake remedial action, as may be required, and to ensure compliance with applicable laws and regulations. In the aforesaid context, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

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

Further, based on the SEBI orders and the information available at this stage no further adjustments are required to be made in audited Standalone Financial Statements for the year ended March 31, 2020. Any further adjustments/disclosures, if required, would be made in the books of account as and when the outcome of the above is known.

30. Investigation by Various Other Regulatory Authorities:

- a) During the previous 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.
- b) 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 material subsidiaries, joint ventures and associates. The Company has submitted all requisite information in this regard with SFIO, as requested from time to time.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- 31.** During the year ended March 31, 2020, the Company has received dividend of ₹ 70,455.88 lacs from its wholly owned subsidiary Fortis Healthcare International Limited.

32. Letter of Appointment of erstwhile Executive Chairman

The Company having considered all necessary facts and taking into account external legal advice, had on June 27, 2018 decided to treat as non-est the Letter of Appointment dated September 27, 2016, as amended, (“LoA”) issued to the erstwhile Executive Chairman of the Company in relation to his role as ‘Lead: Strategic Initiatives’ in the Strategy Function. Basis legal advice taken by the Company, the payments made to him under this LOA would be considered to be covered under the limits of section 197 of the Companies Act, 2013. The Company sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him., The erstwhile Executive Chairman sent a notice to the Company claiming ₹ 4,610 lacs as allegedly due to him under the employment agreement. The Company has replied to the same through its legal counsel denying any liability and stated that the demand is not payable being illegal and accordingly no adjustment has been made in these Standalone Financial Statements with respect to these claims. Subsequently, Company has filed a complaint against the erstwhile Executive Chairman before Economic Offence Wing, New Delhi which is being investigated. The Company has received vehicles which were being used by him except for IT assets and excess amounts paid to him. (Also refer Note 29(e)(iii) on recent SEBI Order)

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

33. Going Concern

As at 31 March 2020, the Company's current liabilities are higher than its current assets by ₹ 10,980 lacs. Further, the decline in business in last quarter and subsequent to the year-end due to impact of COVID-19 (as explained in note 20) has affected the performance and cash flow position of the Company. Additionally, as explained in note 35, the ongoing litigation at the Hon'ble Supreme Court has delayed the ability of the Company to carry out planned restructuring activities.

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

- (a) As at 31 March 2020, the Company has sanctioned unutilized borrowing facilities amounting to ₹ 6,100 lacs.
- (b) The exercise period for cash put option (financial liability) has been further extended till September 30, 2020. The process to find new investors to sell the shares in SRL by the minority equity shareholders is currently underway. The management believes that the chances of successful completion of the process are high.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- (c) The Company has sufficient unencumbered assets that can be utilized for any additional funding requirements in future;

Considering the above factors and expected positive cash flows in future years, the management believes that the going concern assumption in these audited Standalone Financial Statements is appropriate. In view of the aforesaid, the management has considered it appropriate to prepare these audited Standalone Financial Statements on a going concern basis.

- 34.** The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2020 is to be conducted on or before due date of the filing of return and the company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.
- 35.** The Board of Directors, after seeking inputs from reputed investment bankers, had approved an equity infusion of ₹ 400,000 lacs at a price of ₹ 170 per equity share into the Company by Northern TK Venture Pte Ltd Singapore ("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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

a public shareholder of the Company seeking impleadment. The public shareholder has inter alia prayed for allowing the Mandatory Open Offer. Next date for the concerned matters in the Supreme Court as shown on its website is July 6, 2020.

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

- 36.** 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 current year ended 31 March 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 are also more than 50 per cent of its total assets as at March 31, 2020 (mainly investment in wholly owned subsidiaries). Accordingly, the Company meets the eligibility criteria ('Principal business' test) as per the press release by 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 current year was largely on account of profits from disposal of investments held by the subsidiary 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 also made a representation to the RBI in this regard. The Company will decide on appropriate future course of action in accordance with applicable law, and would have discussions with the RBI (if required), in consultation with its legal counsels.
- 37.** The Board of Directors at its meeting held on July 13, 2018, approved re-classification of the then promoter holding under the category of 'Public Shareholding'. This was approved by the shareholders at their Extra Ordinary General Meeting dated August 13, 2018. During the year ended March 31, 2020, the Company received approval from SEBI for re-classification of erstwhile promoters as "public shareholder". SEBI has also reclassified the erstwhile promoters as "public shareholder".

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : June 17, 2020

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Place : Gurugram
Date : June 17, 2020

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Members of Fortis Healthcare Limited

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Fortis Healthcare Limited (hereinafter referred to as the "Company" or the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary and joint ventures as were audited by the other auditors, and except for the effects/ possible effects, if any, of the matters described in the "Basis for Qualified Opinion" paragraphs of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2020, of its consolidated profit, other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Qualified Opinion

- (i) As explained in Note 31 of the consolidated financial statements, pursuant to certain events/transactions, the erstwhile Audit and Risk Management Committee (the "ARMC") of the Company carried out an independent investigation and special audits by external professional firms on matters relating to systematic lapses/ override of internal controls. As a result of investigation/ special audits, the Company recorded adjustments in its books of accounts during the year ended 31 March 2018 which are explained in Note 29, 30 and 31 of the consolidated financial statements. However, the report of said investigation was subject to limitations on the information available to the external professional firms; and their qualifications and disclaimers including completeness of related party transactions which relate to or which originated prior to loss of control of erstwhile promoters/directors in the year ended 31 March 2018.

Further, as explained in Note 31 and 32 of the consolidated financial statements, various regulatory authorities including Securities and Exchange Board of India ("SEBI") and Serious Fraud Investigation Office ("SFIO") are undertaking their own investigations on these matters, which are currently ongoing.

As explained in Note 31(f) of the consolidated financial statements, the management has also initiated additional procedures/ enquiries, which are ongoing, of certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm. Consequently, an overall assessment of the impact of the additional procedures/ enquiries and/or investigations on the consolidated financial statements is yet to be concluded.

Also, as explained in Note 14(l) of the consolidated financial statements, a Civil Suit claiming ₹ 25,344 lacs was filed by a third party against various entities including the Company and certain entities within the group relating to "Fortis, SRL and La-Femme" brands. Based on legal advice of external legal counsel, the Management believes that the claims are without legal basis and not tenable. The matter is currently sub-judice.

In view of the above, we are unable to comment on further adjustments/ disclosures which may become necessary as a result of findings arising out of the ongoing additional procedures/ enquiries/ investigations required, if any, and outcome of civil suit on the consolidated financial statements including completeness/ accuracy of the related party transactions which relate to or which originated prior to loss of control of erstwhile promoters/ directors in the year ended 31 March 2018, the regulatory non-compliances, if any, and the consequential impact of the above adjustments, if any, on the consolidated financial statements.

- (ii) As explained in Note 34 of the consolidated financial statements, during the year ended 31 March 2018, the Company concluded that it had paid amount aggregating to ₹ 2,002.39 lacs to the erstwhile Executive Chairman in excess of the amounts approved by the Central Government under Section 197 of the Companies Act, 2013 as his remuneration and other reimbursements. This is accordingly a non-compliance with the provisions of Section 197 of the Companies Act, 2013. Due to the uncertainty involved on recoverability of the said amounts, a provision for this amount has also been recorded in the year ended 31 March 2018.

The matters stated above were subject matter of qualification in our audit opinion on the consolidated financial statements for the year ended 31 March 2019 also.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to the following matters in the Notes forming part of the consolidated financial statements:

- a) Note 14(II)(i) and 14(II)(ii) relating to the outcome of the civil suit/arbitrations with regard to termination of certain land leases allotted by Delhi Development Authority (DDA) and the matter related to non-compliance with the order of the Honorable High Court of Delhi in relation to provision of free treatment/ beds to poor by Escorts Heart Institute and Research Centre Limited ('EHIRCL').
- b) Note 14(III) regarding matter relating to termination of Hospital lease agreement of Hiranandani Healthcare Private Limited, one of the subsidiaries in the Group, by Navi Mumbai Municipal Corporation (NMMC) vide order dated 18 January 2018.

Based on the advice given by external legal counsel, the likelihood of outflow in the litigations in paragraph (a) and (b) above is remote and accordingly no provision/adjustment has been considered necessary by the management with respect to the above matters in the consolidated financial statements.

- c) We also draw attention to Note 33 of the consolidated financial statements relating to the order dated 15 November 2019 of the Hon'ble Supreme Court, where it is stated that the Hon'ble Supreme Court has issued suo-moto contempt notice to, among others, the Company and directed its Registry to register a fresh contempt petition in regard to alleged violation of its order dated 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 consolidated financial statements.

- d) We draw attention to Note 44 of the consolidated financial statements, which explains that due to a significant amount of dividend received during the year from a wholly owned overseas subsidiary, the 'income from financial assets' of the Company is more than 50 per cent of the gross income for the year ended 31 March 2020. Since the Company's financial assets as at that date are also more than 50 per cent of its total assets, the Company meets the criteria for classification as a Non-Banking Financial Company (NBFC) as per press release by Reserve Bank of India (RBI) vide No. 1998-99/1269 dated 8-4-1999 as at 1 April 2020. As per the Company, such dividend is non-recurring in nature and does not represent income from ordinary activities of the Company and the Company does not intend to carry on the business as a NBFC. The Company has made a representation to the RBI in this regard. The Company has not received any response from RBI in this regard till date.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the "Basis for Qualified Opinion" paragraphs, we have determined that the following are the key audit matters:

The key audit matter	How the matter was addressed in our audit
Going concern	
<p>See note 42 to the consolidated financial statements</p> <p>As disclosed in note 42, the consolidated financial statements of the Group have been prepared on a going concern basis. As at 31 March 2020, the current liabilities (including liability on account of put option amounting to INR 118,000 lakhs) of the Group significantly exceeded its current assets by INR 163,845.27 lakhs. The recent pandemic and decline in business has put further pressure on its projections. The Company has prepared budgets/ cash flow forecast, which involve judgement and / estimation around sources of funds to meet the financial obligations and cash flow requirements over this period. Considering the above (and outcome of the pending litigations as explained below), we have identified the assessment of going concern assumption as a key audit matter.</p>	<p>Our audit procedures included:</p> <p>Assessing the cash flow requirements of the Group based on budgets and forecasts.</p> <ul style="list-style-type: none"> • Understanding what forecast expenditure is committed and what could be considered discretionary. • Considering the liquidity of existing assets on the balance sheet. • Considering the terms of the bank loans and trade finance facilities; and the amount available for drawdown. • Considering potential downside scenarios and the resultant impact on available funds. • Assessed the adequacy of disclosures in the financial statements relating to uncertainties and mitigation thereof.

The key audit matter	How the matter was addressed in our audit
Goodwill	
<p>The Group is required to annually test the amount of Goodwill for impairment. There are inherent uncertainties involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability. Accordingly, this is one of the key judgmental areas in our audit.</p>	<p>In this area our audit procedures included testing of the Groups' budgeting procedures upon which the forecasts are based; and the principles and integrity of the Group's discounted cashflow model. We used our valuation specialist to assist us in evaluating the assumptions and methodologies used by the Group. In particular this included those relating to the forecast revenue growth, profit margins and discount rates. We compared the Group's assumptions to externally derived data as well as our own assessment in relation to key inputs such as projected economic growth, cost inflation and discount rates. We also performed sensitivity analysis of the key assumptions. We also assessed the adequacy of related disclosures in note 6(ii) and 6(xxxii) of consolidated financial statements and sensitivities of key assumptions.</p>
Legal matters	
<p>The Group is involved in a several legal proceedings. In some of these cases, the Group has counter claims against the other party. Management judgement is involved in assessing the accounting for claims, and in particular in considering the probability of a claim being successful. The risk related to the claims is mainly associated with the adequacy of disclosure, and the completeness of the provisions in the consolidated financial statements. Accordingly, we have designated this as key audit matter.</p>	<p>Our audit procedures included, on all significant legal cases, assessment of correspondence with the Group's legal counsel (internal and / or external) accompanied by discussions and formal confirmations from that legal counsel.</p> <p>We read the minutes of the board meetings and inspected the Group's legal expenses.</p> <p>We also assessed whether the Group's disclosures detailing significant legal proceedings adequately disclose the potential liabilities of the Group.</p>

The key audit matter	How the matter was addressed in our audit
IND AS 116 “Leases” – transition	
<p>Ind AS 116 replaces the existing standard Ind AS 17 and sets out the principles for the recognition, measurement, presentation and disclosure for both lessors and lessees.</p> <p>The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application. Accordingly, the Group has not restated comparative information.</p> <p>As on April 1, 2019, the Group has recognized a right of use asset at an amount equivalent to the lease liability and consequently there is no adjustment to the opening balance of retained earnings as on April 1, 2019. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.</p> <p>We considered the first-time implementation of Ind AS 116 as a key audit matter due to the material nature of the leases on the consolidated financial statements and significance of the Group management’s judgements needed in establishing the underlying key assumptions including lease term and discount rates.</p>	<p>Through our discussions with Group management, we understood the process of identifying the lease contracts or contracts which contain leases.</p> <p>We inspected the contracts for identification of leases under Ind AS 116.</p> <p>We obtained the Group’s quantification of ROU assets and lease liabilities and agreed the inputs used in the quantification to the lease agreement, challenged the calculations of the discount rate applied and performed computation checks.</p> <p>We also considered the adequacy of disclosures in Note 10 to the consolidated financial statements.</p>
Recoverability of Deferred tax assets	
<p>The Group has significant deferred tax assets in respect to carry forward tax losses. There is an inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which deferred tax assets are or are not recognized.</p>	<p>In this area our audit procedures included using our work on Group’s forecasts described in our response to the Goodwill key audit matter above. We then assessed the recoverability of the deferred tax assets recognized against the forecast future taxable profits taking into account the timing of forecast of taxable profits. We also assessed whether the Group’s disclosure reflect the associated inherent risks.</p>

Other Information

The Holding Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that except as stated in the "Basis for Qualified Opinion" paragraphs, the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the Other Matters paragraphs below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ₹ 2,417.89 lacs as at 31 March 2020, total revenues of ₹ 2,396.89 lacs and net cash inflows amounting to ₹ 14.15 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 675.86 lacs for the year ended 31 March 2020, in respect of 2 joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the audit reports of the other auditors.

Of the above entities, 1 subsidiary and 1 joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiary and joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary and joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) The financial information of 12 subsidiaries, whose financial information reflect total assets of ₹ 56,816.38 lacs as at 31 March 2020, total revenues of ₹ 10,335.71 lacs and net cash outflows amounting to ₹ Rs 63,779.95 lacs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 544.73 lacs for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of 5 associates and 2 joint ventures, whose financial information have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- A. As regards to the matters to be inquired by the auditors in terms of Section 143(1) of the Act, we report, to the extent applicable, as follows:
- a) As explained in Note 29 and Note 31(d)(i) of the consolidated financial statements, Fortis Hospitals Limited ("FHsL"), a wholly owned subsidiary of the Company, has granted loans in the form of inter-corporate deposits ("ICDs") to three borrower companies, which were stated to have been secured at the time of grant on 1 July 2017. However, it has been noted in the Investigation Report that:

- (i) there were certain systemic lapses and override of internal controls including shortcomings in executing documents and creating a security charge. The charge was later on created in February 2018 for the ICDs granted on 1 July 2017 while the Company/ FHsL was under financial stress; and
- (ii) there were certain systemic lapses in respect to the assignment of the ICDs and subsequent termination of the arrangement, viz., no diligence was undertaken in relation to assignment, it was not approved by the Treasury Committee and was antedated. The Board of the subsidiary took note of the same only in February 2018.

Further, we note from the Investigation Report that the external legal firm was unable to assess as to whether the security (charge) is realisable considering the nature of assets held by the borrower companies.

In view of the above, we are unable to comment whether aforesaid loans and advances made by the wholly owned subsidiary on the basis of security have been properly secured or whether they are prejudicial to the interests of the Group.

- b) In respect of the ICDs placed, the Investigation Report has stated that a roll-over mechanism was devised whereby, the ICDs were repaid by cheque by the borrower companies at the end of each quarter and fresh ICDs were released at the start of succeeding quarter under separately executed ICD agreements. Further, in respect of the roll-overs of ICDs placed on 1 July 2017 with the borrower companies, FHsL utilized the funds received from the Company for the purposes of effecting roll-over.

We are unable to determine whether these transactions in substance represent book entries or whether they are prejudicial to the interests of the Group as these were simultaneously debited and credited to the bank statement.

However, as explained in Note 29 to the consolidated financial statements, the FHsL's Management has fully provided for the outstanding balance of the ICDs and the interest accrued thereon as at 31 March 2018.

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

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

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

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

- B. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and, except for the matters described in the "Basis for Qualified Opinion" paragraphs above and matters described in paragraph 1 above of this section, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) Except for the effects/ possible effects of the matters described in the "Basis for Qualified Opinion" paragraphs above and matters described in paragraph 1 above of this section, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) Except for effects/ possible effects of the matters described in the "Basis for Qualified Opinion" paragraphs above, in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) The matters described in the "Basis for Qualified Opinion" paragraphs, the "Emphasis of Matter" paragraphs above and matters described in paragraph 1 above of this section, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies, its associate companies, and joint ventures incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the "Basis for Qualified Opinion" paragraphs above and matters described in paragraph 1 above of this section.
 - h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- C. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary and joint ventures, as noted in the 'Other Matters' paragraph:
- i. Except for the effects/ possible effects of matters described in paragraph (i) of the "Basis for Qualified Opinion" section above, the consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 13, 14 and 6(xx) to the consolidated financial statements.

- ii. Except for effects/ possible effects of the matters described in paragraph (i) of the "Basis for Qualified Opinion" section above, provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 12(b) to the consolidated financial statements.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended 31 March 2020.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.
- D. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sd/-
Rajesh Arora
Partner
Membership No. 076124
UDIN: 20076124AAAABC7924

Place: Gurugram
Date: 17 June 2020

Annexure A to the Independent Auditor's report on the consolidated financial statements of Fortis Healthcare Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Qualified Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Fortis Healthcare Limited (hereinafter referred to as the "Company" or "Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies (together referred to as "the Group") and its joint venture companies (jointly controlled company), as of that date.

In our opinion, except for the effects/ possible effects of the material weakness described below on the achievement of the objectives of the control criteria, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Company, its subsidiary companies, its associates and joint venture companies, which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

We have considered the material weakness identified and reported below in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidated Financial Statements of the Group for the year ended 31 March 2020 and this material weakness has, inter alia, affected our opinion on the said Consolidated Financial Statements and we have issued a qualified opinion on the said Consolidated Financial Statements.

Basis for Qualified Opinion

As explained in paragraph (i) of "Basis for Qualified Opinion" paragraph of our Audit Report on the consolidated financial statements for the year ended 31 March 2020, pursuant to certain events/transactions in earlier years, the erstwhile Audit and Risk Management Committee (the "ARMC") of the Holding Company had initiated an independent investigation by an external legal firm and special audits by professional firms on matters relating to systemic lapses and override of controls. The report has since been submitted and is subject to limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their Investigation report. The management has also initiated additional procedures/ enquiries, which are ongoing, of certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm. Consequently, an overall assessment of the impact of the additional procedures/ enquiries and/or investigations on the consolidated financial Statements is yet to be concluded. Further, the investigation by different regulatory authorities in these matters is still ongoing and an overall assessment of the impact of the investigations is yet to be concluded. Pending final outcome of the regulatory investigations and additional procedures/ enquiries and/or investigations by management, completeness of identification of deficiencies cannot be ascertained.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and a joint venture company (jointly controlled company), which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to consolidated financial statements of the Company, its subsidiary companies, its associates and its jointly controlled company, which are companies incorporated in India.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial controls with reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one joint venture company, which is incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India, who has issued unmodified opinion on the internal financial controls with reference to financial statements of this company.

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

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

Sd/-
Rajesh Arora
Partner
Membership No. 076124
UDIN: 20076124AAAABC7924

Place: Gurugram
Date: 17 June 2020

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2020

Particulars	Notes	As at	As at
		March 31, 2020 (₹ in Lacs)	March 31, 2019 (₹ in Lacs)
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	6(i)(a)	392,222.89	469,415.51
(b) Capital work-in-progress	6(i)(b)	18,883.78	42,084.72
(c) Right-of-use	10	109,830.03	-
(d) Goodwill	6(ii)	372,075.96	372,075.96
(e) Other intangible assets	6(iii)(a)	6,105.82	6,180.37
(f) Intangible assets under development	6(iii)(b)	1,491.04	2,893.49
(g) Investments in associates/ Joint venture	6(iv)	17,454.48	19,030.73
(h) Financial assets			
(i) Loans	6(vii)	3,003.37	2,946.98
(ii) Other financial assets	6(viii)	8,436.89	5,694.03
(i) Non-current tax assets (Net)	6(ix)(a)	65,389.44	56,171.01
(j) Deferred tax assets (Net)	6(x)	39,287.98	46,533.43
(k) Other non-current assets	6(xi)	6,552.53	5,442.38
Total non-current assets (A)		1,040,734.21	1,028,468.61
B. Current assets			
(a) Inventories	6(xii)	7,817.91	5,653.34
(b) Financial assets			
(i) Other investments	6(v)	-	7,928.72
(ii) Trade receivables	6(vi)	45,878.20	54,241.57
(iii) Cash and cash equivalents	6(xiii)	18,185.93	79,405.19
(iv) Bank balances other than (iii) above	6(xiv)	8,409.50	6,179.89
(v) Loans	6(vii)	1,738.81	2,109.61
(vi) Other financial assets	6(viii)	4,746.20	5,833.96
(c) Other current assets	6(xi)	7,047.12	5,239.98
(d) Assets classified as held for sale	6(xv)	223.95	66.10
Total current assets (B)		94,047.62	166,658.36
Total assets (A+B)		1,134,781.83	1,195,126.97
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	6(xvi)	75,495.81	75,495.49
(b) Other equity		590,613.01	584,584.80
Equity attributable to owners of the Company		666,108.82	660,080.29
Non-controlling interests		54,449.81	51,169.03
Total equity (A)		720,558.63	711,249.32
B. Liabilities			
I Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	6(xviii)	95,405.03	63,708.44
(ii) Lease liabilities	10	21,249.77	3,754.31
(iii) Other financial liabilities	6(xix)	947.49	1,312.67
(b) Provisions	6(xx)	7,560.82	6,586.11
(c) Deferred tax liabilities (Net)	6(x)	31,160.71	48,080.84
(d) Other non-current liabilities	6(xxi)	6.49	1,336.92
Total non-current liabilities (B)		156,330.31	124,779.29
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	6(xxii)	36,255.41	123,074.23
(ii) Lease liabilities	10	2,779.57	163.70
(iii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	6(xxiii)	6,392.22	4,668.05
-Total outstanding dues of creditors other than micro enterprises and small enterprises	6(xxiii)	53,370.81	70,684.44
(iv) Other financial liabilities	6(xix)	135,224.97	136,833.81
(b) Provisions	6(xx)	7,908.96	7,866.78
(c) Current tax liabilities (Net)	6(ix)(b)	273.59	610.89
(d) Other current liabilities	6(xxiv)	15,567.36	15,196.46
(e) Liabilities directly associated with assets classified as held for sale	6(xv)	120.00	-
Total current liabilities (C)		257,892.89	359,098.36
Total liabilities (B+C)		414,223.20	483,877.65
Total equity and liabilities (A+B+C)		1,134,781.83	1,195,126.97
See accompanying notes forming integral part of the consolidated financial statements	1-44		

In terms of our report attached

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sd/-

RAJESH ARORA

Partner

Membership Number: 076124

For and on behalf of the Board of Directors

FORTIS HEALTHCARE LIMITED

Sd/-

ASHUTOSH RAGHUVANSHI

Managing Director & Chief Executive Officer

DIN: 02775637

Sd/-

SUMIT GOEL

Company Secretary

Membership No.: F6661

Sd/-

INDRAJIT BANERJEE

Independent Director

DIN: 01365405

Sd/-

VIVEK KUMAR GOYAL

Chief Financial Officer

Place : Gurugram

Date : June 17, 2020

Place : Gurugram

Date : June 17, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

Particulars		Notes	Year ended March 31, 2020 (₹ in Lacs)	Year ended March 31, 2019 (₹ in Lacs)
I	Revenue from operations	6(xxv)	463,232.01	446,935.66
II	Other income	6(xxvi)	5,263.86	9,239.78
III	Total Income (I+II)		468,495.87	456,175.44
IV	Expenses			
(i)	Purchases of medical consumable and drugs		98,549.46	91,814.26
(ii)	Changes in inventories of medical consumable and drugs	6(xxvii)	(2,164.57)	1,009.42
(iii)	Employee benefits expense	6(xxviii)	91,603.13	91,358.77
(iv)	Finance costs	6(xxix)	20,506.35	33,683.28
(v)	Depreciation and amortisation expense	6(xxx)	29,172.91	23,291.66
(vi)	Other expenses	6(xxxi)	214,292.13	240,231.20
	Total expenses (IV)		451,959.41	481,388.59
V	Share of profit of associates/joint ventures (net of tax)		1,216.56	36,441.24
VI	Profit before exceptional item and tax (III-IV+V)		17,753.02	11,228.09
	Exceptional items	6(xxxii)	6,182.90	(22,238.23)
VII	Profit / (loss) before tax		23,935.92	(11,010.14)
VIII	Tax expense			
(i)	Current tax (net)	6(xxxiii)	24,360.18	15,162.90
(ii)	Deferred tax credit (net)	6(xxxiii)	(9,573.10)	(3,801.58)
			14,787.08	11,361.32
IX	Profit / (loss) for the year (VII+VIII)		9,148.84	(22,371.46)
	Other comprehensive income/(loss)			
(i)	Items that will not be reclassified to profit or loss			
(a)	Remeasurements of the defined benefit liabilities		(396.06)	352.88
(b)	Income tax charge relating to items that will not be reclassified to profit or loss		101.64	(120.21)
(ii)	Items that may be reclassified to profit or loss			
(a)	Exchange differences in translating the financial statements of foreign operations		305.35	(4,749.64)
X	Total other comprehensive income / (loss) for the year		10.93	(4,516.97)
XI	Total comprehensive income / (loss) for the year (IX+X)		9,159.77	(26,888.43)
	Profit/(loss) for the year attributable to:			
(i)	Owners of the Company		5,793.59	(29,893.83)
(ii)	Non-controlling interests		3,355.25	7,522.37
			9,148.84	(22,371.46)
	Other comprehensive income / (loss) for the year attributable to:			
(i)	Owners of the Company		153.42	(4,555.42)
(ii)	Non-controlling interests		(142.49)	38.45
			10.93	(4,516.97)
	Total comprehensive income / (loss) for the year attributable to:			
(i)	Owners of the Company		5,947.01	(34,449.25)
(ii)	Non-controlling interests		3,212.76	7,560.82
			9,159.77	(26,888.43)
	Earnings per equity share of ₹ 10 each:	6(xxxiv)		
(i)	Basic (in ₹)		0.77	(4.91)
(ii)	Diluted (in ₹)		0.77	(4.91)
	See accompanying notes forming integral part of the consolidated financial statements	1 - 44		

In terms of our report attached

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sd/-

RAJESH ARORA

Partner

Membership Number: 076124

For and on behalf of the Board of Directors

FORTIS HEALTHCARE LIMITED

Sd/-

ASHUTOSH RAGHUVANSHI

Managing Director & Chief Executive Officer

DIN: 02775637

Sd/-

SUMIT GOEL

Company Secretary

Membership No.: F6661

Sd/-

INDRAJIT BANERJEE

Independent Director

DIN: 01365405

Sd/-

VIVEK KUMAR GOYAL

Chief Financial Officer

Place : Gurugram

Date : June 17, 2020

Place : Gurugram

Date : June 17, 2020

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

	Notes	Year ended	Year ended
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
Cash flows from operating activities			
Profit/ (Loss) before tax for the year		23,935.92	(11,010.14)
Adjustments for:			
Exceptional loss/ (gain) (net)		(6,182.90)	22,238.23
Finance cost		20,506.35	33,683.28
Interest income		(3,030.46)	(7,384.01)
Loss on disposal of property, plant and equipment (net)		87.22	618.75
Profit on sale of current investment		(41.16)	(192.25)
Allowance for bad and doubtful trade receivables		6,573.79	7,930.93
Allowance for bad and doubtful advances		233.20	306.62
Depreciation and amortisation expense		29,172.91	23,291.66
Provision for contingencies and litigation		157.18	393.09
Bad debts written off		2.26	112.85
Expense recognised in respect of equity-settled share-based payments		149.33	363.76
Share of associate and joint ventures		(1,216.56)	(36,441.24)
Provisions/ liabilities no longer required written back		(3,452.57)	(2,192.56)
Unrealised foreign exchange gain		(1,154.90)	(53.48)
Operating profit before changes in following assets and liabilities		65,739.61	31,665.49
Changes in operating assets and liabilities			
(Increase)/ decrease in trade and other receivables		1,787.32	(14,954.82)
Decrease)/ (increase) in inventories		(2,164.57)	1,064.02
Increase in loans, other assets and other financial assets		(3,945.53)	(7,050.59)
Decrease in trade payables		(12,170.24)	(3,964.20)
Increase in provisions		493.94	695.52
Increase/ (decrease) in other liabilities and other financial liabilities		1,359.99	(531.86)
Cash generated from operations		51,100.52	6,923.57
Income taxes paid (net of refunds)		(33,946.14)	(24,776.64)
Net cash generated/ (used in) by operating activities	(A)	17,154.38	(17,853.07)
Cash flows from investing activities			
Interest received		3,217.44	7,284.37
Investment in bank deposits (net)		(2,229.61)	(4,406.08)
Unpaid dividend		-	(3.58)
Payments for property, plant and equipment & intangible assets		(15,588.57)	(8,311.29)
Sale of investment in associate		7,388.32	9,422.05
Proceeds from disposal of property, plant and equipment		1,926.77	55.47
Proceeds from repayment of loan by body corporate		2,941.76	-
Proceeds from disposal of mutual funds		7,969.88	33,909.55
Dividends received from associates		416.29	96,405.81

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2020

	Notes	Year ended	Year ended
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
Payment on acquisition of partial interest in a subsidiary that does not involve change of control (refer note 26)		-	(106,301.79)
Purchase of subsidiaries (refer note 26)		-	(360,328.41)
Net cash generated/ (used in) by investing activities	(B)	6,042.28	(332,273.90)
Cash flows from financing activities (refer note 6(xvii))			
Proceeds from issue of equity instruments (including securities premium)		2.46	400,976.77
Proceeds from long-term borrowings		100,553.53	41,491.49
Repayment of lease liability		(2,528.00)	-
Unpaid dividend		-	3.58
Repayments of long-term borrowings		(75,445.29)	(67,958.85)
(Repayments of)/ Proceeds from short-term borrowings (net)		(88,258.06)	91,276.99
Interest paid (including interest on lease liability of ₹ 2628.64 lacs)		(20,485.15)	(40,129.27)
Net cash (used in)/ generated by financing activities	(C)	(86,160.51)	425,660.71
Effect of exchange rate changes	(D)	305.35	(4,749.65)
Net (decrease)/ increase in cash and cash equivalents	(A+B+C+D)	(62,658.50)	70,784.09
Cash and cash equivalents at the beginning of the year		63,369.80	(16,505.76)
Add: Cash and cash equivalents in respect of subsidiaries acquired during the year (refer note 26)		-	9,091.47
Cash and cash equivalents at the end of the year	6(xiii)	711.30	63,369.80
During the year, the Group paid ₹ 937.56 lacs (previous year ₹ 421.20 lacs) towards corporate social responsibility expenditure (refer note 25).			
See accompanying notes forming integral part of the consolidated financial statements	1 - 44		

In terms of our report attached

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

Sd/-

RAJESH ARORA

Partner

Membership Number: 076124

For and on behalf of the Board of Directors

FORTIS HEALTHCARE LIMITED

Sd/-

ASHUTOSH RAGHUVANSHI

Managing Director & Chief Executive Officer

DIN: 02775637

Sd/-

SUMIT GOEL

Company Secretary

Membership No.: F6661

Sd/-

INDRAJIT BANERJEE

Independent Director

DIN: 01365405

Sd/-

VIVEK KUMAR GOYAL

Chief Financial Officer

Place : Gurugram

Date : June 17, 2020

Place : Gurugram

Date : June 17, 2020

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lacs)

Particulars	Equity										Total other equity	Equity attributable to owners of the Company	Non-controlling interests	Total Equity
	Reserves and Surplus				Other reserves				Items of other comprehensive income	Exchange difference on translation of foreign operations				
	Securities premium*	Retained earnings	Share options outstanding Account****	Amalgamation reserve**	General reserve***	Capital reserve*****	Other Reserves*****							
Balance at April 1, 2018 (A)	51,865.72	344,170.26	(26,872.37)	2,810.03	156.00	41,964.89	337.50	(1,432.06)	(6,827.60)	354,306.65	406,172.37	125,523.18	531,695.55	
Loss for the year	-	-	(29,893.83)	-	-	-	-	-	-	(29,893.83)	(29,893.83)	7,522.37	(22,371.46)	
Other comprehensive income for the year (net of income tax)	-	-	(158.44)	-	-	-	-	-	(4,749.65)	(4,908.09)	(4,908.09)	38.45	(4,869.64)	
Total comprehensive income for the year (B)	-	-	(30,052.27)	-	-	-	-	-	(4,749.65)	(34,801.92)	(34,801.92)	7,560.82	(27,241.10)	
Issues of shares during the year	23,529.41	376,473.02	-	-	-	-	-	-	-	376,473.02	400,002.43	-	400,002.43	
Exercise of stock option during the year [refer note 6 (xvi) and 16]	100.36	873.98	-	(511.20)	-	511.20	-	-	-	873.98	974.34	-	974.34	
Stock options lapsed/cancelled during the year (refer note 16)	-	-	-	(288.82)	-	288.82	-	-	-	-	-	-	-	
Put option (refer note 12(b))	-	-	(118,000.00)	-	-	-	-	-	-	(118,000.00)	(118,000.00)	-	(118,000.00)	
Share issue expenses of the subsidiaries	-	-	(384.00)	-	-	-	-	-	-	(384.00)	(384.00)	-	(384.00)	
Non controlling interest adjustments	-	-	352.34	-	-	-	-	-	-	352.34	352.34	(352.34)	-	
Sale of subsidiary (refer note 37)	-	-	2,215.56	-	-	-	-	-	-	2,215.56	2,215.56	340.44	2,556.00	
Purchase of stake from non-controlling interest (refer note 26)	-	-	3,185.41	-	-	-	-	-	-	3,185.41	3,185.41	(81,903.07)	(78,717.66)	
Recognition of share-based payments expense (refer note 16)	-	-	-	363.76	-	-	-	-	-	363.76	363.76	-	363.76	
Balance at March 31, 2019 (C)	75,495.49	721,517.26	(169,555.33)	2,373.77	156.00	42,764.91	337.50	(1,432.06)	(11,577.25)	584,584.80	660,080.29	51,169.03	711,249.32	
Profit for the year	-	-	5,793.59	-	-	-	-	-	-	5,793.59	5,793.59	3,355.25	9,148.84	
Other comprehensive income for the year (net of income tax)	-	-	(151.93)	-	-	-	-	-	305.35	153.42	153.42	(142.49)	10.93	
	-	-	5,641.66	-	-	-	-	-	305.35	5,947.01	5,947.01	3,212.76	9,159.77	
Exercise of stock option during the year [refer note 6 (xvi) and 16]	0.32	2.14	-	(2.14)	-	2.14	-	-	-	2.14	2.46	-	2.46	
Non controlling interest adjustments	-	-	(68.02)	-	-	-	-	-	-	(68.02)	(68.02)	68.02	-	
Recognition of share-based payments expense (refer note 16)	-	-	-	147.08	-	-	-	-	-	147.08	147.08	-	147.08	
Stock options lapsed/cancelled during the year (refer note 16)	-	-	-	(2,146.70)	-	2,146.70	-	-	-	-	-	-	-	
Balance at March 31, 2020 (D)	75,495.81	721,519.40	(163,981.69)	372.01	156.00	44,913.75	337.50	(1,432.06)	(11,271.90)	590,613.01	666,108.82	54,449.81	720,558.63	

* The unutilized accumulated excess of issue price over face value on issue of shares. This reserve is utilized in accordance with the provisions of the Companies Act, 2013.

** Amalgamation reserve was created on amalgamation of Escorts Heart Institute Research Centre, Delhi (Delhi Society) with a Society at Chandigarh with a similar name (Chandigarh Society) and later on, registration of the amalgamated Society as Company.

*** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another.

**** The fair value of the equity settled share based payment transactions with employees is recognized in Statement of Profit and Loss with corresponding credit to share options outstanding account.

***** Capital reserve represents the equity and reserves of SRL Diagnostics FZ-LLC acquired during the year 16-17 through common control business combination.

***** This represents the loss on dilution of shareholding in a subsidiary (SRL) company during the year ended March 31, 2012.

See accompanying notes forming integral part of the consolidated financial statements

1-44

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer

Place : Gurugram
Date : June 17, 2020

Place : Gurugram
Date : June 17, 2020

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Fortis Healthcare Limited (“the Company” or the “Parent Company”), a public limited company, was incorporated in 1996. Its equity shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is situated at Fortis Hospital Sector-62 Phase-VIII, Mohali 160062, Punjab and the corporate office of the Company is situated at Tower A, Unitech Business Park, Block - F South City - 1, Sector-41 Gurugram 122001, Haryana.

As a part of its business activities, the Company holds interests in its subsidiaries (the Company and its subsidiaries hereinafter referred to as the ‘Group’) and the Group’s interest in associates and joint ventures through which it manages and operates a network of multi-specialty hospitals and diagnostics centers.

On November 13, 2018, IHH Healthcare Berhad acquired 31.10% stake in the Company and appointed majority of board of directors, thereby, becoming the controlling shareholder of the Company.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated Financial Statements (“financial statements”). The accounting policies adopted are consistent with those of the previous financial year except for changes as described in note 4 due to amendment in applicable accounting guidance (also refer to respective policies).

(a) Basis of preparation

(i) *Statement of compliance*

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, (“the Act”) and other relevant provisions of the Act. All the amounts included in the financial statements are reported in lacs of Indian ₹ and are rounded to the nearest lac rounded off to two decimals, except per share data.

(ii) *Functional and presentation currency*

These financial statements are presented in Indian Rupees, which is also the Group’s functional currency. However, the functional currency of the following foreign subsidiaries, joint venture and associates is as follows:

Subsidiaries:

- SRL Diagnostics FZ – LLC- Arab Emirate Dirham (AED)
- Fortis Asia Healthcare Pte Limited- United States Dollar (USD)
- Fortis Healthcare International Limited- United States Dollar (USD)
- Fortis Global Healthcare (Mauritius) Limited- United States Dollar (USD)
- Fortis Healthcare International Pte Limited- Singapore Dollar (SGD)

Joint Venture:

- SRL Diagnostics (Nepal) Private Limited - Nepalese Rupees (NPR)

Associates:

- Lanka Hospitals Corporate Plc- Sri Lankan Rupee (LKR)
- RHT Health Trust Trustee Manager- United States Dollar (USD)
- Medical and Surgical Centre Limited- Mauritian Rupee (MUR) (upto 8 July 2019)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) *Historical cost convention*

The consolidated financial statements have been prepared under historical cost convention on accrual basis, unless otherwise stated. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

b) Principles of consolidation

The consolidated financial statements comprise the financial statement of the Group and its interest in associates and joint ventures. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee.
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of an entity begins when the Group obtains control over that entity and ceases when the Group loses control over the entity. Assets, liabilities, income and expenses of an entity acquired or disposed of during the year are included in these financial statements from the date the Group gains control until the date the Group ceases to control the entity.

These financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in these financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing these financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a member of the Group, the member prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The details of the consolidated entities are provided in note 7 to these financial statements.

(c) Consolidation procedure

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries
- b) Investment in associate companies and joint ventures have been accounted under the equity method as per Ind AS 28 - "Investment in Associates and Joint Ventures"
- c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- d) Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interest in the results and the equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(d) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
 - It is expected to be realised within twelve months after the reporting period; or
 - It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

(e) Measurement of fair values

A number of the accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(f) Business combinations

Business combinations (other than business combinations between common control entities) are accounted for using the purchase (acquisition) method. The cost of an acquisition is measured as the fair value of the consideration transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange. The consideration transferred does not include amounts related to the settlement of pre-existing relationships; such amounts are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as Goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as Capital Reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Group in the same form in which they appeared in the financial statement of the acquired entity. The differences, if any, between the consideration and the amount of share capital of the acquired entity is transferred to Capital Reserve.

(g) Property, plant and equipment (PPE) and intangible assets

(i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost, which includes capitalized finance costs, less accumulated depreciation and any accumulated impairment loss. The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, freight, any directly attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling and restoring onsite; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April 2015 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

(ii) Goodwill and Intangible assets

- For measurement of Goodwill that arises from business combination, refer to accounting policy thereon above. Subsequent measurement is at cost less any accumulated impairment losses.
- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
 - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
 - Development expenditure including regulatory cost and legal expenses leading to product registration/ market authorisation relating to the new and/or improved product

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and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of tangible fixed assets). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.

- Intangible assets that are acquired (including goodwill recognized for business combinations) are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortization (for finite lives intangible assets) and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 01 April 2015 measured as per the previous GAAP and used that carrying value as the deemed cost of the intangible assets.

(iii) Depreciation and amortization methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for certain classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management.

The details of useful life are as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Buildings	30-60 years	60 years
Plant and machinery	3-15 years	15 years
Medical equipment	2-13 years	13 years
Computers	3 years	3 years
Furniture and fittings	4-10 years	10 years
Office equipment	5 years	5 years
Vehicles	4-8 years	8 years

Freehold land is not depreciated.

Depreciation on leasehold assets is provided over the lease term or expected useful life of the asset, whichever is lower.

Goodwill is not amortized and is tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

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Estimated useful lives of the intangible assets are as follows:

Category of assets	Management estimate of Useful Life
Computer software	3-6 years
Assay developed	5 years
Non-compete fees	3-5 years
License fees	3-10 years
Technical Know-how fees	1-5 years

Depreciation and amortization on property, plant and equipment and intangible assets added/ disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Derecognition

Property, plant and equipment and intangible assets are derecognised on disposal or when no future economic benefits are expected from their use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss.

(h) Assets held for sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in the Statement of Profit or Loss.

Once classified as held-for sale, property, plant and equipment and intangible assets are no longer amortised or depreciated.

(i) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The Group's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

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The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognized in prior periods, the Group reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and

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Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVOCI

A 'debt instrument' is classified as at the FVOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL. In addition, at initial recognition, the Group may irrevocably elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit or Loss.

Equity investments

Equity investments in subsidiaries, jointly controlled entities and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in such entities, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

All other equity investments which are in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments in scope of Ind AS 109, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit or Loss.

Impairment of financial assets

The Group recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the

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12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit or Loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit or Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit or Loss. Any gain or loss on derecognition is also recognised in Statement of Profit or Loss.

Put option

Put options granted to non-controlling shareholders of subsidiaries are accounted as liability with a corresponding adjustment to equity (if recognition criteria are met), on a fair value basis.

Compound financial instruments

The components of compound financial instruments (comprising instruments convertible into equity shares) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

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The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Group uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(k) Inventories

Inventories are valued at lower of cost or net realisable value except scrap, which is valued at net estimated realisable value.

The Group uses weighted average method to determine cost for all categories of inventories except for goods in transit which is valued at specifically identified purchase cost and other direct costs incurred. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

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For the purpose of cash flow statement, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

(m) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are reviewed by the management at each balance sheet date.

(n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

(o) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and the grant will be received.

Government grants are recognised on accrual basis as and when performance obligation is met and it is certain that economic benefits will flow to the Group.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets and nonmonetary grants are recognised and disclosed as "deferred income" in the Balance Sheet and transferred to the statement of Profit and Loss on a systematic basis over the useful lives of the related assets.

(p) Revenue recognition

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services, sale of medical and non-medical items and medical testing charges. Hospital services include charges for

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accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients. Medical testing charges consists of fees received for various tests conducted in the field of pathology and radiology.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Group assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Group expects to receive in exchange for those products or services and is net of tax collected from customers and remitted to government authorities such as sales tax, excise duty, value added tax and applicable discounts and allowances including claims. Further, the Group also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognized as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue from medical tests is recognized on accrual basis when the reports are generated and released to customers, net of discounts, if any.

Revenue includes only those sales for which the Group has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Group has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Receivables are classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

Other operating revenue comprises revenue from various ancillary revenue generating activities like operations and maintenance agreements, satellite centers, clinical research activities, sponsorship arrangements and academic services. The revenue in respect of such arrangements is recognized as and when services are performed.

Income from 'Service Export from India Scheme' (SEIS), included in other operating revenue, is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis to the extent it is certain that economic benefits will flow to the Group.

Interest income on financial assets (including deposits with banks) is recognized using the effective interest rate method on a time proportionate basis.

Dividend income from investments is recognised in statement of profit and loss on the date that the right to receive payment is established.

(q) Employee benefits

Short-term employee benefits

All employee benefits falling due within twelve months of the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

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Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) **Gratuity:**

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary. The gratuity liability for certain employees of the Group is funded with Life Insurance Corporation of India.

b) **Superannuation:**

Certain employees of the Group are also participants in the superannuation plan ('the Plan'), a defined contribution plan. Contribution made by the Group to the plan during the year is charged to Statement of Profit and Loss.

c) **Provident fund:**

(i) The Group makes contribution to the recognised provident fund - "Escorts Heart Institute and Research Centre Employees Provident Fund Trust " and "Fortis Healthcare Limited Provident Fund Trust" for most of its employees in India, which is a defined benefit plan to the extent that the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

For other employees in India, provident fund is deposited with Regional Provident Fund Commissioner. This is treated as defined contribution plan.

(ii) Group's contribution to the provident fund is charged to Statement of Profit and Loss in the periods during which the related services are rendered by the employees.

Other long-term employee benefits:

As per the Group's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during service, on early retirement, on withdrawal of scheme, at resignation and upon death of the employee. Accumulated compensated absences are treated as other long-term employee benefits.

Termination benefits are recognised as an expense when, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Actuarial valuation

The liability in respect of all defined benefit plans and other long term benefits is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

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Remeasurement gains and losses on other long term benefits are recognised in the Statement of Profit and Loss in the year in which they arise. Remeasurement gains and losses in respect of all defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in other equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Any differential between the plan assets (for a funded defined benefit plan) and the defined benefit obligation as per actuarial valuation is recognised as a liability if it is a deficit or as an asset if it is a surplus (to the extent of the lower of present value of any economic benefits available in the form of refunds from the plan or reduction in future contribution to the plan).

Past service cost is recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, the past service cost is recognised immediately in the Statement of Profit and Loss. Past service cost may be either positive (where benefits are introduced or improved) or negative (where existing benefits are reduced).

(r) Share-based payments

The grant date fair value of options granted (net of estimated forfeiture) to employees of the Group is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognized in connection with share based payment transaction is presented as a separate component in equity under "share options outstanding account". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes-Merton). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates.

Corresponding balance of share options outstanding account is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

(s) Finance costs

Finance costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Finance cost also includes exchange differences to the extent regarded as an adjustment to the finance costs. General and specific borrowing costs that are directly attributable to the construction or production or development of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other finance costs are expensed in the period in which they occur.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the finance costs eligible for capitalization. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(t) Income tax

Income tax comprises current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

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Current taxes

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received after considering uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to freehold land and investments in subsidiaries, associates or joint arrangements, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(u) Leases

Effective April 1, 2019, the Group has applied Ind AS 116 using modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The details of accounting policies under Ind AS 17 are disclosed separately if they are different from those under Ind AS 116 and the impact of changes is disclosed in note 4 below.

Policy applicable from April 1, 2019

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or

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contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset through the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision- making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used

An entity shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

This policy is applicable to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non- lease components and account for the lease and non-lease components as a single lease component.

Policy applicable before April 1, 2019

For contracts entered into before 1 April 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfillment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(i) As a lessee

The Group accounts for assets taken under lease arrangement in the following manner:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease

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liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

Under Ind AS 17

In the comparative period, a lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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(ii) As a lessor

The Group accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight line basis over the lease term.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116.

(v) Foreign currency translation

The Group has adopted Appendix B, "Foreign currency transactions and advance consideration" to Ind AS 21, "the effects of changes in foreign exchange rates" effective from 1 April 2018 prospectively to all assets, expenses and income in the scope of the said Appendix. The adoption of the above Standard/Appendix does not have any significant impact on the financial position or performance of the Group.

(i) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit or Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(ii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Equity share capital and opening other equity are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at Balance Sheet date.
- Profit and Loss items are translated at the respective quarterly average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction.
- All resulting exchange differences are recognised in Other Comprehensive Income.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

When a foreign operation is sold, the associated cumulative exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

The items of consolidated cash flow statement are translated at the respective average rates or the exchange rate that approximates the actual exchange rate on date of specific transaction. The impact of changes in exchange rate on cash and cash equivalent held in foreign currency is included in effect of exchange rate changes.

(w) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(x) Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). CODM of the Group is responsible for allocating resources and assessing performance of the operating segments and accordingly identified as the chief operating decision maker. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues/ expenses/ assets/ liabilities", as the case may be. The group has two reportable segments i.e Health Care and Diagnostic business which are the Group's strategic business units.

(y) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

3. Critical estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

- Leasing arrangement (classification and accounting) – Note 2(u)
- Financial instruments - Note 2(j)
- Accounting for acquisitions - Note 2(f)
- Fair value measurement – Note 2(e)
- Estimated impairment of financial assets and non-financial assets – Note 2(h), 2(i), 6(ii).
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 13, 14, 15
- Recognition and estimation of tax expense including deferred tax– Note 6(x), 6(xxxiii)
- Assessment of useful life and residual value of property, plant and equipment and intangible asset – Note 2(g)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 17
- Share-based payments – Note 16
- Revenue recognition – Note 2 (p)

4. Changes in significant accounting policies

The Group initially applied Ind AS 116 Leases from 1 April 2019. A number of other new amendments to standards are also effective from 1 April 2019 but they do not have a material effect on the Group's financial statements.

The Group applied Ind AS 116 using the modified retrospective approach. Accordingly, the comparative information presented for March 31, 2019 is not restated - i.e. it is presented, as previously reported, under Ind AS 17. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under Ind AS 17. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in 2(u).

B. As a lessee

As a lessee, the Group leases many assets including property, medical equipment and office equipment. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities for most of these leases - i.e. these leases are on-balance sheet, At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

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However, for leases of land and building the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

i. Leases classified as operating leases under IAS 17

Previously, the Group classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Group used a number of practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

ii. Leases classified as finance leases under Ind AS 17

The Group leases a number of lands and buildings. These leases were classified as finance leases under Ind AS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at 1 April 2019 were determined at the carrying amount of the lease asset and lease liability under Ind AS 17 immediately before that date.

Impact on financial statements

When measuring lease liabilities for leases that were classified as operating lease, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 10.55 to 11% per annum.

On transition to Ind AS 116, the impact is as summarized below:

Right of Use Assets recognised as at April 01, 2019

Particulars	Amount (₹ in lacs)
ROU recognised on transition to Ind AS 116 as at 1 April 2019	20,863.29
Amount reclassified from Prepaid expenses to Right of Use Assets	850.98
Amount reclassified from lease equalization reserve to Right of Use Assets	(246.94)
Carrying value reclassified from Property Plant and Equipment to Right of Use Assets	89,164.04
ROU recognised at 1 April 2019	110,631.37

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of initial recognition of Lease Liability and Right-of-Use Assets

Particulars	Amount (₹ in lacs)
ROU recognised on transition to Ind AS 116 as at 1 April 2019	20,863.29
Adjustment of finance lease liabilities recognised as at 31 March 2019	3,918.01
Lease liabilities recognised at 1 April 2019	24,781.30

When measuring lease liabilities for leases that were classified as operating lease, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 11%.

Particulars	Amount (₹ in lacs)
Operating lease commitments at March 31, 2019 as disclosed under Ind AS 17 in the Group's consolidated financial statements	14,574.80
- Recognition exemption for leases of short term	(1,297.53)
Net operating lease commitment applicable for Ind AS 116	13,277.27
Discounted using incremental borrowing rate at 1 April 2019	8,442.92
Lease liabilities recognised from contracts previously not classified as operating lease in the year ended 31 March, 2019	5,484.11
Extension options reasonably certain to be exercised	6,936.26
Finance lease liabilities recognised at 31 March 2019	3,918.01
Lease liabilities recognised at 1 April 2019	24,781.30

5. The financial statements have been authorized for issue by the Company's Board of Directors on June 17, 2020.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

6(i)(a) Property, plant and equipment

(₹ in Lacs)

Particulars	Land (refer note a, b and c below)	Building	Building under finance lease	Leasehold improvements	Plant & machinery (refer note 10(b))	Medical equipments (refer note e below and note 10 (b))	Furniture & fittings	Computers (refer note e below)	Office equipments	Vehicles	Total
Gross carrying value											
As at April 1, 2018	135,557.02	60,578.50	447.07	9,193.92	22,368.58	92,917.01	6,861.86	3,740.00	2,923.78	3,759.52	338,347.26
Additions	-	305.19	-	469.65	1,638.97	3,383.77	184.84	329.96	237.37	102.62	6,652.37
Assets acquired under business combinations (refer note 26)	145,009.66	48,623.82	-	198.63	4,370.57	3,210.65	220.04	51.70	36.88	30.47	201,752.42
Disposals	-	-	-	(235.62)	(286.06)	(1,283.53)	(91.63)	(182.96)	(93.47)	(1,741.64)	(3,914.91)
Other adjustments	252.39	(1,958.24)	-	4,405.32	(556.83)	(1,388.82)	82.52	329.08	35.09	550.33	1,750.84
Classified as assets held for sale (refer note d below)	-	(233.00)	-	-	-	-	-	-	-	-	(233.00)
Exchange translation adjustments	-	27.74	-	134.05	24.36	69.07	1.65	8.45	0.10	0.85	266.27
As at March 31, 2019	280,819.07	107,344.01	447.07	14,165.95	27,559.59	96,908.15	7,259.28	4,276.23	3,139.75	2,702.15	544,621.25
Additions	-	19,448.07	-	331.21	2,644.25	11,595.30	479.87	935.17	339.58	245.70	36,019.15
Transfer to ROU Asset on implementation of Ind AS 116 (refer to note 10a)	(88,623.22)	-	(447.07)	-	-	(93.75)	-	-	-	-	(89,164.04)
Disposals	-	(687.64)	-	(1,334.65)	(794.76)	(3,305.35)	(179.46)	(408.48)	(105.19)	(307.25)	(7,122.79)
Classified as assets held for sale (refer note d below)	-	-	-	(75.74)	-	(285.89)	(2.27)	(38.46)	(64.00)	-	(466.36)
Exchange translation adjustments	-	-	-	114.86	-	69.99	1.40	7.63	0.10	0.88	194.86
As at March 31, 2020	192,195.85	126,104.44	-	13,201.63	29,409.08	104,888.44	7,558.82	4,772.09	3,310.25	2,641.48	484,082.07
Accumulated depreciation											
As at April 1, 2018	-	3,394.88	42.99	4,403.93	7,998.36	28,798.24	2,377.80	2,525.37	1,717.59	2,189.68	53,448.84
Charge for the year	24.68	3,065.43	17.20	1,220.52	2,535.81	10,174.52	863.43	676.59	404.70	460.97	19,443.85
Impairment (refer note 23)	-	-	-	-	193.65	3,344.82	93.75	34.62	29.74	9.77	3,706.35
Disposals	-	-	-	(227.25)	(193.04)	(1,163.93)	(66.20)	(170.40)	(89.52)	(1,307.11)	(3,217.45)
Other adjustments	-	2,126.32	(60.19)	871.52	(372.66)	(1,903.21)	185.19	346.36	(25.20)	582.71	1,750.84
Classified as assets held for sale (refer note d below)	-	(166.90)	-	-	-	-	-	-	-	-	(166.90)
Exchange translation adjustments	-	36.73	-	103.90	24.36	67.02	0.63	6.89	0.10	0.58	240.21
As at March 31, 2019	24.68	8,456.46	-	6,372.62	10,186.48	39,317.46	3,454.60	3,419.43	2,037.41	1,936.60	75,205.74
Charge for the year	-	5,142.47	-	1,220.58	2,184.62	11,226.91	857.10	571.66	453.39	352.57	22,009.30
Assets under Financial lease transfer out from PPE	(24.68)	-	-	(60.19)	-	(90.40)	-	-	-	-	(175.27)
Disposals	-	(586.84)	-	(1,286.66)	(685.62)	(1,598.16)	(160.50)	(387.57)	(62.46)	(239.66)	(5,007.45)
Classified as assets held for sale (refer note d below)	-	-	-	(73.64)	-	(208.63)	(2.10)	(35.29)	(42.56)	-	(362.22)
Exchange translation adjustments	-	-	-	111.00	-	69.14	0.84	7.18	0.10	0.83	189.09
As at March 31, 2020	-	13,012.09	-	6,283.71	11,685.49	48,716.32	4,149.95	3,575.41	2,385.90	2,050.34	91,859.19
Carrying value (As at March 31, 2019)	280,794.39	98,887.55	447.07	7,793.33	17,373.11	57,590.69	3,804.68	856.80	1,102.34	765.55	469,415.51
Carrying value (As at March 31, 2020)	192,195.85	113,092.35	-	6,917.92	17,723.59	56,172.12	3,408.88	1,196.67	924.36	591.14	392,222.89

- Leasehold Land included ₹ 377.11 lacs (Previous year ₹ 377.11 lacs) in respect of a subsidiary. Delhi Development Authority had terminated all the allotment letters lease/ deeds in respect of this land during the financial year 2005-06. The subsidiary has filed an appeal in the Delhi High Court and repossession of land has been stayed by an interim stay order of Delhi High Court. Leasehold land is not amortized since it has been taken on a perpetual lease.
- Leasehold Land includes ₹ 21.11 lacs (Previous year ₹ 21.11 lacs) in respect of a subsidiary, for which, the deed is not in possession of the Group. The subsidiary has written to the Delhi Development Authority to provide a copy of the deed and reply is awaited.
- The original title deeds for certain freehold lands included in above are in the possession of trustee and banks against loans outstanding for which confirmation has been received except for freehold land having carrying value of ₹ 10.09 lacs for which the Group has written to the trustee to provide the title deed and a confirmation is awaited.
- Building includes three residential flats held under joint ownership. The cost capitalized in books represents the proportionate share of the Company. During the previous year, the Company has classified these flats from building to assets held for sale.
- Above block includes certain assets leased pursuant to operating lease agreement [refer note 10(b)].
- Certain assets (moveable) included under Property, plant and equipment, are held as pledge against loans taken by the Group [refer note 11].

6(i)(b) Capital work-in-progress

The Group accounts for all capitalization of property, plant and equipment through capital work in progress and therefore the movement in capital work in progress is the difference between closing and opening balance of capital work in progress as adjusted in additions to property, plant and equipment and impairment of capital work in progress. Capital work in progress as at March 31, 2020 is ₹ 18,883.78 lacs (net of provision for impairment ₹ 2,843.00 lacs) [refer note 30(a)] [as at March 31, 2019 is ₹ 42,084.72 lacs (net of provision for impairment ₹ 2,843.00 lacs) [refer note 30(a)]]].

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6(ii) Goodwill

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

Particulars	(₹ in Lacs)							
	31-Mar-19				31-Mar-20			
	As at April 1, 2018	Addition (refer note 26)	Impairment	As at March 31, 2019	As at April 1, 2019	Addition	Impairment	As at March 31, 2020
Cost								
Fortis Hospitals Limited (Gurgaon hospital)	13,379.62	-	-	13,379.62	13,379.62	-	-	13,379.62
Fortis Healthcare Limited (Shalimar Bagh Hospital)	11,621.00	-	-	11,621.00	11,621.00	-	-	11,621.00
Escorts Heart Institute and Research Center Limited [Refer note 23(a)]	28,813.48	-	4,030.79	24,782.69	24,782.69	-	-	24,782.69
Hiranandani Healthcare Private Limited	4,984.38	-	-	4,984.38	4,984.38	-	-	4,984.38
Fortis Malar Hospital Limited	(1,288.53)	3,332.65	-	2,044.12	2,044.12	-	-	2,044.12
Fortis Hospitals limited (Banergatta Road Hospital)	17,057.66	38,544.63	-	55,602.29	55,602.29	-	-	55,602.29
Fortis Hospitals Limited (Cunningham Road Hospital)	2,704.57	-	-	2,704.57	2,704.57	-	-	2,704.57
Fortis Hospitals Limited (Mulund Hospital)	13,402.39	36,679.89	-	50,082.28	50,082.28	-	-	50,082.28
Fortis Hospitals Limited (Kalyan Hospital)	1,523.12	5,562.43	-	7,085.55	7,085.55	-	-	7,085.55
Fortis Hospitals Limited (Fortis Heart and Kidney Institute)	1,984.82	-	-	1,984.82	1,984.82	-	-	1,984.82
Fortis Hospitals Limited (Anandpur Hospital)	6,503.88	19,165.03	-	25,668.91	25,668.91	-	-	25,668.91
Fortis Hospitals Limited (Jaipur Hospital) [refer note 23(h)]	657.15	404.32	657.15	404.32	404.32	-	-	404.32
Fortis Hospitals Limited (Faridabad Hospital) [Refer note 23(g)]	323.05	6,053.13	323.05	6,053.13	6,053.13	-	-	6,053.13
Fortis Hospitals Limited (Noida Hospital)	482.00	32,542.49	-	33,024.49	33,024.49	-	-	33,024.49
Fortis Hospitals Limited (Amritsar Hospital)	295.15	10,380.05	-	10,675.20	10,675.20	-	-	10,675.20
Escorts Heart and Super Speciality Hospitals Limited (Mohali Hospital)	-	21,862.24	-	21,862.24	21,862.24	-	-	21,862.24
Fortis Health Management Limited (Nagarbavi Hospital)	-	2,979.40	-	2,979.40	2,979.40	-	-	2,979.40
International Hospital Limited (Rajaji Nagar Hospital)	-	2,564.44	-	2,564.44	2,564.44	-	-	2,564.44
Stellant Capital Advisory Services Private Limited [refer note 23(f)]	494.38	-	494.38	-	-	-	-	-

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Particulars	(₹ in Lacs)							
	31-Mar-19			31-Mar-20				
	As at April 1, 2018	Addition (refer note 26)	Impairment	As at March 31, 2019	As at April 1, 2019	Addition	Impairment	As at March 31, 2020
RHT Health Trust Trustee Manager [Refer note23(d)]	4,880.58	-	4,880.58	-	-	-	-	-
Birdie & Birdie Relators Private Limited [Refer note 23(b)]	3,719.74	-	2,488.64	1,231.10	1,231.10	-	-	1,231.10
Fortis Healthcare International Limited	17.33	-	-	17.33	17.33	-	-	17.33
Hospital business - Total (A)	111,555.77	180,070.70	12,874.59	278,751.88	278,751.88	-	-	278,751.88
Diagnostic business								
SRL Limited	93,324.08	-	-	93,324.08	93,324.08	-	-	93,324.08
Diagnostic business - Total (B)	93,324.08	-	-	93,324.08	93,324.08	-	-	93,324.08
Grand Total (A+B)	204,879.85	180,070.70	12,874.59	372,075.96	372,075.96	-	-	372,075.96

The Group's goodwill is tested for impairment annually at the year-end or more frequently if there are indications that goodwill might be impaired.

The Group made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management except for Birdie & Birdie Realtors Private Limited and Fortis Healthcare International Limited, where the valuation has been determined based on the fair value of net assets.

Cash flow projections were developed covering a seven to ten year period as at March 31, 2020 (As at March 31, 2019 seven to ten year) which reflects a more appropriate indication/trend of future track of business of the Group. Cash flows beyond the seven/ten-year period were extrapolated using estimate rates stated below.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Key assumptions used for value in use calculations are as follows:

(₹ in Lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Compound average net sales growth rate	3% - 14%	4% - 15%
Growth rate used for extrapolation of cash flow projections	4.0%	4.0%
Discount rate	12% - 13%	12% - 13%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using post-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

6(iii)(a) Other Intangible Assets

Particulars	(₹ in Lacs)				
	Technical know how fees	User license agreement	License fee	Software	Total
Gross Carrying value					
As at April 1, 2018	974.88	420.00	990.49	18,546.70	20,932.07
Additions	-	-	10.39	803.16	813.55
Assets acquired under business combinations (refer note 26)	-	-	-	4.18	4.18
Disposals	-	-	-	(25.97)	(25.97)
As at March 31, 2019	974.88	420.00	1,000.88	19,328.07	21,723.83
Additions	-	-	103.53	2,775.38	2,878.91
Disposals	-	-	-	(25.34)	(25.34)
As at March 31, 2020	974.88	420.00	1,104.41	22,078.11	24,577.40
Amortisation					
As at April 1, 2018	887.93	364.15	646.37	9,607.19	11,505.64
Charge for the year	56.13	43.47	103.57	3,534.24	3,737.41
Impairment [refer note 23(g) and 23(h)]	-	-	-	326.38	326.38
Disposals	-	-	-	(25.97)	(25.97)
As at March 31, 2019	944.06	407.62	749.94	13,441.84	15,543.46
Charge for the year	24.71	12.38	111.41	2,784.82	2,933.32
Disposals	-	-	-	(5.20)	(5.20)
As at March 31, 2020	968.77	420.00	861.35	16,221.46	18,471.58
Carrying value as at March 31, 2019	30.82	12.38	250.94	5,886.23	6,180.37
Carrying value as at March 31, 2020	6.11	-	243.06	5,856.65	6,105.82

6(iii)(b) Intangible assets under development

The Group accounts for all capitalization of intangible assets through intangible assets under development and therefore the movement in intangible assets under development is the difference between closing and opening balance of intangible assets under development as adjusted for additions to intangible assets and impairment of intangible assets under development. Intangible assets under development as at March 31, 2020 is ₹ 1,491.04 lacs (as at March 31, 2019 is ₹ 2,893.49 lacs).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(iv)	Investments in associates/joint venture		
	Non current		
A.	Quoted investments (fully paid)		
(a)	Investments in equity instruments		
	<u>Investment in associate companies (accounted under equity method)</u>		
(i)	RHT Health Trust, Singapore*		
	225,747,944 (225,747,944 as at March 31, 2019) units of SGD 0.90 each, fully paid up	60,853.75	66,902.86
	Add: Acquired during the year [Nil (Previous year March 31, 2019 2,671,000) units of SGD 0.90 each, fully paid up] (including capital reserve of ₹ 22.20 lacs (Previous year March 31, 2019 capital reserve of ₹ 22.20 lacs)	-	1,034.41
	Less: Sale during the year [Nil (Previous year March 31, 2019 18,200,000) units of SGD 0.90 each, fully paid up]	-	(7,083.52)
	Add: Share in post acquisition profits till previous year (net of dividend)	(54,571.21)	7,070.03
	Add: Share in (loss)/ profits for the current year	(150.05)	34,764.57
	Less: Dividend received during the year	-	(96,405.81)
	Add: Other adjustments	(3,595.67)	(3,595.67)
	Add: Exchange translation adjustments	(50.41)	(90.55)
		2,486.41	2,596.32
(ii)	Lanka Hospitals Corporate PLC, Srilanka		
	64,120,915 (64,120,915 as at March 31, 2019) Equity Shares of Lankan ₹ (LKR) 62 each (including goodwill of ₹ 16,102.33 lacs)	19,762.82	19,762.82
	Add: Share in pre acquisition profits upto the date of acquisition	568.70	568.70
	Add: Share in post acquisition profits upto the beginning of the year (net of dividend)	3,948.73	3,084.03
	Add: Share in profits for the current year	694.77	1,134.71
	Less: Dividend received during the year	(416.29)	(270.01)
	Less: Impairment [refer note 23(c)]	(10,491.65)	(10,491.65)
	Add: Exchange translation adjustments	(3,123.49)	(4,265.34)
		10,943.59	9,523.26

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(iii)	Medical And Surgical Centre Limited, Mauritius		
	164,670,801 (164,670,801 as at March 31, 2019) Ordinary Shares of MUR 10 each (including capital reserve of ₹ 4,224.26 lacs)	1,312.69	1,312.69
	Add: Share in post acquisition profits till the previous year	1,274.44	1,211.88
	Add: Share in profits for the current year	-	62.56
	Less: Sale during the current year (refer note-24)	(3,540.83)	-
	Add: Other adjustments	610.35	610.35
	Add: Exchange translation adjustments	343.35	338.37
		-	3,535.85
	Aggregate quoted investments (A)	13,430.00	15,655.43
B.	Unquoted Investments (fully paid)		
(a)	Investments in equity instruments		
	<u>Investment in associate companies (accounted under equity method)</u>		
(i)	Sunrise Medicare Private Limited	0.31	0.31
	[3,126 (3,126 as at March 31, 2019) Equity Shares of ₹ 10 each, fully paid up]		
	Less: impairment of investment	(0.31)	(0.31)
	<u>Investment in joint ventures (accounted under equity method)</u>		
(i)	DDRC SRL Diagnostics Private Limited		
	250,000 (250,000 as at March 31, 2019) Equity Shares of ₹ 10 each fully paid-up	950.88	950.88
	Add: Share in post acquisition profits up to the beginning of the year	1,380.84	919.61
	Add: Share in profits for the current year	586.43	461.23
	Add: Share of reserve	835.61	835.61
		3,753.76	3,167.33
(ii)	SRL Diagnostics (Nepal) Private Limited		
	240,000 (240,000 as at March 31, 2019) equity shares of Nepalese ₹ 100 each fully paid-up	150.00	150.00
	Add: Share in post acquisition profits up to the beginning of the year	62.58	45.96
	Add: Share in profits for the current year	62.75	16.62
	Add: Share of reserve	(4.61)	(4.61)
		270.72	207.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
	(iii) Fortis C-Doc Healthcare Limited	-	-
	[4,060,637 (4,060,637 as at March 31, 2019) Equity Shares of ₹ 10 each, fully paid up)] (Refer Note 23(e))		
	Total (accounted under equity method)	4,024.48	3,375.30
	Investments in associates/joint venture - Total (A+B)	17,454.48	19,030.73
	Total carrying value of investment in associate and joint venture	17,454.48	19,030.73
	Gross investments in associates/joint venture (accounted under equity method)	27,946.44	29,522.69
	Impairment of investment in associate and joint venture	10,491.96	10,491.96
6(v)	Other investments		
	Current		
A.	Unquoted investments (fully paid)		
(a)	Investment in mutual funds - measured at FVTPL		
(i)	Nil (as at March 31, 2019: 354,721) units of ₹ 299.00 each fully paid up of Aditya Birla Sun Life-Cash Plus Growth Regular Plan	-	1,060.63
(ii)	Nil (as at March 31, 2019: 6,848,553) units of ₹ 26.27 each fully paid up of Franklin India Ultra Short Bond Fund - Super Institutional Plan	-	1,799.03
(iii)	Nil (as at March 31, 2019: 416,752) units of 299.01 each fully paid up of Aditya Birla Sun Life Mutual Fund - Cash Plus	-	5,069.06
	Other investments - Total	-	7,928.72

NOTES:

A INVESTMENT IN ASSOCIATES**A.1 Break-up of investment in associates (carrying amount determined using the equity method of accounting)**

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(i)	Aggregate book value of quoted investments	13,430.00	15,655.43
(ii)	Aggregate market value of quoted investments	9,393.33	23,054.28
(iii)	Aggregate gross value of unquoted investments	0.31	0.31
(iv)	Aggregate amount of impairment in value of investments in associates	10,491.96	10,491.96

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

A.2 Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associates is set out below.

(i) RHT Health Trust (formerly known as Religare Health Trust) ('RHT')

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	Non-current assets	-	-
(b)	Current assets	9,483.76	10,346.46
(c)	Non-current liabilities	-	-
(d)	Current liabilities	546.13	1,013.89
Net assets		8,937.63	9,332.57

		Year ended	Year ended
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	Revenue	-	-
(b)	Profit from continuing operations	(539.36)	159,435.34
(c)	Profit for the year	(539.36)	159,435.34
(d)	Other comprehensive income for the year	144.42	4.65
(e)	Total comprehensive income for the year	(394.94)	159,439.99
(f)	Dividends received from the associate during the year	-	96,405.81
(g)	Group share of profit and other comprehensive income for the year*	(109.91)	44,356.21
(h)	Share of profit and other comprehensive income for the year recognized*	(109.91)	34,764.57

*During the previous year, on January 15, 2019, RHT Health Trust sold its entire portfolio of Indian assets and due to this transaction, there is associate share of profit of ₹ 44,356.21 lacs and receipt of dividend of ₹ 96,405.81 for the year ended March 31, 2019. Share in profit of associate has been restricted to the extent of Group's share in net worth value of the associate.

The above profit for the year includes the following:

(a)	Depreciation and amortisation	-	-
(b)	Interest income	125.34	6,102.30
(c)	Interest expense	-	9,690.40
(d)	Income tax expense (income)	188.67	4,081.48

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of the above summarised financial information to the carrying amount of the interest in RHT Health Trust recognised in the consolidated financial statements:

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	Net assets of the associate	8,937.49	9,332.57
(b)	Proportion of the Group's ownership interest in RHT	27.82%	27.82%
	Carrying amount of the Group's interest in RHT	2,486.41	2,596.32

A.3 Financial information in respect of individually not material associates

Particulars		Year ended	Year ended
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	The Group's share of profit from continuing operations	694.77	1,197.27
(b)	The Group's share of other comprehensive income	-	-
(c)	The Group's share of total comprehensive income	694.77	1,197.27
	Aggregate carrying amount of the Group's interests in these associates	10,943.59	13,059.11

B INVESTMENT IN JOINT VENTURES

B.1 Break-up of investment in joint ventures (carrying amount determined using the equity method of accounting)

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(i)	Aggregate book value of quoted investments	-	-
(ii)	Aggregate market value of quoted investments	-	-
(iii)	Aggregate carrying value of unquoted investments	4,024.48	3,375.30
(iv)	Aggregate amount of impairment in value of investments in Joint Ventures	-	-

B.2 Summarised financial information of material joint ventures

Summarised financial information in respect of each of the Group's material Joint Ventures is set out below. The summarised financial information below represents amounts shown in the Joint Venture's financial statements prepared in accordance with Ind ASs adjusted by the Group for equity accounting purposes.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(i) DDRC SRL Diagnostics Private Limited

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	Non-current assets	7,189.17	5,926.43
(b)	Current assets	1,960.20	1,317.74
(c)	Non-current liabilities	1,128.88	376.18
(d)	Current liabilities	1,411.38	1,431.72
(e)	Goodwill arising on acquisition of joint venture	898.38	898.38
Net assets		7,507.49	6,334.65

Particulars		Year ended	Year ended
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	Revenue	16,036.90	14,253.15
(b)	Profit from continuing operations	1,218.18	943.66
(c)	Profit for the year	1,218.18	943.66
(d)	Other comprehensive income for the year	(45.34)	(6.58)
(e)	Total comprehensive income for the year	1,172.84	937.08
(f)	Dividends received from the Joint Venture during the year	-	-
(g)	Group share of profit and other comprehensive income for the year	586.43	461.23
The above profit for the year include the following:			
(a)	Depreciation and amortisation	977.74	733.88
(b)	Other income	22.02	8.54
(c)	Interest expense	94.51	40.18
(d)	Income tax expense (income)	431.59	441.53

Reconciliation of the above summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	Net assets of joint venture	7,507.49	6,334.66
(b)	Net assets as per consolidation	7,507.49	6,334.66
(c)	Proportion of Group's ownership interest in joint venture	50%	50%
(d)	Carrying amount of Group's interest in the joint venture	3,753.76	3,167.33

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) SRL Diagnostics (Nepal) Private Limited

		As at March 31, 2020	As at March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	Non-current assets	156.09	487.78
(b)	Current assets	739.64	118.70
(c)	Non-current liabilities	-	190.54
(d)	Current liabilities	354.30	-
	Net assets	541.44	415.94

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	Revenue	829.55	662.23
(b)	Profit from continuing operations	125.50	33.23
(c)	Profit for the year	125.50	33.23
(d)	Other comprehensive income for the year	-	-
(e)	Total comprehensive income for the year	125.50	-
(f)	Dividends received from the Joint Venture during the year	-	-
(g)	Group share of profit and other comprehensive income for the year	62.75	16.62
The above profit for the year include the following:			
(a)	Depreciation and amortisation	23.62	33.06
(b)	Other income	26.18	15.11
(c)	Interest expense	0.87	0.72
(d)	Income tax expense (income)	42.85	12.62

Reconciliation of the above summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements:

Particulars		As at March 31, 2020	As at March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	Net assets of joint venture	541.43	415.94
(b)	Proportion of company's ownership interest in joint venture	0.50	50.00%
(c)	Carrying amount of company's interest in the joint venture	270.72	207.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B.3 Unrecognised share of loss of joint venture

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
The unrecognised share of loss of Joint Venture (Fortis C-Doc Healthcare Limited) for the year	149.24	172.20

Particulars	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Cumulative share of unrecognised loss of Joint Venture	1,019.52	870.28

C INVESTMENT - OTHERS

C.1 Break-up of investment - others (valued at FVTPL)

Particulars	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
(i) Aggregate book value of quoted investments	-	-
(ii) Aggregate market value of quoted investments	-	-
(iii) Aggregate carrying value of unquoted investments	-	7,928.72
(iv) Aggregate amount of impairment in value of investments	-	-

Particulars	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
6(vi) Trade receivables*		
Current		
(a) Considered good		
– From Others	45,332.80	53,880.37
– From related party [refer note 9]	545.40	361.20
(b) Credit impaired		
– From Others	19,735.95	31,621.78
– From Related Parties	10.00	10.00
Less: Loss allowance	(19,745.95)	(31,631.78)
	45,878.20	54,241.57

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
Break-up of security details			
(a)	Trade receivables considered good - Unsecured	45,878.20	54,241.57
(b)	Credit impaired	19,745.95	31,631.78
	Less: Loss allowance	(19,745.95)	(31,631.78)
	Total	45,878.20	54,241.57

* Trade receivables includes receivables of certain entities hypothecated against borrowing from HSBC Bank (refer note 11).

Notes:

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the repayments. The provision matrix takes into account historical credit loss experience and adjusted for forward- looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Allowance %	
0 - 1 year	0% - 100%	0% - 100%
1 - 2 year	15% - 100%	15% - 100%
2 - 3 year	40% - 100%	40% - 100%
More than 3 years	70% - 100%	70% - 100%

The movement in Expected Credit Loss during the year is as follows :

	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Balance at the beginning of the year	31,631.78	27,419.40
Creation of the allowance for expected credit loss	6,576.05	8,043.77
Utilisation of the allowance for expected credit loss (written off)	(18,461.88)	(3,831.39)
Balance at the end of the year	19,745.95	31,631.78

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020	As at March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(vii)	Loans		
	Non-current - at amortised cost		
	Considered good		
(a)	Loans to body corporates and others	8.74	8.74
(b)	Loans to employees	22.73	27.70
(c)	Security deposits	2,971.90	2,910.54
	Total (A)	3,003.37	2,946.98
	Credit impaired		
(a)	Loans to body corporates and others	294.66	285.96
(b)	Loans to associates	116.07	105.88
(c)	Loans to joint venture [refer note 23(e)]	1,367.72	1,417.72
(d)	Security deposits [refer note 30(a)]	396.55	378.00
	Total (B)	2,175.00	2,187.56
	Less: Loss allowance	(2,175.00)	(2,187.56)
	Total (C)	(2,175.00)	(2,187.56)
	Total (A+B+C)	3,003.37	2,946.98
	Current - at amortised cost		
	Considered good		
(a)	Loans to body corporates and others	138.51	741.66
(b)	Loans to employees	-	7.64
(c)	Security deposits	1,600.30	1,360.31
	Total (A)	1,738.81	2,109.61
	Credit impaired		
(a)	Inter-corporate deposits [refer note 29 and 30]	40,243.00	40,243.00
	Total (B)	40,243.00	40,243.00
	Credit impaired		
(a)	Loans to body corporate [refer note 30(b)]	-	2,375.00
(b)	Loans to body corporates and others	3,027.94	3,228.28
(c)	Security deposits [refer note 30(a)]	413.43	384.37
	Total (C)	3,441.37	5,987.65
	Less: Loss allowance	(43,684.37)	(46,230.65)
	Total (D)	(43,684.37)	(46,230.65)
	Total (A+B+C+D)	1,738.81	2,109.61

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020	As at March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(viii)	Other financial assets (unsecured)		
	Non-Current		
	Considered good		
(a)	Deposit accounts with banks (refer note 1 below)	8,415.49	5,579.50
(b)	Interest accrued on loans and bank deposits	8.57	14.48
(c)	Advances others - recoverable in cash	12.83	100.05
	Total (A)	8,436.89	5,694.03
	Credit impaired		
(a)	Interest accrued on loan to Joint venture [refer note 23(e)]	180.61	180.61
	Total (B)	180.61	180.61
	Less: Loss allowance	(180.61)	(180.61)
	Total (C)	(180.61)	(180.61)
	Total (A+B+C)	8,436.89	5,694.03
	Current		
	Considered good		
(a)	Interest accrued on loans and bank deposits	108.63	289.71
(b)	Earnest money deposit	15.51	18.15
(c)	Advances others	597.80	595.13
(d)	Contract assets - unbilled revenue	4,024.26	4,930.97
	Total (A)	4,746.20	5,833.96
	Credit impaired		
(a)	Full and final settlement recoverable from employees	1,222.12	1,294.17
(b)	Interest accrued on inter-corporate deposits [refer note 29]	4,259.62	4,259.62
(c)	Interest accrued on loan to body corporate [refer note 30(b)]	-	174.02
(d)	Advance others [refer note 30(a)]	1,913.34	1,913.34
(e)	Amount recoverable for salary & reimbursement of expenses [refer note 34]	2,002.39	2,002.39
(f)	Other recoverables	360.91	121.53
	Total (B)	9,758.38	9,765.07
	Less: Loss allowance	(9,758.38)	(9,765.07)
	Total (C)	(9,758.38)	(9,765.07)
	Total (A+B+C)	4,746.20	5,833.96

Notes:

1. Fixed deposits is under lien with bank and is restricted from being exchanged for more than 12 months from the Balance Sheet date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020	As at March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(ix)	Tax assets & liabilities		
(a)	Non-current tax assets		
	Advance income-tax*	65,389.44	56,171.01
		65,389.44	56,171.01
	* Net of provision for tax		
(b)	Current tax liabilities		
	Provision for income-tax*	273.59	610.89
		273.59	610.89
	* Net of advance tax		
6(x)	Deferred tax		
(a)	Deferred tax assets (net) (A)	39,287.98	46,533.43
(b)	Deferred tax liabilities (net) (B)	(31,160.71)	(48,080.84)
	Deferred tax (A-B)	8,127.27	(1,547.41)

The following is the analysis of the movement in deferred tax assets/(liabilities) presented in financial statements:-

				(₹ in lacs)	
2019-20		As at April 1, 2019	Credit / (Charge) to Profit or loss	Credit / (Charge) Other Comprehensive Income	As at March 31, 2020
Deferred tax assets/ (liabilities) in relation to:					
Deferred tax liabilities					
(a)	Property, plant and equipment	(38,175.40)	2,059.40	-	(36,116.00)
(b)	Intangible assets	(14,200.96)	3,547.38	-	(10,653.58)
(c)	Other	(860.26)	136.97	-	(723.30)
(d)	Undistributed profits of subsidiaries	(10,741.49)	9,514.24	-	(1,227.25)
(e)	Right-of-use assets	-	(3,973.51)	-	(3,973.51)
		(63,978.10)	11,284.48	-	(52,693.64)
Deferred tax assets in relation to:					
(a)	Provision for contingency	380.58	34.56	-	415.14
(b)	Allowances for doubtful advances	2,534.45	699.86	-	3,234.31
(c)	Allowance for expected credit loss	12,407.39	(7,117.32)	-	5,290.07

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2019-20		(₹ in lacs)			
Deferred tax assets/ (liabilities) in relation to:	As at April 1, 2019	Credit / (Charge) to Profit or loss	Credit / (Charge) Other Comprehensive Income	As at March 31, 2020	
(d) Defined benefit obligation	4,047.58	(226.57)	101.64	3,922.65	
(e) Unabsorbed losses**	40,736.46	(4,698.53)	-	36,037.93	
(f) MAT credit entitlement	2,104.63	3,873.59	-	5,978.22	
(g) Other	219.55	1,598.12	-	1,817.67	
(h) Lease liability	-	4,124.91	-	4,124.91	
	62,430.64	(1,711.38)	101.64	60,820.90	
Deferred tax liability (Net)	(1,547.41)	9,573.09	101.64	8,127.27	

2018-19		(₹ in lacs)						
Deferred tax assets/(liabilities) in relation to:	As at April 1, 2018	Acquisition (refer note 26)	Credit / (Charge) to Profit or loss	Acquisition of non controlling interest (refer note 26 b)	Credit / (Charge) Other Comprehensive Income	Creation / (Utilisation) of MAT credit	As at March 31, 2019	
Deferred tax liabilities								
(a) Property, plant and equipment	(31,777.76)	(9,043.03)	2,645.39	-	-	-	(38,175.40)	
(b) Intangible assets	(14,502.99)	-	302.03	-	-	-	(14,200.96)	
(c) Other	1,067.74	(2,331.13)	403.13	-	-	-	(860.26)	
(d) Undistributed profits of subsidiaries	-	-	(10,741.49)	-	-	-	(10,741.49)	
	(45,213.01)	(11,374.16)	(7,390.94)	-	-	-	(63,978.10)	
Deferred tax assets/(liabilities) in relation to:								
(a) Provision for contingency	271.32	-	109.26	-	-	-	380.58	
(b) Allowances for doubtful advances	4,358.25	-	(1,823.80)	-	-	-	2,534.45	
(c) Allowance for expected credit loss	8,359.56	47.69	4,000.14	-	-	-	12,407.39	
(d) Defined benefit obligation	3,825.24	72.20	270.35	-	(120.21)	-	4,047.58	
(e) Unabsorbed losses and depreciation	26,112.86	5,265.01	9,358.59	-	-	-	40,736.46	
(f) MAT credit entitlement	1,974.35	-	-	-	-	130.28	2,104.63	
(g) Other	542.68	-	(323.13)	-	-	-	219.55	
(h) Debt Portion of CCD's	14,969.31	-	(398.90)	(14,570.41)	-	-	-	
	60,413.57	5,384.90	11,192.51	(14,570.41)	(120.21)	130.28	62,430.64	
Deferred tax asset (Net)	15,200.56	(5,989.26)	3,801.58	(14,570.41)	(120.21)	130.28	(1,547.46)	

*Subsequent to year ended on March, 2019 Fortis Healthcare International Limited, a subsidiary of the Company declared dividend of ₹ 61,478.29 lacs (USD 88,458,987). On the undistributed profits amount deferred tax liabilities of ₹ 10,741.29 lacs has been created on account of outside basis differences.

** During the current year, the management of one of the subsidiary has reassessed its expectation of future taxable profits taking into account the ongoing litigations which has impacted the ability of the Company to carry out restructuring activities. Based on the assessment, the management has derecognised deferred tax assets (DTA) on brought forward business loss of Rs 24,836.06 lacs.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

DTA has not been recognized on*

	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Advances to vendors	61,265.04	61,041.96
Capital nature	17,559.64	20,561.51
	78,824.68	81,603.47

* Deferred tax assets has not been recognized on temporary differences in relation to indexation benefits on freehold land amounting to ₹ 2,553.08 Lakhs (31 March 2019: ₹ 2,473.57 Lakhs), as it is probable that these differences will not reverse in foreseeable future.

6(xi)

Other assets (unsecured)

	As at March 31, 2020	As at March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Non-current		
Considered good		
(a) Capital advances	1,844.91	496.51
(b) Prepaid expenses	197.62	969.96
(c) Balances with government authorities		
- Amount paid under protest to Income tax authorities	3,614.94	3,214.94
- Amount paid under protest to customs, excise and other authorities	895.06	760.97
Total (A)	6,552.53	5,442.38
Credit impaired		
(a) Capital advances	600.09	561.27
Total (B)	600.09	561.27
Less: Loss allowance	(600.09)	(561.27)
Total (C)	(600.09)	(561.27)
Total (A+B+C)	6,552.53	5,442.38
Current		
Considered good		
(a) Balances with government authorities - Goods and service tax recoverable	200.31	183.37
(b) Advance to vendors	1,662.63	966.17
(c) Prepaid expenses	2,284.49	2,643.65
(d) SEIS licenses in hand	2,899.69	1,423.75
(e) Others	-	23.04
Total (A)	7,047.12	5,239.98

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020	As at March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
Credit impaired			
(a)	Balances with government authorities - customs excise and other authorities	54.39	39.14
(b)	Deposits with income tax authorities	12.10	12.10
(c)	Advance to vendors	34.36	9.25
Total (B)		100.85	60.49
Less: Loss allowance		(100.85)	(60.49)
Total (C)		(100.85)	(60.49)
Total (A+B+C)		7,047.12	5,239.98
6(xii)	Inventories		
(Valued at lower of cost and net realisable value)			
(a)	Medical consumables and drugs (including reagents and chemicals)	7,655.42	5,598.86
		7,655.42	5,598.86
(b)	Stores and spares	162.49	54.48
		7,817.91	5,653.34

6(xiii) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet as follows:

		As at March 31, 2020	As at March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(a)	Balances with banks		
	- on current accounts	12,166.79	9,253.87
	- deposits with original maturity of less than three months	5,821.97	69,611.96
(b)	Cheques, drafts on hand	7.85	50.86
(c)	Cash on hand	189.32	488.50
Cash and cash equivalents as per balance sheet		18,185.93	79,405.19
Bank overdrafts and cash credit facility [refer note 6(xxii)]		(17,474.63)	(16,035.39)
Cash and cash equivalents as per statement of cash flows		711.30	63,369.80

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		As at March 31, 2020	As at March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(xiv)	Other bank balances		
(a)	Unpaid dividend account	19.30	19.47
(b)	Deposits with original maturity of more than 3 months but less than 12 months	8,002.64	6,160.42
(c)	Deposits with maturity of more than 12 months	387.56	-
		8,409.50	6,179.89
6(xv)	Assets/Liabilities classified as held for sale		
	Assets held for sale		
(a)	Assets related to Escorts Heart Institute & Research Centre Limited and SRL Limited (refer note 6(i)(a))	223.95	66.10
		223.95	66.10
	Liabilities associated with assets held for sale		
(b)	Liabilities related to assets held for sale (refer note 6(i)(a))	120.00	-
		120.00	-

Particulars		As at March 31, 2020	As at March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(xvi)	Share capital		
	Authorised Share Capital:		
	850,000,000 (850,000,000 as at March 31, 2019) Equity shares of ₹ 10 each	85,000.00	85,000.00
	200 Class 'A' (200 as at March 31, 2019) Non- Cumulative Redeemable Preference Shares of ₹ 100,000 each	200.00	200.00
	11,498,846 Class 'B' (11,498,846 as at March 31, 2019) Non- Cumulative Redeemable Preference Shares of ₹ 10 each	1,149.88	1,149.88
	64,501,154 Class 'C' (64,501,154 as at March 31, 2019) Cumulative Redeemable Preference Shares of ₹ 10 each	6,450.12	6,450.12
	Total authorised share capital	92,800.00	92,800.00
	Issued, subscribed and fully paid up shares		
	754,958,148 (754,954,948 as at March 31, 2019) Equity shares of ₹ 10 each	75,495.81	75,495.49
	Total issued, subscribed and fully paid up share capital	75,495.81	75,495.49

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Notes :****(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:****Equity Shares**

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
At the beginning of the year	754,954,948	75,495.50	518,657,231	51,865.73
Issued under preferential allotment during the year (refer note 33)	-	-	235,294,117	23,529.41
Issued during the year: Employee Stock Option Plan (ESOP) [refer note 16(i)]	3,200	0.32	1,003,600	100.36
Outstanding at the end of the year	754,958,148	75,495.82	754,954,948	75,495.50

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Where dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the current and previous year, there has been no dividend proposed by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by the holding/ ultimate holding company and/ or their subsidiaries**Equity Shares**

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Northern TK Venture Pte Ltd (refer note 33) (Holding Company)	235,294,117	31.17%	235,294,117	31.17%

(d) Details of shareholders holding more than 5% shares in the Company**Equity Shares**

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of Holding	Number of shares held	% of Holding
Northern TK Venture Pte Ltd	235,294,117	31.17%	235,294,117	31.17%
Yes Bank Limited	-	0.00%	63,509,265	8.41%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, refer note 16.

6(xvii) Particulars	Equity shares (including premium)	Long term borrowings	Short term borrowings (net)	Interest accrued	Lease liability
As at 1 April 2018	396,035.98	150,990.40	45,229.23	6,946.93	-
Proceeds from issue of equity shares	400,976.77	-	-	-	-
Proceeds from borrowings	-	41,491.49	91,276.99	-	-
Repayment of borrowings	-	(67,958.85)	-	-	-
Changes due to business combination (refer note 26)	-	(46,570.41)	-	-	-
Reclassification of bank overdraft*	-	-	(13,431.99)	-	-
Finance cost	-	-	-	33,683.28	-
Finance cost paid	-	-	-	(40,129.27)	-
As at 31 March 2019	797,012.75	77,952.63	123,074.23	500.94	-
As at 01 April 2019	797,012.75	77,952.63	123,074.23	500.94	20,863.29
Finance lease liabilities reclassified at 31 March 2019	-	(3,918.01)	-	-	3,918.01
Proceeds from issue of equity shares	2.46	-	-	-	-
Proceeds from borrowings	-	100,553.53	-	-	-
Repayment of borrowings	-	(75,445.29)	(88,258.06)	-	-
Reclassification of bank overdraft*	-	-	1,439.24	-	-
Finance cost	-	-	-	17,877.71	2,628.64
Finance cost paid	-	-	-	(17,856.51)	(2,628.64)
Addition of lease contracts	-	-	-	-	2,887.57
Deletion of lease contracts	-	-	-	-	(1,111.53)
Lease liability paid	-	-	-	-	(2,528.00)
As at 31 March 2020	797,015.21	99,142.86	36,255.41	522.14	24,029.34

*Bank overdraft have been reclassified from current borrowings to cash and cash equivalent for the purpose of preparation of cash flow statement.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(xviii)	Non-Current Borrowings		
	Secured [refer note 11(I)]		
(a)	Term loan from banks	94,547.21	61,798.08
(b)	Deferred payment liabilities	215.43	268.29
(c)	Vehicle loans	49.07	16.86
(d)	Term loan from body corporates	476.64	1,519.02
		95,288.35	63,602.25
	Unsecured [refer note 11(I)]		
(a)	Term loan from a body corporate	116.68	106.19
		116.68	106.19
	Non-current borrowings - Total	95,405.03	63,708.44
6(xix)	Other financial liabilities		
	Non-current		
(a)	Security deposits	54.28	66.03
(b)	Payables on purchase of property, plant and equipment	893.21	1,246.64
		947.49	1,312.67
	Current		
	Secured		
(a)	Current maturities of long-term debt [refer note 11(I)]	3,737.83	10,326.18
		3,737.83	10,326.18
	Unsecured		
(a)	Security deposits	2,218.60	2,199.44
(b)	Interest accrued but not due on borrowings	522.14	500.94
(c)	Unpaid equity dividend	19.30	19.47
(d)	Payables on purchase of property, plant and equipment	5,823.41	3,196.37
(e)	Put option [refer note 12(b)]	118,000.00	118,000.00
(f)	Payable to joint venture	9.17	-
(g)	Employees Payable	4,305.48	1,903.63
(h)	Liability against indemnification (refer note 1 below)	74.70	133.10
(i)	Other liabilities	514.34	554.68
		131,487.14	126,507.63
		135,224.97	136,833.81

Notes:

- At the time of acquisition of Piramal labs (SRL Diagnostics Private Limited) by SRL Limited (Subsidiary), it was agreed that any charge relating to tax litigations before the date of acquisition shall be indemnified to SRL Limited. Accordingly, the amount paid by Piramal to SRL Limited, has been shown under liability against indemnification.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(xx)	Provisions		
	Non-current		
	Provision for employee benefits		
(a)	Provision for gratuity (refer note 17)	7,560.82	6,586.11
		7,560.82	6,586.11
	Current		
	Provision for employee benefits		
(a)	Provision for gratuity (refer note 17)	1,300.22	1,263.68
(b)	Provision for compensated absences	4,358.77	4,180.25
	Others		
(a)	Provision for litigations (refer note (iii) below and note 15)	937.07	926.68
(b)	Provision for contingencies [refer note (i) below]	1,200.21	1,086.73
(c)	Provision against claim [refer note (ii) below]	112.69	409.44
		7,908.96	7,866.78

Notes

(i) Provision for contingencies		
(a) Provision for Indemnification [refer note 12]	205.03	205.03
(b) Others		
Opening balance	881.70	617.75
Add: provision made during the year	157.18	270.96
Less: utilised during the year	(43.70)	(7.01)
Closing balance	995.18	881.70
Total - Provision for contingencies	1,200.21	1,086.73
(ii)	The above provision is against a claim made by a body corporate against the Group in respect of certain electrical work done at Gurugram unit. Based on the status of claim, ₹ 296.75 lacs has been reversed during the current year.	
(iii) Provision for litigations		
Opening balance	926.68	804.55
Add: provision made during the year	10.39	122.13
Less: utilised during the year	-	-
Closing balance	937.07	926.68

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at	As at
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(xxii)	Other non-current liabilities		
(a)	Contract liabilities - advances from customers	6.49	1,138.33
(b)	Provision for lease equalisation	-	198.59
		6.49	1,336.92
6(xxii)	Current borrowings		
	Secured - at amortised cost [refer note 11(II)]		
(a)	Bank overdrafts	17,474.63	15,836.62
(b)	Cash credit facility from banks	-	198.77
(c)	Working capital demand loan	18,662.00	2,000.00
(d)	Term loan from bank	-	105,000.00
		36,136.63	123,035.39
	Unsecured - at amortised cost [refer note 11(II)]		
(a)	Loan from body corporate	118.78	38.84
		118.78	38.84
		36,255.41	123,074.23
6(xxiii)	Trade payable		
	Current		
(a)	Total outstanding dues of creditors to micro enterprises and small enterprises (refer note 40)	6,392.22	4,668.05
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	53,370.81	70,684.44
		59,763.03	75,352.49
6(xxiv)	Other current liabilities		
(a)	Contract liabilities - advances from customers	5,978.37	7,186.73
(b)	Statutory dues payable	9,385.07	7,840.45
(c)	Others*	203.92	169.28
		15,567.36	15,196.46
*includes customer loyalty provision (contract liabilities) of ₹ 125.27 lacs (Mar 31, 2019: ₹ 30 lacs). The movement during the year is as below :			
	Opening balance	30.00	-
	Deferred during the year	266.85	30.00
	Released to the Statement of Profit and Loss	(171.58)	-
	Closing balance	125.27	30.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		Year ended	Year ended
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(xxv) Revenue from operations			
(a)	Sale of services		
i)	Healthcare services		
	- Revenue from in patient department	311,653.28	293,749.76
	- Revenue from out patient department	64,143.07	57,807.58
	- Income from medical services	930.08	569.77
	- Management fees from hospital	1,358.79	3,183.35
	- Income from satellite centers	77.08	191.31
	- Income from clinical research	124.73	180.43
	- Trustee management fees	77.86	6,876.17
	Less: Trade discounts	14,945.00	10,868.79
		363,419.89	351,689.58
ii)	Diagnostic services*	86,482.84	86,354.17
	Revenue from contract with customers	449,902.73	438,043.75
	*Disaggregation of revenue from diagnostic services as per Ind AS 115:		
	- Owned labs	64,065.86	62,711.13
	- Collection centers	20,813.81	22,071.54
	- Franchisees	1,603.17	1,571.50
		86,482.84	86,354.17
<p>Revenue disaggregation as per industry vertical and geography has been included in segment information (Refer note 8). The revenue recognized during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.</p>			
(b)	Sale of products - trading		
i)	Out patient pharmacy	784.60	643.29
		784.60	643.29
(c)	Other operating revenues		
(i)	Income from academic services	300.98	271.53
(ii)	Income from rent	2,922.00	1,727.78
(iii)	Equipment lease rental	853.49	834.38
(iv)	Export benefits	2,428.94	695.83
(v)	Balances written back	3,452.57	2,192.56
(vi)	Miscellaneous income	2,586.70	2,526.54
		12,544.68	8,248.62
	Total revenue from operations (a+b+c)	463,232.01	446,935.66

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(xxvi) Other income			
(a) Interest income			
i)	Interest income		
	- on bank deposits	1,163.73	4,037.27
	- on Non convertible debentures issued by associate	-	3,227.00
	- on loan to associates	3.67	-
	- on income tax refund	1,695.10	-
ii)	Interest on financial assets carried at amortised cost	167.95	119.74
(b) Other non-operating income			
i)	Profit on redemption of mutual funds at FVTPL	41.16	192.25
ii)	Gain on foreign currency fluctuation (Net)	1,884.95	1,201.94
iii)	Miscellaneous income	307.30	461.58
Total other income (a+b)		5,263.86	9,239.78

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(xxvii) Changes in inventories of medical consumable and drugs			
(a)	Inventory at the beginning of the year	5,653.34	6,662.76
(b)	Inventory at the end of the year	7,817.91	5,653.34
Changes in inventories [(a)-(b)]		(2,164.57)	1,009.42
6(xxviii) Employee benefits expense			
(a)	Salaries, wages and bonus	83,151.94	83,033.49
(b)	Gratuity expense (Refer note 17)	1,142.36	1,234.96
(c)	Compensated absences	750.04	680.19
(d)	Contribution to provident and other funds	4,779.20	4,530.27
(e)	Staff welfare expenses	1,954.73	1,853.07
(f)	Share based payment to employees (Refer note 16)	147.08	363.76
		91,925.35	91,695.74
Less: Expenses capitalized (Refer note 21)		322.22	336.97
		91,603.13	91,358.77

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		Year ended	Year ended
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
6(xxix) Finance costs			
(a)	Interest expense		
	- on term loans	13,015.69	12,918.64
	- on cash credit	1,192.23	2,668.95
	- on others	363.58	12,454.52
	- on defined benefit plan	780.47	703.42
	- interest on lease liabilities (refer note 10)	2,628.64	-
(b)	Other borrowing cost (including prepayment charges)	2,525.74	4,937.75
		20,506.35	33,683.28
6(xxx) Depreciation and amortisation expense			
(a)	Depreciation of property, plant and equipment (refer note 6(i)(a))	22,009.30	19,443.85
(b)	Amortisation of intangible assets (refer note 6(iii)(a))	2,933.32	3,737.41
(c)	Impairment of tangible assets	-	110.40
(d)	Amortisation of Right of Use Assets (refer note 10)	4,230.29	-
		29,172.91	23,291.66
6(xxxi) Other expenses			
(a)	Contractual manpower	9,800.22	8,736.84
(b)	Power and fuel	10,447.20	10,011.09
(c)	Housekeeping expenses including consumables	7,118.51	5,491.55
(d)	Patient food and beverages	4,720.03	4,656.99
(e)	Pathology laboratory expenses	1,145.91	1,389.29
(f)	Radiology expenses	6,046.83	1,742.10
(g)	Cost of medical services	1,103.77	1,331.55
(h)	Professional and consultation fees to doctors	97,589.11	88,678.95
(i)	Hospital service fee expense	-	30,126.40
(j)	Repairs and maintenance -		
	- Building	479.43	457.96
	- Plant and machinery (including medical equipments)	11,340.03	9,487.63
	- Others	1,162.00	1,575.67
(k)	Rent		
	- Hospital buildings, offices and labs	2,680.25	6,556.81
	- Equipments	1,105.01	984.83

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		Year ended	Year ended
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
	- Others	1,203.40	1,427.26
(l)	Donations	17.46	34.23
(m)	Legal and professional fee	8,511.52	13,975.43
(n)	Travel and conveyance	2,867.44	4,822.62
(o)	Rates and taxes	2,631.48	1,052.10
(p)	Printing and stationary	5,179.48	3,709.44
(q)	Recruitment and trainings	361.53	526.70
(r)	Communication expenses	1,215.98	1,409.84
(s)	Directors' sitting fees	437.43	803.09
(t)	Insurance	2,265.87	2,352.86
(u)	Marketing and business promotion	19,479.04	19,573.63
(v)	Fees to collection centers	6,229.05	5,471.28
(w)	Loss on disposal of property, plant and equipment (net)	87.22	618.75
(x)	Net loss on foreign currency transactions and translation	-	634.91
(y)	Bad debts written off	2.26	112.85
(z)	Allowance for bad and doubtful trade receivables	6,573.79	7,930.93
(aa)	Allowance for bad and doubtful advances	233.20	306.62
(ab)	Provision for contingencies [refer note 6(xx)]	157.18	270.96
(ac)	Provision for litigations [refer note 6(xx)]	10.39	122.13
(ad)	Expenditure on corporate social responsibility (refer note 25)	937.56	421.20
(af)	Expenses relating to business combinations (refer note 26)	-	3,318.12
(af)	Miscellaneous expenses	1,215.11	453.25
		214,354.69	240,575.86
	Less: Expenses capitalized (refer note 21)	62.56	344.66
		214,292.13	240,231.20

6(xxxii) Exceptional items**Expenses/(Income):**

(a)	Impairment of goodwill and assets of Escorts Heart Institute Research Centre Limited [refer note 23(a)]	-	(4,030.79)
(b)	Impairment of goodwill of Birdie & Birdie Realtors Private Limited [refer note 23(b)]	-	(2,488.64)
(c)	Allowance for advance and security deposit given to body corporate along with impairment of Capital work-in-progress [refer note 30(a)]	-	(186.15)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		Year ended	Year ended
		March 31, 2020	March 31, 2019
		(₹ in Lacs)	(₹ in Lacs)
(d)	Impairment of investment in Lanka Hospitals Corporate PLC, Srilanka [refer note 23(c)]	-	(5,586.00)
(e)	Impairment of goodwill of RHT Health Trust Trustee Manager [refer note 23(d)]	-	(4,880.58)
(f)	Reversal of allowance for loan given to C-Doc Healthcare Limited and interest thereon [refer note 23(e)]	50.00	25.00
(g)	Gain on sale of assets of Lalitha Healthcare Private Limited [refer note 37]	-	306.76
(h)	Impairment of goodwill of Stellant Capital Advisory Services Private Limited [refer note 23(f)]	-	(494.38)
(i)	Impairment of property, plant and equipment, goodwill and intangible assets in CGU's [refer note 23(g) and 23(h)]	-	(4,903.45)
(j)	Gain on disposal of an associate [refer note 24]	3,856.90	-
(k)	Reversal of allowance for loan given to body corporate [refer note 30 (b)]	2,276.00	-
		6,182.90	(22,238.23)
6(xxxiii) Income tax			
Recognised in Statement of Profit or loss			
Current tax			
	Current income tax charge for the year	24,360.18	15,176.61
	Adjustment in respect of current income tax of the previous years	-	(13.71)
		24,360.18	15,162.90
Deferred tax credit			
	Deferred tax on profit for the year	(9,573.10)	(5,325.23)
	Adjustment in respect of deferred tax of the previous years	-	1,523.65
		(9,573.10)	(3,801.58)
		14,787.08	11,361.32
Recognised in Other Comprehensive Income			
Deferred tax Charge / (Credit)			
	Tax related to item that will not be reclassified to profit and loss	101.64	120.21
	Income tax charge recognised to other comprehensive income	101.64	120.21
The income-tax expense for the year can be reconciled to the accounting profit as follows:			
	Profit/ (Loss) before tax from continuing operations	23,935.92	(11,010.14)
	Enacted income-tax rate in India (%)	34.94	34.94
	Income tax rate calculated	8,364.17	(3,847.38)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
Effect of profit of associates not considered in determining taxable profit	(425.12)	(12,734.03)
Effect of different tax rates in the foreign components & subsidiaries	-	(33,932.33)
Current year losses for which no deferred tax has been recognized	10,789.18	-
Effect of partial tax exemption and relief	-	(15.04)
Income chargeable at lower tax rate	(3,791.28)	(6.90)
Effect of income/ expenses not considered in determining taxable profits	-	63,370.46
Effect of prior period tax expense	-	1,523.65
Derecognition of DTA on past brought forward losses	-	54.72
Effect of reduction in tax rate	(2,945.69)	-
Tax on dividend from group companies	2,795.82	-
Others	-	(3,051.81)
Income-tax expense reported in the Consolidated Statement of profit and loss	14,787.08	11,361.32

No deferred tax asset has been recognised on below:

	As on 31 March 2020		As on 31 March 2019	
	Gross Amount	Tax effect	Gross Amount	Tax effect
Expiry in assessment year				
Unabsorbed depreciation				
No expiry	8,411.49	2,854.60	6,370.50	2,226.11
Total				
Unused long term and short term capital loss				
2020-21	14,640.48	3,411.23	14,640.62	3,411.26
2024-25	951.32	221.66	4,894.68	1,140.46
2025-26	-	-	23.59	5.50
2026-27	1,023.32	238.43	1,005.33	234.24
2027-28	944.52	220.07	-	-
2028-29	103.12	18.02	-	-
	17,662.76	4,109.41	20,564.22	4,791.46

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lacs)

	As on 31 March 2020		As on 31 March 2019	
	Gross Amount	Tax effect	Gross Amount	Tax effect
Business loss				
2021-22	127.04	31.98	-	-
2022-23	1,671.16	574.41	1,573.32	549.78
2023-24	1,236.04	311.11	-	-
2024-25	8,307.74	2,768.57	-	-
2025-26	1,432.80	360.64	-	-
2026-27	7,020.59	2,222.92	-	-
2027-28	33,156.53	11,060.96	-	-
2028-29	39,445.11	13,045.56	-	-
	92,397.00	30,376.15	1,573.32	549.78

MAT	As at	As at
	March 31, 2020	March 31, 2019
	(₹ in Lacs)	(₹ in Lacs)
2026-27	-	2,907.28
2028-29	7,414.11	7,414.11
2030-31	127.26	-
2031-32	159.13	-
2032-33	239.49	671.72
2033-34	52.49	-
	7,992.48	10,993.11

		As at	As at
		March 31, 2020	March 31, 2019
6(xxxiv) Earnings per share			
(a)	Profit/ (Loss) after tax as per statement of profit and loss (₹ in lacs)	5,793.59	(29,893.83)
(b)	Weighted average number of equity shares outstanding	754,957,623	608,704,394
(c)	Basic earnings/ (loss) per share in ₹ (face value – ₹ 10 per share)	0.77	(4.91)
(d)	Diluted earnings/ (loss) per share in ₹ (face value – ₹ 10 per share)*	0.77	(4.91)

*Diluted earnings per share

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

	As at March 31, 2020 (₹ in Lacs)	As at March 31, 2019 (₹ in Lacs)
Profit/ (loss) attributable to equity shareholders (diluted)	5,793.59	(29,893.83)
Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	754,957,623	608,704,394
Effect of exercise of share options **	3,344	-
Weighted average number of equity shares (diluted) for the year	754,960,967	608,704,394
Diluted earnings per share in ₹	0.77	(4.91)

** During the previous year, Employee stock option were not included in the calculation of diluted earnings per share because they were antidilutive.

7. Composition of the Group

The list of Subsidiaries, Associates and Joint Ventures considered in the preparation of the consolidated financial statements are as follows:

Name of the Group Company	Place of incorporation and principal place of business	Principal activity	Proportion of effective interest/ voting power ownership held by Group	
			March 31, 2020	March 31, 2019
a) Subsidiaries				
Hiranandani Healthcare Private Limited (HHPL)	India	Operates a multi-specialty hospital	100.00%	100.00%
Fortis Hospotel Limited (FHTL) (Refer note 1 below)	India	Operates clinical establishment	100.00%	100.00%
Fortis Health Management Limited (Refer note 1 below)	India	Operates clinical establishment	100.00%	100.00%
Hospitalia Eastern Private Limited (Refer note 1 below)	India	Operates clinical establishment	100.00%	100.00%
International Hospital Limited (Refer note 1 below)	India	Operates clinical establishment	100.00%	100.00%
Escorts Heart & Super Speciality Hospital Limited (Refer note 1 below)	India	Operates clinical establishment	100.00%	100.00%
Fortis Lafemme Limited (FLFL)	India	Investment company	100.00%	100.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the Group Company	Place of incorporation and principal place of business	Principal activity	Proportion of effective interest/ voting power ownership held by Group	
			March 31, 2020	March 31, 2019
Fortis Health Management (East) Limited (FHM(E)L)	India	Operates a hospital	100.00%	100.00%
Fortis Cancer Care Limited (FCCL)	India	Investment company	100.00%	100.00%
Fortis Healthcare International Limited (FHIL)	Mauritius	Investment company	100.00%	100.00%
Escorts Heart Institute and Research Centre Limited (EHIRCL)	India	Operates a multi-specialty hospital	100.00%	100.00%
Fortis Malar Hospitals Limited (FMHL)	India	Operates a multi-specialty hospital	62.71%	62.71%
Fortis Hospitals Limited (FHsL)	India	Operates a network of multi-specialty hospitals	100.00%	100.00%
Fortis Global Healthcare (Mauritius) Limited (FGHL)	Mauritius	Investment company	100.00%	100.00%
Malar Stars Medicare Limited (MSML)	India	Investment company	62.71%	62.71%
Fortis Asia Healthcare Pte. Limited (FAHPL)	Singapore	Investment company	100.00%	100.00%
Birdie & Birdie Realtors Private Limited	India	Renting of immovable property	100.00%	100.00%
Fortis Emergency Services Limited (FESL)	India	Operates ambulance services	100.00%	100.00%
Stellant Capital Advisory Services Private Limited	India	Merchant banker	100.00%	100.00%
RHT Health Trust Manager Pte Limited	Singapore	Managing RHT Health Trust	100.00%	100.00%
Fortis Health Staff Limited	India	Operates a network of heart command centres	100.00%	100.00%
SRL Limited	India	Operates a network of diagnostics centres	56.93%	56.90%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the Group Company	Place of incorporation and principal place of business	Principal activity	Proportion of effective interest/ voting power ownership held by Group	
			March 31, 2020	March 31, 2019
SRL Diagnostics Private Limited	India	Operates a network of diagnostics centres	56.93%	56.90%
SRL Reach Limited	India	Operates a network of diagnostics centres	56.93%	56.90%
SRL Diagnostics FZ-LLC (formerly known as Super Religare Laboratories International FZ LLC)	United Arab Emirates	Operates a network of diagnostics centres	56.93%	56.90%
Fortis Healthcare International Pte Limited (FHIPL)	Singapore	Investment company	100.00%	100.00%
Mena Healthcare Investment Company Limited	British Virgin Islands	Investment company	82.54%	82.54%
Medical Management Company Limited	British Virgin Islands	Operates a clinic	82.54%	82.54%
SRL Diagnostics Middle East LLC (refer note 4 below)	United Arab Emirates	Investment company	27.90%	27.88%
Fortis CSR Foundation (refer note 2 below)	India	Carrying out corporate social responsibilities	100%	100%
b) Associates				
Sunrise Medicare Private Limited	India	Provides healthcare consultancy services	31.26%	31.26%
C-Care (Mauritius) Ltd (Refer note 5 below)	Mauritius	Operates a multi-specialty hospital	-	28.89%
Lanka Hospitals Corporation Plc	Sri Lanka	Operates a multi-specialty hospital	28.60%	28.60%
Fortis Global Healthcare Infrastructure Pte. Limited (FGHIPL)	Singapore	Investment holding company	27.82%	27.82%
RHT Health Trust (formerly known as Religare Health Trust) (RHT)	Singapore	Investment holding company	27.82%	27.82%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the Group Company	Place of incorporation and principal place of business	Principal activity	Proportion of effective interest/ voting power ownership held by Group	
			March 31, 2020	March 31, 2019
c) Joint Ventures				
Fortis Cauvery (Partnership firm)	India	Operates a hospital	51.00%	51.00%
Fortis C-Doc Healthcare Limited (C-Doc)	India	Operates a hospital	60.00%	60.00%
DDRC SRL Diagnostics Private Limited (DDRC)	India	Operates a network of diagnostics centres	28.47%	28.45%
SRL Diagnostics Nepal Private Limited	Nepal	Operates a network of diagnostics centres	28.47%	28.45%

Notes: -

1. During the previous year ended March 31 2019, effective from January 15, 2019, the Group completed the acquisition of 100% stake in International Hospital Limited, Fortis Health Management Limited, Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited and 49% stake in Fortis Hospotel Limited (in which the Group already held 51% stake). Refer note 26 for further details.
2. During the year ended March 31, 2015, the Group incorporated 'Fortis CSR Foundation', a non-profit Company under Section 8 of the Companies Act, 2013 for carrying out Corporate Social Responsibilities ('CSR') of the Group. Since the objective of control over the entity by the Group is not to obtain economic benefits from its activities, it is not considered for preparation of consolidated financial statement of the Group.
3. During the previous year ended March 31, 2019, the group disposed of its stake in Lalitha Healthcare Private Limited (refer note 37).
4. SRL Limited owns 49% equity shares of SRL Diagnostics Middle East LLC through SRL Diagnostics FZ-LLC. However, based on the contractual arrangement between the SRL Limited and other shareholder, SRL Limited has the power to manage the firm technically, financially and administratively to any or all of its Board of Directors and the Management of SRL Diagnostics Middle East LLC is under the exclusive control of SRL Limited. Therefore, the Directors of SRL Limited concluded that SRL Limited has control over SRL Diagnostics Middle East LLC and it is consolidated in these financial statements. SRL Diagnostics Middle East LLC has been closed from 6 August 2019.
5. During current year, a wholly owned subsidiary of the Company in Mauritius sold of its entire shareholding in C-Care (Mauritius) Ltd, Mauritius (formerly known as Medical and Surgical Centre Limited) (Also, refer to note 24).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

8. Segment Reporting

The Group has presented healthcare and diagnostic as two separate reportable segments in accordance with "Ind AS 108 Operating segments".

(₹ in lacs)

Sr. No	Particulars	Year Ended	
		March 31, 2020	March 31, 2019
1	Segment value of sales and services (revenue)		
	- Healthcare	375,320.40	359,203.67
	- Diagnostics	101,633.10	101,015.83
	Subtotal	476,953.50	460,219.50
	Less: Inter segment sales	(13,721.49)	(13,283.84)
	Revenue from operations	463,232.01	446,935.66
2	Segment results		
	- Healthcare	19,839.69	(14,872.39)
	- Diagnostics	11,938.14	14,101.75
	Total segment (loss)/ profit before interest and tax	31,777.83	(771.64)
	(i) Finance cost	(20,506.35)	(33,683.29)
	(ii) Exceptional items and un-allocable expenditure (net of un-allocable income)	11,447.88	(12,997.45)
	(iii) Share of profit of associates and joint ventures	1,216.56	36,441.24
	Profit/ (loss) before tax	23,935.92	(11,010.14)
3	Segment assets		
	- Healthcare	881,318.80	883,036.44
	- Diagnostics	113,268.00	112,956.18
	- Un-allocable assets	157,260.00	221,743.66
	Total assets	1,151,846.80	1,217,736.28
	Less: Inter segment assets	(17,064.97)	(22,609.31)
	Total segment assets	1,134,781.83	1,195,126.97
4	Segment liabilities		
	- Healthcare	238,296.80	238,674.88
	- Diagnostics	25,619.49	17,110.57
	- Un-allocable liabilities	167,371.94	250,701.51
	Total liabilities	431,288.23	506,486.96
	Less: Inter segment liabilities	(17,064.97)	(22,609.31)
	Total segment liabilities	414,223.20	483,877.65

Sales by market- Revenue from external customers by location of customers

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following table shows the distribution of the Group's consolidated revenues by geographical market.

(₹ in lacs)

Region	Year ended	
	March 31, 2020	March 31, 2019
India	460,752.50	435,880.07
Outside India	2,479.51	11,055.59
Total	463,232.01	446,935.66

Carrying value of Assets- by location of assets

The following table shows the carrying amount of segment assets by geographical area in which the assets are located:

(₹ in lacs)

Region	Carrying amount of assets	
	March 31, 2020	March 31, 2019
India	1,091,735.60	1,106,057.04
Outside India	43,046.23	89,069.93
Total	1,134,781.83	1,195,126.97

Major customer

The Group does not derive revenue from any customer which would amount to 10 per cent or more of the Group's revenue.

9. Related party disclosures

Names of related parties and names of related party relationship (Refer note 3 below):

Nature of relationship	Name of the related party
Ultimate Holding Company	IHH Healthcare Berhad (w.e.f. 13-November-2018)
Intermediate Holding Company	Integrated Healthcare Holdings Limited (w.e.f. 13-November-2018)
	Parkway Pantai Limited (w.e.f. 13-November-2018)
Holding Company	Northern TK Venture Pte Ltd (w.e.f. 13-November-2018)
Subsidiary	Fortis CSR Foundation [refer note 7(2) above]
Associates, associates of subsidiaries and subsidiaries of associates (parties with whom transactions have taken place)	Medical and Surgical Centre Limited (up to 8-July-2019)
	RHT Health Trust (RHT)
	RHT Health Trust Services Pte. Limited
	International Hospital Limited (Associate upto 14- January-2019) (Subsidiary with effect from 15- January-2019)
	Fortis Health Management Limited (Associate upto 14- January-2019) (Subsidiary with effect from 15- January-2019)
	Escorts Heart and Super Speciality Hospital Limited (Associate upto 14- January-2019) (Subsidiary with effect from 15- January-2019)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Nature of relationship	Name of the related party
	Fortis Global Healthcare Infrastructure Pte. Limited Hospitalia Eastern Private Limited (Associate upto 14- January-2019) (Subsidiary with effect from 15- January-2019) Lanka Hospitals Corporation Plc Lanka Hospitals Diagnostics (Pvt) Ltd Sunrise Medicare Private Limited
Joint Ventures (parties with whom transactions have taken place)	DDRC SRL Diagnostics Private Limited SRL Diagnostics (Nepal) Private Limited (formerly known as Super Religare Reference Laboratories (Nepal) Private Limited) Fortis C-Doc Healthcare Limited (C-Doc) Fortis Cauvery, Partnership Firm (Joint Venture of FCCL)
Key Management Personnel ('KMP')/ Directors and their Relatives (with whom transactions have been taken place)	Dr. Ashutosh Raghuvanshi - Managing Director and Chief Executive Officer (w.e.f. 18-March-2019) Mr. Vivek Kumar Goyal - Chief Financial Officer (w.e.f 08-April-2019) Girish Gupta - Chief Financial Officer (w.e.f 01-October-2018 to 08-April-2019) Mr. Bhavdeep Singh –Chief Executive Officer (up to 17-March-2019) Mr. Ravi Rajagopal – Independent Director (w.e.f. 27-April-2018) Mr. Shirish Moreshwar Apte – Non-executive Non-independent Director (w.e.f. 31-December-2018) Ms. Suvalaxmi Chakrobarty – Independent Director (w.e.f. 27-April-2018) Bhagat Chintamani Aniruddha- Non-executive Non Independent Director (from 31-December-2018 to 02-December-2019) Mr. Indrajit Banerjee – Independent Director (w.e.f. 27-April-2018) Dr. Chan Boon Kheng - Non-Executive Non-Independent Director (w.e.f. 13-November-2018 to 31-October-2019) Mr. Gagandeep Singh Bedi - Chief Financial Officer (up to 30-September-2018) Mr. Rahul Ranjan - Company Secretary (up to 30-September-2018) Dr. Brian William Tempest - Non-Executive Independent Director (up to 22-May-2018) Mr. Harpal Singh - Non-Executive Director (Up to 20-May-2018) Lt. Gen. Tejinder Singh Shergill - Non-Executive Director (From 12-February-2018 till 20-May-2018) Mr. Sumit Goel- Company Secretary (w.e.f. 01-October-2018) Dr. Kelvin Loh Chi-Keon - Non-Executive Non-Independent Director (w.e.f. 28-September-2019) Low Soon Teck - Non-Executive Non-Independent Director (w.e.f. 13-November-2018)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Nature of relationship	Name of the related party
	Ms. Sabina Vaisoha - Non-Executive Director at FHL (up to 20-May-2018)
	Mr. Sim Heng Joo Joe - Non-Executive Non-Independent Director (w.e.f. 26-November-2019)
	Dr. Farid Bin Mohamed Sani - Non-Executive Non-Independent Director (w.e.f. 30-December-2019)
	Dr. Tan See Leng - Additional Director (w.e.f. 13-November-2018 to 27-September-2019)
	Mr. Rohit Bhasin - Independent Director (up to 26-June-2018)
Enterprises significantly influenced by KMP and their relatives (with whom transactions have been taken place)	Trivitron Health Care Private Limited
	Jacob Ballas Capital India Private Limited
	Bar Chem
	Mauritius International Trust Company Limited
	Finserve Shared Services Private Limited
Subsidiary of holding company, Joint venture of subsidiary of holding company and Joint ventures of holding company (with whom transactions have been taken place)	Hale & Tempest Company Limited
	Apollo Gleneagles Hospital Limited (from November 13, 2018)
	Apollo Hospitals Enterprises Limited (from November 13, 2018)
	Continental Hospitals Private Limited (from November 13, 2018)
	Ravindranath GE Medical Associates Private Limited (from November 13, 2018)

(₹ in lacs)

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Transactions during the year		
Operating income (including Income from medical services, Management fees from hospitals, Rental and Pharmacy income)		
DDRC SRL Diagnostics Private Limited	318.16	347.72
Fortis Health Management Limited	-	159.91
International Hospital Limited	-	102.26
Medical and Surgical Centre Limited	3.50	1,283.68
SRL Diagnostic (Nepal) Private limited	275.25	204.28
Bar Chem	-	0.33
Fortis C-Doc Healthcare Limited	101.08	109.43
Jacob ballas Capital India Private Limited	-	0.05
RHT Health Trust	77.86	6,876.17
Apollo Gleneagles Hospital Limited	70.79	24.44
Apollo Hospitals Enterprises Limited	73.52	0.59

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(₹ in lacs)	
	Year ended 31-March-2020	Year ended 31-March-2019
Lanka Hospitals Diagnostics (Pvt) Ltd	56.97	143.27
Fortis CSR Foundation	-	22.67
Dividend Income		
RHT Health Trust	-	96,405.81
Lanka Hospitals Corporation Plc	416.29	270.01
Hospital Service Fees Expenses		
International Hospital Limited	-	20,733.30
Fortis Health Management Limited	-	1,676.73
Escorts Heart and Super Speciality Hospital Limited	-	7,635.61
Repair and maintenance		
Trivitron Health Care Private Limited	1.42	-
Consultation fees to doctors		
Fortis C-Doc Healthcare Limited	76.19	84.92
Purchase of goods/ services		
DDRC SRL Diagnostics Private Limited	54.45	1.90
Fortis Health Management Limited	-	1.91
Fortis C-Doc Healthcare Limited	0.24	-
Trivitron Health Care Private Limited	120.65	147.83
Legal and Professional Fees		
Hale or Tempest Company Limited	-	3.84
Mauritius International Trust Company Limited	21.41	14.10
Rent Expenses		
Bar Chem	-	44.71
Corporate Social Responsibility		
Fortis CSR Foundation	391.17	310.23
Transfer of liability to		
Fortis CSR Foundation	4.56	-
Managerial remuneration		
Dr. Ashutosh Raghuvanshi	468.91	-
Vivek Kumar Goyal	197.66	-
Gagandeep Singh Bedi	-	390.83
Rahul Ranjan	-	37.92
Bhavdeep Singh	-	678.49
Girish Gupta	0.46	64.43
Sumit Goel	71.10	22.65

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Year ended 31-March-2020	Year ended 31-March-2019
Purchase of property, plant and equipment and intangible assets		
Trivitron Health Care Private Limited	30.68	17.58
Interest expense		
Fortis Global Healthcare Infrastructure Pte. Ltd.	-	5,208.05
Interest expense on delayed payment of hospital service fees		
International Hospital Limited	-	68.51
Escorts Heart and Super Speciality Hospital Limited	-	19.91
Fortis Health Management Limited	-	6.70
Loans/ advances received back		
Fortis C-Doc Healthcare Limited	50.00	25.00
Interest income		
Fortis C-Doc Healthcare Limited	3.67	-
Allowance for doubtful loan (reversed)		
Fortis C-Doc Healthcare Limited	50.00	25.00
Impairment of investment		
Lanka Hospitals Corporate PLC	-	5,586.00
Expenses incurred by the Company on behalf of		
SRL Diagnostic (Nepal) Private limited	30.35	22.20
Fortis Health Management Limited	-	4.11
International Hospital Limited	-	80.95
Fortis C-Doc Healthcare Limited	0.65	-
Fortis CSR Foundation	51.00	2.14
Medical and Surgical Centre Limited	-	19.21
The Lanka Hospitals Corporation PLC	0.87	-
Expense incurred on behalf of the Company by		
DDRC SRL Diagnostics Private Limited	23.37	118.32
Escorts Heart and Super Speciality Hospital Limited	-	1,082.68
Fortis Health Management Limited	-	305.83
International Hospital Limited	-	2,209.30
SRL Diagnostic (Nepal) Private limited	12.72	18.19
Fortis C-Doc Healthcare Limited	-	37.89
Fortis CSR Foundation	1.43	-
Hale & Tempest Company Limited	-	3.01

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(₹ in lacs)	
	Year ended 31-March-2020	Year ended 31-March-2019
Collection by the company on behalf of		
Fortis C-Doc Healthcare Limited	4.86	3.30
Fortis CSR Foundation	-	79.95
Collection on behalf of company by		
International Hospital Limited	-	39.20
Director Sitting Fees		
Brian William Tempest	-	4.72
Harpal Singh	-	4.72
Sabina Vaisoha	-	3.54
Lt. Gen Tejinder Singh Shergill	-	4.72
Chintamani Aniruddha Bhagat	7.08	8.26
Indrajit Banerjee	36.58	57.82
Northern TK Venture Pte. Limited (Dr. Chan Boon Kheng)	14.16	11.80
Northern TK Venture Pte. Limited (Dr. Tan Seel Leng)	3.54	7.08
Northern TK Venture Pte. Limited (Low Soon Teck)	23.60	9.44
Ravi Rajagopal	31.24	53.10
Rohit Bhasin	-	9.44
Shirish Moreshwar Apte	5.90	5.90
Suvalaxmi Chakrobarty	35.40	56.61
Northern TK Venture Pte. Limited (Dr. Kelvin Loh Chi-Keon)	3.54	-
Sim Heng Joo Joe	2.36	-
Dr. Farid Bin Mohamed Sani	2.36	-
Reimbursement of expenses to Directors		
Ravi Rajagopal	24.44	-
Indrajit Banerjee	0.20	-
Purchase of Investment (in compulsory convertible debentures, non-convertible bonds and equity shares)		
RHT Health Trust Services Pte. Limited	-	111,189.09
Fortis Global Healthcare Infrastructure Pte. Limited	-	355,441.08
Sale of Investment in Associate		
Medical and Surgical Centre Limited	7,388.32	-
Sale of Medical Consumables and drugs		
Fortis C-Doc Healthcare Limited	0.30	-
Balance Outstanding at the year end		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	As at 31-March-2020	As at 31-March-2019
Loans/Advance recoverable		
Bar Chem	-	74.10
Fortis C-Doc Healthcare Limited	1,367.72	1,417.72
SRL Diagnostic (Nepal) Private limited	29.86	21.77
Lanka Hospitals Diagnostics (Pvt) Ltd	3.97	3.97
Interest accrued		
Fortis C-Doc Healthcare Limited	180.61	180.61
Provision for doubtful interest		
Fortis C-Doc Healthcare Limited	180.61	180.61
Investments (Gross cost of acquisition (net of sale proceeds))		
Sunrise Medicare Private Limited	0.31	0.31
Fortis CSR Foundation	5.00	5.00
Lanka Hospitals Corporation Plc	19,762.82	19,762.82
Medical and Surgical Centre Limited	-	1,312.69
RHT Health Trust	60,853.75	60,853.75
DDRC SRL Diagnostics Private Limited	950.88	950.88
SRL Diagnostic (Nepal) Private limited	150.00	150.00
Provision for Investment		
Sunrise Medicare Private Limited	0.31	0.31
Lanka Hospitals Corporation Plc	10,491.65	10,491.65
Investments (at net book value)		
Lanka Hospitals Corporation Plc	10,943.59	9,523.26
Medical and Surgical Centre Limited	-	3,535.85
RHT Health Trust	2,486.41	2,596.32
DDRC SRL Diagnostics Private Limited	3,753.75	3,167.33
SRL Diagnostic (Nepal) Private limited	270.72	207.97
Other balance recoverable		
Fortis C-Doc Healthcare Limited	28.04	-
Fortis Cauvery	13.25	13.25
Trade receivables		
DDRC SRL Diagnostics Private Limited	20.72	17.57
SRL Diagnostics (Nepal) Private Limited	218.61	84.81
Medical and Surgical Centre Limited	-	28.65
Fortis C-Doc Healthcare Limited	269.90	208.47

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	(₹ in lacs)	
	As at 31-March-2020	As at 31-March-2019
Sunrise Medicare Private Limited	10.00	10.00
Fortis CSR Foundation	-	4.08
Apollo Gleneagles Hospital Limited	15.92	12.55
Continental Hospitals Private Limited	0.02	0.02
Ravindranath GE Medical Associates Private Limited	0.12	0.12
Apollo Hospitals Enterprises Limited	18.86	1.55
Lanka Hospitals Diagnostics (Pvt) Ltd	1.25	3.38
Provision for doubtful receivable		
Sunrise Medicare Private Limited	10.00	10.00
Fortis Cauvery	13.25	13.25
Provision on doubtful loan recoverable		
Fortis C-Doc Healthcare Limited	1,367.72	1,417.72
Trade Payables and Other Liabilities		
Trivitron Health Care Private Limited	0.43	16.54
Fortis C-Doc Healthcare Limited	-	5.35
Fortis CSR Foundation	2.24	-
Advance from customers		
Jacob Ballas Capital India Private Limited	0.23	0.23

Notes:

1. As the future liability for gratuity and leave encashment is provided on actuarial basis for the Group as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above. The figures do not include accrual recorded for Employee Share Based Payments.
2. Amount shown is inclusive of perquisites (including ESOP exercise, if any), employer's contribution to provident fund and excluding reimbursement of expenses.
3. Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 are as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 31 (d) (iv) and (v)) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties have been identified based on the declarations by the erstwhile directors and the information available through the known shareholding pattern in the entities. Therefore, there may be additional related parties whose relationship may not have been disclosed to the Group and, hence, not known to the Management.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

10. Leases

(a) As a lessee:

The Group leases many assets including land, buildings and plant and equipment. Information about leases for which the Group is a lessee is presented below:

	(₹ in lacs)			
	Land	Buildings	Plant and equipment	Total
Gross carrying value				
As at April 1, 2019	-	-	-	-
- Recognition on adoption of Ind AS 116 Leases	-	21,220.39	246.94	21467.33
- Reclassification from Property, plant and equipment	88,623.22	447.07	93.75	89,164.04
Assets under Financial lease transfer in from capital work in progress	-	1,862.20	-	1,862.20
Additions	-	2,871.74	15.83	2,887.57
Modification of lease agreements	-	(13.10)	-	(13.10)
Disposal	-	(1,395.86)	(60.89)	(1,456.75)
Exchange translation adjustments	-	(6.69)	-	(6.69)
As at March 31, 2020	88,623.22	24,985.75	295.63	113,904.60
Accumulated depreciation				
As at April 1, 2019 (Reclassification from Property, plant and equipment)	24.68	60.19	90.40	175.27
Charge for the year	538.90	3,587.41	103.98	4,230.29
Disposal	-	(298.75)	(32.24)	(330.98)
As at March 31, 2020	563.58	3,348.85	162.14	4,074.57
Net carrying value				
As at March 31, 2020	88,059.64	21,636.90	133.49	109,830.03

Lease liabilities	As at March 31, 2020
	(₹ in lacs)
Maturity analysis - contractual undiscounted cash flows	
Less than one year	4,314.48
One to five years	13,081.32
More than five years	35,547.02
Total undiscounted lease liabilities at March 31, 2020	52,942.82

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Lease Liabilities	March 31, 2020	March 31, 2019
Current	2,779.57	163.70
Non-current	21,249.77	3,754.31

Amounts recognised in Statement of Profit and Loss	March 31, 2020
Interest on lease liabilities	2,628.64
Variable lease payments not included in the measurement of lease liabilities	2,852.85
Expenses relating to short-term leases	2,135.81

Amounts recognised in Cash Flow Statement	March 31, 2020
Cash outflow for leases	2,528.00
Interest on lease liabilities (included in Interest paid)	2,628.64
Total cash outflow for leases	5,156.64

(b) As a lessor

- i) The Group has sub-leased some portion of hospital premises and certain medical equipment. The Group has classified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The total lease income received/receivable in respect of hospital premises recognized in the consolidated statement of profit and loss for the year are ₹ 2,922.00 lacs (Previous year ₹ 1,727.78 lacs). The equipment lease rental received in respect of medical equipment recognized in the consolidated statement of profit and loss for the year are ₹ 853.49 lacs (Previous year ₹ 834.38 lacs).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Minimum lease payments:		
Not later than one year	861.19	791.64
Later than one year but not later than five years	382.84	1,002.06
Later than five years	-	-

The details of assets given on lease is as follows:

(₹ in lacs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Building	289.04	28.46	260.58	289.04	23.72	265.32
Plant and machinery	96.66	96.66	-	96.66	96.66	-
Medical equipment	5,545.33	2,970.86	2,574.47	5,479.49	3,137.38	2,342.11
Furniture and fittings	129.28	129.25	0.03	129.28	129.22	0.06
Computers	22.98	22.98	-	51.37	51.37	-
Office Equipment	10.10	10.10	-	10.10	10.10	-
Vehicles	15.70	15.13	0.57	15.70	13.63	2.07
Total	6,109.09	3,273.44	2,835.65	6,071.64	3462.08	2609.56

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. Borrowings

I. Long-term borrowings (including current maturities)

₹ in lacs

Particulars	Repayment terms	Interest rate per annum	March 31, 2020		March 31, 2019	
			Non-current	Current	Non-current	Current
A. Term loan from banks – Secured						
<p>Hiranandani Healthcare Private Limited (HHPL) The loan is secured by first charge on current assets, property plant and equipment and equitable mortgage of residential flat held in Hiranandani Healthcare Private Limited. It is further secured by Corporate Guarantee issued by the Company. The facility has been fully repaid during the current year.</p>	Repayable in 60 equated monthly equal instalments. Interest to be served monthly with monthly rests.	HDFC Base Rate + 0.75 % (floating)	-	-	666.77	500.00
<p>Fortis Hospitals Limited (FHsL) During the year ended March 31, 2015, one of the subsidiary company (FHsL) availed a loan of ₹ 12,500 lacs which was secured by way of first pari-passu charge on the moveable PPE and current assets of the subsidiary and equitable mortgage of the property of certain hospitals owned by FHsL. During the year ended March 31, 2016, FHsL further availed medical equipment loan of ₹ 2,500 lacs which is secured by exclusive charge on assets purchased through the same loan. These loans are further secured by Corporate Guarantee issued by the Company. This facility has been fully repaid during the current year.</p>	Repayable in 18 structured quarterly instalments within a period of 60 months with repayment starting after 6 months from the date of disbursement (i.e. moratorium period of 6 months).	HDFC Base Rate +1.25%	-	-	-	4,401.93
<p>Fortis Hospitals Limited (FHsL) Three term loan facilities from HSBC of ₹ 27,850 lacs (₹ 15,890 lacs, ₹ 1,910 lacs and ₹ 10,050 lacs) secured against the first pari-passu charge on moveable fixed and current assets of FHsL and exclusive charge on cumulative fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x.</p>	Repayable in structured quarterly instalments at 4, 6 and 11 years respectively with call and put option at the end of 18 months and annually thereafter.	MCLR+50 bps	24,299.99	1,176.68	-	-
<p>Fortis Hospitals Limited (FHsL) Term loan for capex from HSBC of ₹ 11,000 lacs secured against the first pari-passu charge on moveable fixed and current assets of FHsL and exclusive charge on cumulative fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x.</p>	Repayable in 7 years in 24 equal quarterly instalments with 1 year moratorium.	MCLR+50 bps	5,958.33	541.67	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		₹ in lacs					
Particulars	Security and guarantee details	Repayment terms	Interest rate per annum	March 31, 2020		March 31, 2019	
				Non-current	Current	Non-current	Current
Escorts Heart Institute and Research Centre Limited (EHIRCL)	Repayable in structured quarterly instalments in 6 years with call and put option at the end of 18 months.	MCLR+50 bps	533.33	106.67	-	-	
Term loan facility from HSBC of ₹ 640 lacs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and exclusive charge on cumulative fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x.							
Escorts Heart Institute and Research Centre Limited (EHIRCL)	Repayable in 7 years in 24 equal quarterly instalments with 1 year moratorium.	MCLR+50 bps	458.33	41.67	-	-	
Term loan for capex from HSBC of ₹ 500 lacs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and exclusive charge on cumulative fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x.							
Escorts Heart Institute and Research Centre Limited (EHIRCL)	Repayable in 18 structured quarterly instalments beginning from February 18, 2017 up to May 18, 2021.	3 years HDFC Bank MCLR + 0.65% p. a. payable monthly	-	-	657.71	526.18	
Secured by first and exclusive charge on the Property plant and equipment (medical equipment) purchased through this loan. This facility has been fully repaid during the current year.							
Escorts Heart Institute and Research Centre Limited (EHIRCL)	Repayable in 26 structured quarterly instalments beginning from February 15, 2018 up to May 15, 2024.	Yes Bank MCLR+ 0.50% p. a. payable monthly	-	-	669.53	129.58	
Secured by first and exclusive charge on the PPE (medical equipment) purchased through this loan. This facility has been fully repaid during the current year.							
International Hospital Limited	Repayable in 7 years in 24 equal quarterly instalments with 1 year moratorium.	MCLR+50 bps	542.41	50.00	-	-	
Term loan facility from HSBC of ₹ 3300 lacs secured against the first pari-passu charge on moveable fixed and current assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x.							
Fortis Healthcare Limited	Repayable in 52 monthly instalments beginning from October 1, 2015.	HDFC Bank Base Rate + 0.85 % p.a. payable monthly	-	-	-	1,494.76	
Secured by a first pari-passu charge by way of hypothecation of the Company's movable PPE. This facility has been fully repaid during the current year.							
Fortis Healthcare Limited	Repayable in 26 structured quarterly instalments, after a moratorium period of 180 days from the date of disbursement to the Company.	Yes Bank MCLR + 0.50% p.a. payable monthly	-	-	2,480.20	568.96	
Secured by hypothecation on invoices and insurance copies of the medical equipment. This facility has been repaid during the current year.							

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lacs

Particulars	Repayment terms	Interest rate per annum	March 31, 2020		March 31, 2019	
			Non-current	Current	Non-current	Current
<p>Fortis Healthcare Limited Term loan from Yes Bank has been taken for ₹ 30,430 lacs which is secured against first pari-passu charge on movable fixed assets, first pari-passu charge on current assets, pledge up to 30% equity shares of Fortis Hospitals Limited, Hiranandani Healthcare Private Limited, Escorts Heart Institute and Research centre Limited, Fortis Hospotel Limited and Fortis Malar Hospitals Limited, pledge on entire shareholding of Group in Lanka Hospitals Corporation Plc, extension of first pari-passu charge on land and building of hospitals in Ludhiana & Vasant Vihar, mortgage over land and building of identified hospitals for Yes Bank Limited facilities upon unwinding of RHT structure in order to ensure cover of 1.33X on this facility (from immovable & moveable assets), negative lien along with submission of title deed of Escorts Heart Institute, Delhi. This facility has been fully repaid during the current year.</p>	Repayable in 48 structured quarterly instalments, from the date of first disbursement.	Yes Bank rate of interest is 13.86 % p.a.	-	-	28,843.74	706.74
<p>Fortis Healthcare Limited Term loan facility from HSBC of ₹ 61,990 lacs [(i) ₹ 30,000 lacs, (ii) ₹ 2,510 lacs and (iii) ₹ 29,480 lacs] secured against the first pari-passu charge on moveable fixed and current assets of FHL and exclusive charge on cumulative fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x.</p>	Facility (i): Repayable in 5years (in 3 equal instalments from the end of 3 rd year), Facility (ii) & (iii) in structured quarterly instalments in 6 and 11 years respectively with call and put option for loan at the end of 18 months and annually thereafter.	MCLR+50 bps	60,668.99	1,152.07	-	-
<p>Fortis Healthcare Limited Term loan facility for capex from HSBC of ₹ 7000 lacs secured against the first pari-passu charge on moveable fixed and current assets of FHL and exclusive charge on cumulative fixed assets of IHL, FHTL, EHSSHL and HEPL with minimum assets cover of 1.33x.</p>	Repayable in 7 years in 24 equal quarterly instalments with 1 year moratorium.	MCLR+50 bps	2,085.83	417.17	-	-
<p>Fortis Hospitals Limited (FHsL) Loan of ₹ 22,500.00 lacs has been taken from Yes Bank Secured by: a) Exclusive charge over Ludhiana Hospital (Land and building) spread over 3.5 acres b) Exclusive charge over Birdie land and building spread over 1,960 sq. yd. c) Corporate guarantee by the Company. This facility has been pre-closed during the current year</p>	Repayable in 20 equal quarterly instalments, after a moratorium period of 24 months from the date of disbursement to the subsidiary.	Yes Bank MCLR + 0.50% p.a. payable monthly	-	-	18,762.38	1,311.47

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

			₹ in lacs			
Particulars	Repayment terms	Interest rate per annum	March 31, 2020		March 31, 2019	
			Non-current	Current	Non-current	Current
Fortis Hospitals Limited (FHSL) Loan of ₹ 10,320 lacs has been taken from Yes Bank which is secured by first pari-passu charge on movable fixed assets, first pari-passu charge on current assets, pledge over up to 30% equity shares of Fortis Hospitals Limited, Escorts Heart Institute & Research Centre Limited, Hiranandani Healthcare Private Limited, Fortis Hospotel Limited and Fortis Malar Hospitals Limited, extension of first pari-passu charge on land and building in Ludhiana and Vasant Kunj, lien along with the submission of title deed of Escorts Heart Institute, Delhi, mortgage over land and building of identified hospital of Yes Bank Limited facilities upon unwinding of RHT structure in order to ensure cover of 1.33X on this facility and pledge over entire shareholding of Group in Lanka Hospitals, unconditional and irrevocable Corporate guarantee of the Company. This facility has been pre-closed during the current year	Repayable in 48 structured quarterly instalments within a period of 12 years.	Yes Bank base rate of MCLR+0.66%.	-	-	9,717.75	229.26
		Total (A)	94,547.21	3,485.93	61,798.08	9,868.88
B. Term loan from body corporate - Secured:						
Fortis Healthcare Limited Secured by exclusive charge by way of hypothecation of the medical equipment, along with all standard accessories. This facility has been pre-closed during the current year.	Repayable in 84 structured monthly instalments, after a moratorium period of 30 days from the date of invoice of medical equipment.	7.78% p.a. payable monthly	-	-	648.10	143.28
Fortis Hospitals Limited (FHSL) The loan facility from De Lage Landen Financial Services Private Limited is secured by hypothecation of specific equipment of FHSL.	Repayable in 60 equated monthly instalments commencing after 3 months from the date of invoice.	9.00% p.a. payable monthly	169.03	67.65	236.68	61.77
Fortis Hospitals Limited (FHSL) The loan facility from SREI Equipment Financial Services Private Limited is secured by hypothecation of specific equipment of FHSL. This facility has been pre-closed during the current year	The loan is repayable in 60 equated monthly instalments commencing after 1 months from the date of invoice.	10.00% p.a. payable monthly	-	-	225.22	52.69
International Hospital Limited (IHL) The loan facility from SREI Equipment Financial Services Private Limited is secured by hypothecation of specific equipment of IHL.	The loan is repayable in 60 equated monthly instalments commencing after 1 months from the date of invoice.	11.50% p.a. payable monthly	307.61	101.41	409.02	122.72
		Total (B)	476.64	169.06	1,519.02	380.46

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in lacs

Particulars	Repayment terms	Interest rate per annum	March 31, 2020		March 31, 2019	
			Non-current	Current	Non-current	Current
C. Vehicle Loan - Secured:						
Fortis Hospitals Limited (FHsL) Secured against hypothecation of the specific vehicles purchased.	Repayable in equated monthly instalments over 4 years.	7.90% p.a. payable monthly	2.50	14.36	16.86	13.27
Fortis Healthcare Limited Secured against hypothecation of the specific vehicles purchased.	Repayable in equated monthly instalments in 4 years.	9.50% p.a.	46.57	15.39	-	-
		Total (C)	49.07	29.75	16.86	13.27
D. Deferred payment liabilities - Secured:						
Fortis Hospitals Limited (FHsL) Deferred payment facility taken is secured by first charge by way of hypothecation of specific equipment of FHsL. This facility has been fully repaid during the year.	Repayable in 60 structured monthly instalments commencing from June 2014.	Not Applicable	-	-	-	14.69
Fortis Hospitals Limited (FHsL) Deferred payment facility taken is secured by first charge by way of hypothecation of specific equipment of FHsL.	The loan is repayable in 84 structured monthly instalments commencing from September 2017.	7.88% p.a. payable monthly	215.43	53.09	268.29	48.87
		Total (D)	215.43	53.09	268.29	63.57
E. Loan from a body corporate - Unsecured:						
Fortis Healthcare International Pte. Limited (FHIPL) The loan is repayable to Fortis Medicare International Ltd.			116.68	-	106.19	-
		Total (E)	116.68	-	106.19	-
TOTAL(I=A+B+C+D+E)			95,405.03	3,737.83	63,708.44	10,326.18

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

II. Short term borrowings

(₹ in lacs)

Security and guarantee details	Repayment terms	Interest rate	March 31, 2020	March 31, 2019
F. Bank overdrafts & Working Capital Demand Loan - Secured:				
<u>Escorts Heart Institute and Research Centre Limited (EHIRCL)</u> The bank facility of ₹ 2,000 lacs secured against the first charge on current assets of Escorts Heart Institute and Research Centre Limited. This facility has been repaid during the current year.	Not Applicable	9.00% p.a. payable monthly	-	1,384.18
<u>Escorts Heart Institute and Research Centre Limited (EHIRCL)</u> The facility of ₹ 2,500 lacs secured against the first pari-passu charge on moveable fixed and current assets of EHIRCL and exclusive charge on cumulative fixed assets of IHL, FHTL, EHSSHL and HEPL equivalent to 1.33x.	Repayable on demand.	HSBC Bank payable on demand MCLR+70bps p.a. payable monthly	2,443.67	-
<u>Fortis Healthcare Limited</u> The bank facility of ₹ 4,000 lacs secured against the first pari-passu charges on PPE of Mohali Hospital & current assets of the Company. During the previous year, the Company has taken an additional overdraft facility of ₹ 5,000.00 lacs which is secured by exclusive charge on 30% shares of Fortis Hospitals Limited, pari-passu charge over moveable PPE of Fortis Hospitals Limited, current assets of the Company and exclusive charge on the land and building of Ludhiana Hospital and Birdie and Birdie Relators Private Limited. Further, the Company has also taken overdraft facility of ₹ 1,000 lacs during the year which was secured by first pari-passu charge on current assets of the Company. These facilities have been fully repaid during the current year.	Not Applicable	Base rate + margin as agreed time to time p.a. payable monthly	-	3,098.44
<u>Fortis Healthcare Limited (FHL)</u> The facility of ₹ 10,000 lacs secured against the first pari-passu charge on moveable fixed and current assets of FHL and exclusive charge on cumulative fixed assets of IHL, FHTL, EHSSHL and HEPL equivalent to 1.33x.	Repayable on demand.	HSBC Bank overnight MCLR+70bps p.a. payable monthly	8,375.57	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Security and guarantee details	Repayment terms	Interest rate	March 31, 2020	March 31, 2019
<p>Fortis Hospitals Limited (FHsL) The facility of ₹ 10,900 lacs secured against the first pari-passu charge on moveable fixed and current assets of FHsL and exclusive charge on cumulative fixed assets of IHL, FHsL, EHSSHL and HEPL equivalent to 1.33x.</p>	Repayable on demand	HSBC Bank payable on demand MCLR+70bps p.a. payable monthly	8,927.39	-
<p>Fortis Hospitals Limited (FHsL) The facility of ₹ 4,000.00 lacs secured against the first pari-passu charge on moveable fixed assets and current assets of FHsL. The facility was further secured by corporate guarantee issued by the Company. This facility has been fully repaid during the current year.</p>	Not Applicable	HDFC Bank Base rate+1.90%	-	2,385.78
<p>Fortis Hospitals Limited (FHsL) The facility from of ₹ 5,500.00 lacs secured against exclusive charge on land and building of Ludhiana Hospital, exclusive charge on land and building in Birdie and Birdie Realtors Private Limited, first pari-passu charge on current assets, second pari-passu charge on movable fixed assets, pledge on 30% shares of Fortis Hospitals Limited, Escorts Heart Institute & Research Centre Limited, Fortis Hospotel Limited held by the Company and Corporate Guarantee of the Company. This facility has been fully repaid during the current year.</p>	Not Applicable	Yes, Bank MCLR Plus 0.05% payable monthly	-	8,968.22
<p>SRL Limited (SRL) Secured by way of first charge on SRL's and its subsidiaries entire current assets. Further secured by way of a second charge on the SRL's PPE, excluding specific vehicles and equipment financed by the bodies corporate and others, both present and future. This facility has been fully repaid during the current year.</p>	Not Applicable	10.35% - 10.65% p.a. payable monthly	-	198.77
<p>Fortis Healthcare Limited Short-term loan has been taken for ₹ 110,000 lacs to repay non-convertible debentures holders at RHT Healthcare Trust (RHT) which is secured by pledge over the Company's designated dividend account opened overseas for the purpose of receiving dividend of RHT. The loan is repayable within 6 months commencing January 14, 2019 carrying rate of interest of 9% p.a. This facility has been closed during the current year.</p>	Repayable in 6 months.	10.5% p.a.	-	90,000.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)				
Security and guarantee details	Repayment terms	Interest rate	March 31, 2020	March 31, 2019
<p>Fortis Healthcare Limited Short-term loan has been taken for ₹ 15,000 lacs for meeting day to day working capital requirements which is secured against first pari-passu on movable fixed assets, first pari-passu charge on current assets, pledge up to 30% equity shares of Fortis Hospitals Limited, Hiranandani Healthcare Private Limited, Escorts Heart Institute & Research Centre Limited, Fortis Hospotel Limited and Fortis Malar Hospitals Limited, pledge over entire shareholding of Group in Lanka Hospitals Corporation Plc subject to regulatory approvals, extension of first pari-passu charge on land and building of hospitals in Ludhiana and Vasant Vihar, mortgage over land and building of identified hospital for YBL facilities upon unwinding of RHT structure in order to ensure cover of 1.33X on this facility (from immovable & moveable assets), negative lien along with submission of title deed of Escorts Heart Institute, Delhi. This facility has been closed during the current year.</p>	Repayable by October 10, 2019	11.20% p.a.	-	15,000.00
<p>Fortis Healthcare Limited The Company has an overdraft facility/ working capital facility from Yes bank with overdraft limit of ₹ 5,000.00 lacs and secured by exclusive charge on 30% shares of FHsL, pari-passu charge over moveable fixed assets of the Company, current assets of the Company and exclusive charge on the land and building of hospitals of Ludhiana and Vasant Vihar with rate of interest being MCLR plus margin, as may be agreed from time to time. This facility has been closed during the current year.</p>	Repayable on demand. This facility is closed during the current year.	10.48% p.a.	-	2,000.00
<p>Fortis Hospitals Limited (FHsL) The facility from HSBC of ₹ 16,390 lacs secured against the first pari-passu charge on moveable fixed and current assets of FHsL and exclusive charge on cumulative fixed assets of IHL, FHTL, EHSSL and HEPL equivalent to 1.33x.</p>	6 months with 1 day cooling before rollover	HSBC Bank MCLR+50bps p.a. payable monthly	16,390.00	-
Total(F)			36,136.63	107,000.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Security and guarantee details	Repayment terms	Interest rate	March 31, 2020	March 31, 2019
G. Loan from a body corporate - Unsecured:				
Fortis Healthcare International Limited Interest free loan has been taken from Fortis Medicare International Limited.	Not Applicable		-	38.84
Fortis Healthcare International Pte. Limited Interest free loan has been taken from Fortis Medicare International Limited.	The loan is repayable on demand.		118.78	-
Total (G)			118.78	38.84
TOTAL (II= F+G)			36,255.41	123,074.23

12. Commitments

(₹ in lacs)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account [net of capital advances of ₹ 1,844.91 lacs (as at March 31, 2019 ₹ 496.51 lacs)]	12,487.19	5,746.15

- As part of Sponsor Agreement entered between The Trustee-Manager of RHT Health Trust (formerly known as Religare Health Trust), Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively for International Hospital Limited, Fortis Hospotel Limited, Escorts Heart and Super Specialty Hospitals Limited and Fortis Health Management Limited) (collectively referred as 'Indemnified parties') with the Company, the Company has undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, the Group has till date accrued ₹ 205.03 lacs (as at March 31, 2019 ₹ 205.03 lacs) as provision for contingency.
- As per an Exit Agreement dated 12 June 2012, certain non-controlling shareholders of SRL Limited have the right to exercise a Put Option on the Company on the occurrence of certain events as described in the Exit Agreement. During the year ended March 31, 2019, the Company has recorded a cumulative liability in its consolidated financial statements in accordance with the requirements of Ind AS 32 - "Financial Instruments: Presentation" with a corresponding debit to "other Equity" for an amount of ₹ 118,000.00 lacs.
- Going concern support in form of funding and operational support letters has been issued by the Group in favour of Fortis C-Doc Healthcare Limited (Joint Venture).
- The Group has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase / sale of services, employee's benefits. The Group does not have any long-term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**13. Contingent liabilities (not provided for):**

(In addition, refer other litigations and claims assessed as contingent liabilities described in Note 14 below)

Particular	As at	
	March 31, 2020	March 31, 2019
Income tax	75,019.07	60,404.76
Medical negligence	41,994.84	36,062.61
Value Added Tax	4,123.17	4,167.47
Custom	678.00	540.02
Service Tax & GST	2,938.03	1,806.65
Others	50,791.03	50,705.57
Grand Total	175,544.14	153,687.08

- (₹ in lacs)
- On 28 February 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There is significant uncertainty as to how the liability should be calculated as it is impacted by multiple variables, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. The Group has been legally advised not to consider that there are any probable obligations for periods prior to date of aforesaid judgment.
 - Additionally, the Group is involved in other disputes, lawsuits, claims, governmental and/or regulatory inspections, inquiries, investigations and proceedings, including commercial matters that arise from time to time in the ordinary course of business.

The Group believes that none of the above matters, either individually or in aggregate, are expected to have any material adverse effect on its financial statements. The cash flows in respect of above matters are determinable only on receipt of judgments/decisions pending at various stages/forums.

14. Other litigations and claims assessed as contingent liabilities and not provided for, unless otherwise stated:

- A party (to whom the ICDs were assigned – refer note 29) ("Plaintiff" or "Assignee") 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 (also refer note 31).

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. This third Party has approached Delhi High Court for seeking certain interim reliefs against the Company under the provisions of The Arbitration and Conciliation

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 24 February 2020. Further, arbitration before ICC has also been withdrawn by Third Party on 23 February 2020 and the same has been closed by ICC on 28 February 2020.

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

Separately, the third party has also alleged rights to invest in the Company. It has also alleged failure on part of the Company to abide by the aforementioned Term Sheet and has claimed ownership over the brands as well. Subsequently, an application has also been filed in the civil suit, seeking substitution of its name in place of Plaintiff / Assignee.

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.

During the previous year ended March 31, 2019, the Party also filed an application for being impleaded as party to the Civil Suit by the Plaintiff. The matter is pending adjudication before District Court, Delhi.

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

- II. In case of one of the subsidiaries ("Escorts Heart Institute and Research Centre Limited") ("EHIRCL"), that was formed after amalgamation of Escorts Heart Institute and Research Centre ('EHIRC'), Delhi Society with EHIRC, Chandigarh Society and thereafter registration of EHIRC, Chandigarh Society as a Company:
- i. Delhi Development Authority ('DDA') had terminated the lease deeds and allotment letters relating to land parcels on which a hospital of EHIRCL exists. The matter is currently pending before the Hon'ble High Court of Delhi. Consequent to termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. The eviction proceedings initiated before the Estate Officer were challenged before the Hon'ble Supreme Court. Supreme Court vide its order dated November 14, 2019 has quashed the Show Cause Notice for eviction proceedings. Based on the external legal counsel advice, the Group is of the understanding that EHIRCL will be able to suitably defend the termination of lease deeds and allotment letters and accordingly considers that no adjustments are required to the Consolidated Financial Statements.
 - ii. Further, EHIRCL also has open tax demands of ₹ 7,759 lacs ((after adjusting ₹ 15,210 lacs as at March 31, 2020) (As at March 31, 2019 ₹ 8,724 lacs (after adjustment ₹ 14,245 lacs as at March 31, 2019)) of an escrow account which was maintained out of sale consideration payable by the Company to the erstwhile promoters of EHIRCL) for various assessment years. Further, as per the Share Purchase Agreement, one third of any excess of the net demand, amounting to ₹ 2,586 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 current year ended March 31, 2020, ITAT decided the case in favour of EHIRCL.

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

- iii. In relation to the judgement of the Hon'ble High Court of Delhi relating to provision of free treatment/ beds to patients of economic weaker section, Directorate of Health Services ('DoHS'), Government of NCT of Delhi, appointed a Firm to calculate "unwarranted profits" arising to it due to alleged non-compliance. During the year ended March 31, 2014, the Special Committee of DoHS gave an intimation basis the calculation of the appointed Firm, which as per their method of calculations was ₹ 73,266 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 ₹ 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 ₹ 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 ₹ 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 ₹ 500 lacs before the concerned authority. EHIRCL deposited ₹ 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 expects the demand to be set aside. Accordingly, no adjustment is required to the Consolidated Financial Statements.
- III. In case of one of the subsidiaries ("Hiranandani Healthcare Private Limited") ("HHPL"), Navi Mumbai Municipal Corporation ("NMMC") terminated the Hospital lease agreement with HHPL vide order dated January 18, 2017 (Termination Order) for certain alleged contravention of the Hospital Lease agreement. HHPL has filed a Writ Petition before the Hon'ble Supreme Court of India challenging the Termination Order. The Writ Petition has been tagged with Special Leave Petition which has also been filed by HHPL for inter alia challenging the actions of State Government, City Industrial Development Corporation and NMMC which led to the passing of the said Termination Order. The Hon'ble Supreme Court of India in the hearing held on January 30, 2017 ordered "Status Quo". SLP has been admitted on January 22, 2018 and "Status Quo" has been continuing. Based on external legal counsel opinion, management is confident that HHPL is in compliance of conditions of Hospital Lease Agreement and accordingly considers that no adjustment is required to these Consolidated Financial Statements.
- IV. In respect of Fortis Malar Hospitals Limited (FMHL), a subsidiary of the Company, FMHL had earlier applied to the Chennai Metropolitan Development Authority (CMDA) for regularization of certain deviations in the construction of the Hospital. During the year ended March 31, 2016, CMDA has issued an Order stating that the regularization application made by FMHL has not been allowed. FMHL had preferred an appeal before the Secretary to the Government of Tamil Nadu, Housing and Urban Development Authority against the said Order.

On May 3, 2016 CMDA has also served a Locking & Sealing and De-occupation Notice to FMHL stating that in view of CMDA's Order dated March 18, 2016 referred above, the construction at the site of the Hospital premises is unauthorized and has called upon FMHL to restore the land to its original position

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

within 30 days from the date of the Notice. The Company appealed to the High Court of Judicature at Madras and obtained a stay order on June 2, 2016 directing CMDA not to proceed further, till the matter is disposed. As directed by the Hon'ble High Court, CMDA Officials inspected the hospital premises and directed the FHML to provide ramp facility for easy evacuation of patients. FMHL has ramped up its fire detection and safety measures, constructed horizontal walkways and obtained a Certificate from an independent agency on the adequacy of measures taken for fire prevention and safety.

FMHL, based on legal advice, believes that the above Order / Notices issued by CMDA are contestable and the same prima facie would not result in adverse impact on its operations/going concern as the FHML has fair chance of success in the aforesaid Appeal / writ petition.

- V.** SRL, a subsidiary of the Company, has received a legal notice from an ex-employee on 29 June 2018 claiming a sum of ₹. 935.00 Lacs with respect to Provident Fund, Variable Pay and ESOPs. Further SRL has also received a legal notice from the same ex-employee on June 29, 2018 claiming a sum of ₹ 1,923.00 Lacs with respect to certain Technology transfer amounts allegedly due to him. On April 2, 2019, SRL is in receipt of fresh legal notice under Insolvency and Bankruptcy Act from the ex-employee seeking amount of ₹ 3,638 Lacs (₹ 1,131 Lacs on account of technology Transfer Agreement and ₹ 1,341 Lacs on account of short salary payment, ₹ 131.00 Lacs on account of PF contribution of SRL; ₹ 310.00 Lacs on account of performance bonus; ₹ 722.00 Lacs towards loss of ESOPs (145,708 stock) which were granted to him under the ESOP 2009 Scheme of SRL.

Based on an advice of the in-house legal counsel on the merits of the claim, the Company and SRL are of the opinion that claims made by ex-employee are not sustainable.

- VI.** There is a pending medical litigation against the Company where the complainant had alleged negligence in the treatment given by the Company doctors. The complainant had filed a complaint with PS Sushant Lok, Gurgaon, based on which a FIR was registered against one of the treating doctors. The Complainant had also filed a Writ Petition before the Hon'ble Supreme Court of India wherein Company has also been made a party amongst others. In the Writ Petition, the Complainant has demanded ₹ 1,000 lacs alleging wrongful death of the patient and ₹ 10,000 lacs towards a fund to be set up in the name of the patient for treatment of under privileged pediatric cases. Company is contesting the said demand. Based on external legal advice, management believes that the claims are without legal basis and are not tenable.
- VII.** Based on the judgement passed by Hon'ble Supreme Court of India on 29.01.2016, Central Government constituted a Committee to make recommendations for improvement of working conditions and salaries of nurses in private hospitals and nursing homes which could be implemented by way of legislation. The Committee constituted by Ministry of Health and Family Welfare, Government of India made certain recommendations and pursuant thereto Government of NCT of Delhi passed an order dated 25.06.2018 directing all private hospitals /nursing homes in Delhi to comply with the recommendations of the Committee and submit compliance report. Said order was challenged by Association of Healthcare Providers (India) ("AHPI") on behalf of its members including the Company by filing a Writ Petition before Hon'ble High Court of Delhi which was dismissed vide order dated 24.07.2019. Subsequently, AHPI has appealed against the order dated 24.7.2019 before division bench of Delhi High Court which is pending adjudication. The impugned orders and the pending proceedings pertain to all hospitals and nursing homes in Delhi. The Company has informed AHPI that it is in compliance with the applicable Minimum Wages Act. Based on advice from external counsels, the Company believes that it has a good case on merits and the order dated 25.06.2018 passed by Government of NCT of Delhi in all likelihood will not adversely financially impact the Company.

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15. SRL Diagnostics Private Limited ('SRLD') has disputed the coverage of Employees State Insurance Corporation (ESIC) for period prior to FY 2005-06 for its Kolkata unit as "Pathlabs" were not covered for Employee State Insurance Corporation (ESIC). Pending settlement of matter, provision is recognised every year for the ESI liability. The same will be paid once the matter is settled.

16. Employee Stock Option Plan

- i. The Company has provided share-based payment scheme to the eligible employees and then directors of the Company/ its subsidiaries and erstwhile holding company. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company. As at March 31, 2020, the following schemes are in operation:

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of options granted	Vesting Period	Exercise Period up to
Grant III	July 14, 2009	July 30, 2007	27-Sep-07	763,700	July 14, 2010 to July 13, 2014	July 13, 2019
Grant IV	October 1, 2010	July 30, 2007	September 27, 2007	1,302,250	October 1, 2011 to September 30, 2015	September 30, 2020
Grant VII	June 10, 2013	August 12, 2011	September 19, 2011	3,715,000	June 20, 2013 to June 09, 2016	June 09, 2020
Grant IX	June 01, 2015	August 12, 2011	September 19, 2011	100,000	Jun 01, 2015 to May 31, 2018	May 31, 2022
Grant XI	4-Aug-17	August 12, 2011	September 19, 2011	2,500,000	Aug 04, 2017 to Aug 04, 2018	August 4, 2022

The details of activity under the Plan have been summarized below:

Particulars	March 31, 2020		March 31, 2019	
	Number of options	Weighted Average Exercise Price (₹ in lacs)	Number of options	Weighted Average Exercise Price (₹ in lacs)
Outstanding at the beginning of the year	2,756,550	162.04	3,839,650	164.38
Forfeited during the year	2,594,400	162.70	79,500	158.00
Exercised during the year	3,200	77.00	1,003,600	97.33
Outstanding at the end of the year	158,950	152.94	2,756,550	162.04
Exercisable at the end of the year	158,950	152.94	2,756,550	162.04

The details of exercise price for stock options outstanding at the end of the year are:

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Particulars	March 31, 2020	March 31, 2019
Range of exercise prices	₹ 91.00 to 158.00	₹ 50.00 to 163.30
Number of options outstanding	1,58,950	2,756,550
Weighted average remaining contractual life of options (in years)	0.48	3.19
Weighted average fair value of options granted (in ₹)	56.66	68.76
Weighted average exercise price (in ₹)	152.94	162.04

There have been no grants made in the current year by the Company. The Black - Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2020	March 31, 2019
Exercise Price	₹ 77.00	₹ 50.00 to ₹ 163.30
Expected Volatility	66.24%	6.42% to 34%
Life of the options granted (Vesting and exercise period) in years	7 years	2 years to 7 years
Average risk-free interest rate	7.50%	7.31% to 8.70%

Expected volatility has been determined considering the daily volatility of the stock prices on National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

On the date of transition to Ind AS (i.e. 1 April 2015), the Company had opted for optional exemption available under Ind AS 101 'First time adoption' and not recorded any stock option outstanding account for the options fully vested as at transition date

Note:

1. The Group has recognized expense in relation to employee stock option plan of ₹ 147.08 lacs (previous year ₹ 363.76 lacs).
 2. In respect of fully vested option forfeited during the year amount aggregating to ₹ 2,146.70 lacs (previous year ₹ 288.82 lacs) has been transferred to general reserve.
 3. In respect of fully vested option exercised during the year amount aggregating to ₹ 2.14 lacs (previous year ₹ 511.20 lacs) has been transferred to retained earnings.
- ii. In case of Fortis Malar Hospital Limited (FMHL), employees (including senior executives) of FMHL and its Subsidiary receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Malar Employee Stock Option Plan 2008 (Scheme) was approved by the board of directors of FMHL on 31 July 2008/28 May 2009 and by shareholders in the annual general meeting held on 29 September 2008 /21 August 2009. The following are some of the important conditions to the scheme: The details of activity under the Plan have been summarized below:

Vesting Plan

- 25% of the option shall vest on the completion of 12 months from the grant date.
- 25% of the option shall vest on the completion of 24 months from the grant date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 25% of the option shall vest on the completion of 36 months from the grant date.
- 25% of the option shall vest on the completion of 48 months from the grant date.

Exercise Plan

There shall be no lock in period after the options have vested. The vested options will be eligible to be exercised on the vesting date itself. Notwithstanding any provisions to the contrary in this plan the options must be exercised before the end of the tenure of the plan.

Effective Date

The plan was effective from August 21, 2009.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2020		March 31, 2019	
	Number of options	Weighted Average Exercise Price (₹ in lacs)	Number of options	Weighted Average Exercise Price (₹ in lacs)
Outstanding at the beginning of the year	78,750	26.20	140,000	26.20
Granted during the year	-	-	-	-
Forfeited during the year	32,500	26.20	-	-
Exercised during the year	-	-	57,500	26.20
Expired during the year	23,750	26.20	3,750	26.20
Outstanding at the end of the year	22,500	26.20	78,750	26.20
Exercisable at the end of the year	22,500	26.20	78,750	26.20

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. The Intrinsic value method has been used for computing the weighted average fair value of options considering the following inputs:

Particulars	March 31, 2020	March 31, 2019
Grant date share price	26.20	26.20
Exercise Price (in ₹)	26.20	26.20
Expected Volatility*	67.42%	67.42%
Life of the options granted (Vesting and exercise period) in years	5	5
Weighted average remaining contractual life of options (in years)	-	-
Average risk-free interest rate	7.50%	7.50%
Expected dividend rate	0%	0%

*Expected volatility has been determined considering the daily volatility of the stock prices on Bombay Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

On the date of transition to Ind AS (i.e. 1 April 2015), FMHL had opted for optional exemption available under Ind AS 101 'First time adoption' and not recorded any stock option outstanding account for the options fully vested (ESOP Scheme 2008) as at transition date.

- iii. A subsidiary (SRL Limited) has provided share-based payment scheme to the eligible employees and then directors of SRL Limited, its subsidiary, Fortis Healthcare Limited (holding company) and RHC Holding Private Limited. The shareholders of SRL granted approval to 'Super Religare Laboratories Limited Employee Stock Option Plan 2009' and 'SRL Limited Employee Stock Option Scheme 2013'. SRL has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with SRL Limited. Details of these schemes are as follows:

Particulars	Grant I	Grant II	Grant III	Grant IV	Grant V	Grant VI	Grant VII
Scheme	ESOP 2009	ESOP 2013	ESOP 2013	ESOP 2013	ESOP 2013	ESOP 2013	ESOP 2013
Date of grant	August 22, 2009	September 30, 2013	November 2, 2015	November 8, 2016	March 22, 2017	May 06, 2017	August 02, 2017
Date of Board Approval	August 22, 2009	August 23, 2013	August 23, 2013	August 23, 2013	August 23, 2013	August 23, 2013	August 23, 2013
Date of Shareholder's approval	August 17, 2009	September 30, 2013	September 30, 2013	September 30, 2013	September 30, 2013	September 20, 2013	September 20, 2013
Number of options granted	1,517,470	200,000	995,937	75,000	125,000	25,000	25,000
Number of options cancelled	858,876	134,000	693,437	-	-	25,000	-
Number of options exercised	154,716	66,000	-	-	-	-	-
Number of options issued	154,716	66,000	-	-	-	-	-
Number of options not yet vested	-	-	302,500	75,000	125,000	-	25,000
Number of options not yet exercised	503,878	-	-	-	-	-	-
Vesting Period	22 August 2009 to 21 August 2012	30 September 2016 to 30 September 2018	2 November 2018 to 1 November 2020	7 November 2019 to 7 November 2021	22 March 2020 to 22 March 2022	26 May 2020 to 26 May 2022	02 August 2020 to 02 August 2022
Exercise Period	Up to August 21, 2019*	Up to September 29, 2022	Up to November 01, 2022	Up to November 01, 2022	Up to November 01, 2022	Up to November 01, 2022	Up to November 01, 2022
Grant value	40	201	428	674	674	674	674

* With effect from 4 November 2019, SRL has extended the exercise period of 503,878 options (Grant I) till a future event occurs (i.e. exit of existing private equity investors or any other listing event). Further, as per the revised terms, employees due to retire or getting superannuated prospectively will also be entitled to exercise the options before the future event. As there is no fixed time limit for future event, weighted average life of 503,878 options has not been disclosed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The details of activity under the Plan have been summarized below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Options	Weighted Average exercise price (₹ in lacs)	Number of Options	Weighted Average exercise price (₹ in lacs)
Outstanding at the beginning of the year	1,072,309	293.34	1,502,288	320.49
Granted during the year	-	-	-	-
Exercised during the year	-	-	7,869	40.00
Forfeited/ Cancelled during the year	40,931	324.38	422,110	394.67
Outstanding at the end of the year	10,31,378	292.11	1,072,309	293.34
Exercisable option at the end of the year	503,878	40.00	514,809	40.00
Remaining life	1.32		2.06	
Range of exercise price (₹)	40-674		40-674	

The weighted average fair value of stock options granted during the year is ₹ Nil (March 31, 2019: ₹ Nil). Black-Scholes model has been used for computing the weighted average fair value considering the following inputs:

Particulars	Grant II	Grant III	Grant IV- V	Grant VI- VII
Date of Grant	September 30, 2013	November 02, 2015	November 08, 2016 March 22, 2017	May 06, 2017 August 02, 2017
Grant date share price (in ₹)	201	428	674	674
Exercise price (in ₹)	201	428	674	674
Expected volatility (s)	17.41%	15.54%	15.54%	16.19%
Average risk-free interest rate	8.70%	7.63%	7.63%	6.95%
Life of option granted	5yrs	5yrs	5yrs	5yrs
Expected dividend rate	1.00%	0.47%	0.47%	0.47%

Note:

1. The Company has recognised expense in relation to employee stock option plan of ₹ 147.08 lacs (previous year ₹ 38.37 lacs).
2. In respect of 30,000 (previous year 140,000) fully vested option forfeited during the year amount aggregating to ₹ 24.23 lacs (previous year 161.24) has been transferred to general reserve.
3. On the date of transition to Ind AS (i.e. 1 April 2015), SRL Limited had opted for optional exemption available under Ind AS 101 'First time adoption' and not recorded any stock option outstanding account for the options fully vested (ESOP Scheme 2009) as at transition date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

17. Employee Benefits Plan:

Defined contribution plan:

The Group's contribution towards its employee provident fund is a defined contribution retirement plan for qualifying employees. The provident fund contribution of certain employees of the Group is being deposited with "Fortis Healthcare Limited Provident Fund Trust" and "Escorts Heart Institute and Research Centre Limited PF Trust" which is recognized by the income tax authority (refer note below) and rest payment is made to provident fund commissioner.

The Group recognised ₹ 1,258.15 lacs (previous year ₹ 1,194.19 lacs) for Provident Fund, Employee state insurance and Superannuation fund contribution in the Consolidated Statement of Profit and Loss. The Contribution payable to the plan by the Group is at the rate specified in rules to the scheme.

Defined benefit plan

The Group companies have a defined benefit gratuity plan, whereby the employees are entitled to gratuity benefits based on last salary drawn and completed number of year of services. The gratuity plan for two subsidiaries of the Company is 100% funded with an insurance policy with Life Insurance Corporation of India.

The following table summarizes the components of net benefit expenses recognized in the Statement of Profit and Loss and the amounts recognized in the Balance Sheet.

Particulars	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
i. Movement in net liability		
Present value of obligation at the beginning of the year	8,573.63	7,838.42
Current service cost	1,142.37	1,230.57
Past service cost	-	4.39
Interest cost	547.84	555.16
Amount recognised to OCI	396.06	(352.88)
Obligation transferred to/ from subsidiary	(30.14)	126.80
Benefits paid	(1,036.08)	(828.83)
Present value of obligations at the end of the year	9,593.68	8,573.63
Present value of unfunded obligation		
Amounts in the Balance Sheet		
(a) Liabilities	9,593.68	8,573.63
(b) Assets	(732.64)	(723.84)
(c) Net liability/(asset) recognised in the balance sheet	8,861.04	7,849.79
Current liability	1,300.22	1,263.68
Non-current liability	7,560.82	6,586.11

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ii. Change in fair value of plan assets

(₹ in lacs)

	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year	723.84	711.65
Expenses recognised in Statement of Profit and Loss:		
-Expected return on plan assets	-	41.49
Recognised in Other Comprehensive Income:		
-Return on plan assets	51.05	32.79
Contributions by employer	86.92	63.02
Benefit payments	(129.17)	(125.11)
Closing value of plan assets	732.64	723.84

iii. Expense recognised in Statement of Profit and Loss is as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amount recognised in employee benefit expense		
Service cost	1,142.36	1,230.57
Past Service Cost	-	4.39
Total	1,142.36	1,234.96
Amount recognised in finance cost		
Interest cost	547.84	555.16
Total	547.84	555.16
Grand Total	1,690.20	1,790.12

iv. Expense recognized in Statement of Other comprehensive income is as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net actuarial loss / (gain) due to experience adjustment recognised during the year	(287.85)	(330.34)
Net actuarial loss / (gain) due to assumptions changes recognised during the year	678.30	(23.80)
Net return on plan assets (excluding interest income)	5.61	1.26
Expense/ (Income)	396.06	(352.88)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Principal assumptions used in determining gratuity obligation for the Group's plan are shown below:

Particular	As at March 31, 2020	As at March 31, 2019
Discounting rate (p.a.)	5.55%-7.25%	7.25%-8.00%
Expected salary increase rate (p.a.)	6.00%-8.00%	6.00%-8.00%
Withdrawal rate		
Age up to 30 years	10.00%-39.00%	10.00%-39.00%
Age from 31 to 44 years	6.00% - 26.00%	6.00% - 26.00%
Age above 44 years	0.00% to 16.00%	0.00% to 15.00%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Notes:

- The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- Significant actuarial assumption for the determination of the defined obligation are discount rate, expected salary escalation rate and withdrawal rate. The sensitivity analyses below have been determined by the actuarial based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constants.

(₹ in lacs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.5% to 1%	2,270.42	2,504.65	1,833.56	2,001.14
Change in salary increase rate by 1%	2,841.01	2,555.39	2,295.84	2,089.34
Change in withdrawal rate by 1% to 5%	2,291.12	2,333.39	1,735.93	1,739.89

- Certain companies within the Group have invested in the schemes with Life Insurance Corporation of India (LIC) for the plan assets.

The details of investments maintained by LIC are not made available with the Company and therefore have not been disclosed.

- Expected benefit payments for the future**

(₹ in lacs)

Year ended 31 March, 2021	Year ended 31 March, 2022	Year ended 31 March, 2023	Year ended 31 March, 2024	Year ended 31 March, 2025 to year ended 31 March, 2030
881.45	871.32	1,107.95	1,052.72	6,472.04

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Provident Fund:

The Group makes monthly contributions to provident fund managed by trust for qualifying employees. Such contribution for the current year are ₹ 3,521.05 lacs (previous year ₹ 3,336.08 lacs). Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. As per Ind AS 19 on "Employee Benefits", employer established provident fund trusts are treated as defined benefit plans, since the Group is obliged to meet interest shortfall, if any, with respect to covered employees.

Key assumptions and other disclosures are as follows:

Assumptions:	
Discount rate (p.a.)	6.75% p.a.
Expected return on exempt fund	8.80% p.a.
Expected EPFO return	8.65% p.a. for first year
	8.60% p.a. thereafter
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate

Withdrawal Rate

Unit	Withdrawal Rate
Fortis Emergency Services Limited	Ages From 20 - 30 - 12.50%;
	Ages From 31 - 58 - 15.00%
Others	Ages From 20 - 30 - 18.00%;
	Ages From 31 - 44 - 6.00%;
	Ages From 45 - 58 - 2.00%

The assessed actuarial liability in respect of future anticipated shortfall is as follows:

Provident fund scheme	(₹ in lacs)
	As at March 31, 2020
Gross actuarial liability	111.71
Fund reserves and surplus	257.90
Net liability	-

Asset allocation as at March 31, 2020

Asset Category	Percentage
Government Securities	10.45%
State Government Securities	42.09%
Private Sector Securities	28.34%
Public Sector Securities	14.18%
Equity Mutual Funds	4.94%
Total	100.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

18. Financial Instruments

Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 6(xviii), 6(xix) and 6(xxii) offsets by cash and cash equivalents) and total equity of the company.

The Group is not subject to any externally imposed capital requirements other than for covenants under various loan arrangements of the Group.

The Holding Company's Board of Directors reviews the capital structure of the Group on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2020 is as follows.

Gearing ratio

Particulars	₹ In lacs	
	As at March 31, 2020	As at March 31, 2019
Debt* [refer note 6(xviii), 6(xix) and 6(xxii)]	159,949.75	201,527.80
Cash and cash equivalents [refer note 6(xiii)]	(18,185.93)	(79,405.19)
Net debt	141,763.82	122,122.61
Total equity	720,558.63	711,249.32
Net debt to equity ratio	19.67%	17.17%

*Debt is defined as long-term and short-term borrowings (including lease liability, interest accrued and due on borrowings and excluding derivative, financial guarantee contracts and contingent consideration).

19. Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets including market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors manages the financial risk of the Group through internal risk reports which analyze exposure by magnitude of risk. The Group has limited exposure from the international market as the Group's operations are primarily in India. However, the Group has limited exposure towards foreign currency risk as it earns less than 10% of its revenue in foreign currency from international patients. Also, capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Group has not taken any derivative contracts to hedge the exposure. However, the exposure towards foreign currency fluctuation is partly hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

Market Risk

The Group's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ in lacs)

Particulars	Foreign Currency	March 31, 2020		March 31, 2019	
		Foreign Currency	₹	Foreign Currency	₹
		Amount		Amount	
Trade payables	USD	5.81	438.02	31.53	2,184.09
	Euro	0.01	0.49	-	-
Cash and bank balances	SGD	1.38	72.98	1,204.34	61,074.19
	MUR	10.52	20.20	15.18	29.81
	AED	0.05	1.13	0.11	2.08
	Euro	0.00	.01	0.00	0.06
	USD	0.02	1.48	0.19	12.99
	LKR	123.17	48.96	-	-
Trade receivables	USD	8.25	622.01	9.48	657.01
	MUR	-	-	26.98	52.99
Loans taken	SGD	-	-	2.87	145.79
	USD	1.58	119.41	-	-
	AED	5.63	115.52	13.41	252.95
Other receivables	MUR	26.89	51.66	-	-

Foreign currency sensitivity analysis

The group is mainly exposed to USD, SGD, EURO, LKR, AED & MUR currency.

The following table details the Group's sensitivity to a 5% increase and decrease in ₹ against each foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Currency impact USD	
	As at March 31, 2020	As at March 31, 2019
If increase by 5%		
Increase / (decrease) in profit or loss for the year	3.30	(75.70)
Increase / (decrease) in total equity as at the end of the reporting period	3.30	(75.70)

Particulars	Currency impact USD	
	As at March 31, 2020	As at March 31, 2019
If decrease by 5%		
Increase / (decrease) in profit or loss for the year	(3.30)	75.70
Increase / (decrease) in total equity as at the end of the reporting period	(3.30)	75.70

(₹ in lacs)

Particulars	Currency impact EURO	
	As at March 31, 2020	As at March 31, 2019
If increase by 5%		
Increase / (decrease) in profit or loss for the year	(0.02)	-
Increase / (decrease) in total equity as at the end of the reporting period	(0.02)	-

Particulars	Currency impact EURO	
	As at March 31, 2020	As at March 31, 2019
If decrease by 5%		
Increase / (decrease) in profit or loss for the year	0.02	-
Increase / (decrease) in total equity as at the end of the reporting period	0.02	-

(₹ in lacs)

Particulars	Currency impact SGD	
	As at March 31, 2020	As at March 31, 2019
If increase by 5%		
Increase / (decrease) in profit or loss for the year	3.65	3,046.42
Increase / (decrease) in total equity as at the end of the reporting period	3.65	3,046.42

Particulars	Currency impact SGD	
	As at March 31, 2020	As at March 31, 2019
If decrease by 5%		
Increase / (decrease) in profit or loss for the year	(3.65)	(3,046.42)
Increase / (decrease) in total equity as at the end of the reporting period	(3.65)	(3,046.42)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Particulars	Currency impact AED	
	As at March 31, 2020	As at March 31, 2019
If increase by 5%		
Increase / (decrease) in profit or loss for the year	(5.72)	(12.54)
Increase / (decrease) in total equity as at the end of the reporting period	(5.72)	(12.54)

Particulars	Currency impact AED	
	As at March 31, 2020	As at March 31, 2019
If decrease by 5%		
Increase / (decrease) in profit or loss for the year	5.72	12.54
Increase / (decrease) in total equity as at the end of the reporting period	5.72	12.54

(₹ in lacs)

Particulars	Currency impact MUR	
	As at March 31, 2020	As at March 31, 2019
If increase by 5%		
Impact on profit or loss for the year	3.59	4.14
Impact on total equity as at the end of the reporting period	3.59	4.14

Particulars	Currency impact MUR	
	As at March 31, 2020	As at March 31, 2019
If decrease by 5%		
Impact on profit or loss for the year	(3.59)	(4.14)
Impact on total equity as at the end of the reporting period	(3.59)	(4.14)

(₹ in lacs)

Particulars	Currency impact LKR	
	As at March 31, 2020	As at March 31, 2019
If increase by 5%		
Impact on profit or loss for the year	2.45	-
Impact on total equity as at the end of the reporting period	2.45	-

Particulars	Currency impact LKR	
	As at March 31, 2020	As at March 31, 2019
If decrease by 5%		
Impact on profit or loss for the year	(2.45)	-
Impact on total equity as at the end of the reporting period	(2.45)	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Interest rate risk management

The Group is exposed to interest rate risk because Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(₹ in lacs)

Particulars	Interest impact	
	Year ended March 31, 2020	Year ended March 31, 2019
If increase by 50 basis point		
Increase / (decrease) in profit or loss for the year	(507.73)	(542.63)
Increase / (decrease) in total equity as at the end of the reporting period	(507.73)	(542.63)

Particulars	Interest impact	
	Year ended March 31, 2020	Year ended March 31, 2019
If decrease by 50 basis point		
Increase / (decrease) in profit or loss for the year	507.73	542.63
Increase / (decrease) in total equity as at the end of the reporting period	507.73	542.63

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group takes due care while extending any credit as per the approval matrix approved by Board of Directors.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

(₹ in lacs)

Particulars	Within 1 year	More than 1 year	Total	Carrying amount
As at March 31, 2019				
Borrowings (current and non-current), including lease liability	148,256.16	94,447.85	242,704.01	201,026.86
Trade payables	75,352.49	-	75,352.49	75,352.49
Other financial liabilities (current and non-current) other than current maturities of long term borrowings	126,507.63	1,312.66	127,820.29	127,820.29
Total	350,116.28	95,760.51	445,876.79	404,199.64

(₹ in lacs)

Particulars	Within 1 year	More than 1 year	Total	Carrying amount
As at March 31, 2020				
Borrowings (current and non-current)	48,646.33	105,108.56	153,754.89	135,398.27
Lease liability	4,314.48	48,628.34	52,942.82	24,029.34
Trade payables	59,763.03	-	59,763.03	59,763.03
Other financial liabilities (current and non-current) other than current maturities of long term borrowings	131,487.14	947.49	132,434.63	132,434.63
Total	244,210.98	154,684.39	398,895.37	351,625.27

Also refer note 42 for disclosures on Going Concern and the working capital position of the Group.

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20. Fair value measurement

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at March 31, 2020

(₹ in lacs)

Particulars	Note	Carrying Value*			Fair value measurement using*
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	Level 3
Financial assets					
Loans (Non-current)	(b)	-	3,003.37	3,003.37	-
Other financial assets (Non-current)	(b)	-	8,436.89	8,436.89	-
Trade receivables	(a)	-	45,878.20	45,878.20	-
Cash and cash equivalents	(a)	-	18,185.93	18,185.93	-
Other bank balances	(a)	-	8,409.50	8,409.50	-
Loans (current)	(a)	-	1,738.81	1,738.81	-
Other financial assets (current)	(a)	-	4,746.20	4,746.20	-
Total		-	90,398.90	90,398.90	-

Particulars	Note	Carrying Value*			Fair value measurement using*
		Fair value through profit and loss (FVTPL)/ equity	Amortized cost	Total	Level 3
Financial Liabilities					
Borrowings – non-current	(c)	-	99,142.86	99,142.86	-
Borrowings – Current	(a)	-	36,255.41	36,255.41	-
Lease liabilities - Non-Current	(e)	-	21,249.77	21,249.77	-
Lease liabilities - Current	(a)/(e)	-	2,779.57	2,779.57	-
Trade payables – Current	(a)	-	59,763.03	59,763.03	-
Other financial liabilities – Non-Current	(b)	-	947.49	947.49	-
Other financial liabilities – Current	(a)/(d)	118,000.00	13,487.14	131,487.14	118,000.00
Total		118,000.00	233,625.27	351,625.27	118,000.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As on March 31, 2019

Particulars	Note	Carrying Value*			Fair value measurement using*	
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	Level 2	Level 3
Financial assets						
Loans (Non-current)	(b)	-	2,946.98	2,946.98	-	-
Other financial assets (Non-current)	(b)	-	5,694.03	5,694.03	-	-
Other investments (current)	(a)	7,928.72	-	7,928.72	7,928.72	-
Trade receivables	(a)	-	54,241.57	54,241.57	-	-
Cash and cash equivalents	(a)	-	79,405.19	79,405.19	-	-
Other bank balances	(a)	-	6,179.89	6,179.89	-	-
Loans (Current)	(a)	-	2,109.61	2,109.61	-	-
Other financial assets (Current)	(a)	-	5,833.96	5,833.96	-	-
Total		7,928.72	156,411.23	164,339.95	7,928.72	-

Particulars	Note	Carrying Value*			Fair value measurement using*	
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	Level 2	Level 3
Financial liabilities						
Borrowings – non current	(c)	-	74,034.62	74,034.62	-	-
Borrowings – Current	(a)	-	123,074.23	123,074.23	-	-
Lease liabilities - Non-Current	(e)	-	3,754.31	3,754.31		
Lease liabilities - Current	(a)/(e)	-	163.70	163.70		
Trade payables – Current	(a)	-	75,352.49	75,352.49	-	-
Other financial liabilities – Non-Current	(b)	-	1,312.67	1,312.67	-	-
Other financial liabilities – Current	(a)	118,000.00	8,507.63	126,507.63	-	118,000.00
Total		118,000.00	163,125.42	281,125.42	-	118,000.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following methods / assumptions were used to estimate the fair values:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- (b) Fair valuation of non-current financial assets and liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- (c) The Group's borrowings have been contracted at floating rates of interest, which are reset at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.
- (d) The fair value is determined by using the valuation model/technique with observable/non-observable inputs and assumptions.
- (e) Fair value of lease liabilities is estimated by discounting future cash flows using current rates (applicable to instruments with similar terms, currency, credit risk and remaining maturities).

There are no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2020 and March 31, 2019.

*There are no financial instruments measured at fair value through Other Comprehensive Income. Further, there are no financial instruments which are valued under category Level 1.

Financial Instruments measured at amortized cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Valuation technique used to determine fair value of:

(a) Other current financial liabilities - (Put option):

The management has used Comparable Companies' Quoted Multiple Method (CCM) for determining the fair value of the put option.

The key assumption used in the estimation of fair value of the instrument is the value of Enterprise value/ Earnings before interest, tax, depreciation and amortization (EV/ EBITDA) multiple. As at March 31, 2020 the weighted average EV/ EBITDA multiple has been determined at 21.35x (previous year 22.5x).

Management has identified that a reasonable possible change in the key assumption could cause a change in fair value of the instrument. The following table shows the amount by which the fair value would change on change in this assumption by 1% all other factors remaining constant.

(₹ in lacs)		
Increase/ (decrease) in fair value	As at March 31, 2020	As at March 31, 2019
EV/ EBITDA multiple		
Increase by 1x	5,125.00	1,000.00
Decrease by 1x	(5,125.00)	(1,000.00)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Current investments (in mutual funds)

The fair value is calculated by using the publicly available net asset value (NAV) as published by the mutual funds as on reporting date.

Management has identified that a reasonably possible change in the NAV could cause a change in fair value of the instrument. The following table shows the amount by which the fair value would change on change in NAV by 5%.

Increase/ (decrease) in fair value	₹ in lacs	
	As at March 31, 2020*	As at March 31, 2019
NAV		
Increase by 5%	-	396.45
Decrease by 5%	-	(396.45)

- During the current year, the Group has redeemed all its investments in mutual funds and does not have any investments as on March 31, 2020.

Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in level 3 items for the year ended March 31, 2020 and March 31, 2019:

Particulars	₹ in lacs	
	Investment in non-convertible debentures	Put option
As at March 31, 2018	46,717.04	-
Elimination due to business combination (refer note 26)	46,717.04	-
Addition during the year (refer note 12 b)	-	118,000.00
As at March 31, 2019	-	118,000.00
Addition during the year (refer note 12 b)	-	-
As at March 31, 2020	-	118,000.00

21. During the year, the Group has capitalized the following expenses under the Intangible Assets under Development:

Particulars	₹ in lacs	
	As at March 31, 2020	As at March 31, 2019
Opening balance (A)	9,198.62	8,986.88
Employee benefits expense (B)		
Salaries, wages and bonus	322.22	336.97
Total (B)	322.22	336.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Other expenses(C)		
Contractual manpower	-	318.70
Travel and conveyance	57.62	25.40
Communication expenses	0.26	0.56
Miscellaneous expenses	4.68	-
Total (C)	62.56	344.66
Total (D=A+B+C)	9,583.40	9,668.51
Amount capitalized to Intangible Assets (E)	(8,907.02)	(469.49)
Carried forward to intangible assets under development (G=D-E)	676.38	9,198.62

22. The disclosures regarding details of specified bank notes held and transacted during the period November 8, 2016 to December 31, 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2020.

23. Exceptional items

- a. The Company invested in Escorts Heart Institute and Research Centre Limited ('EHIRCL') in Year 2005 which resulted in goodwill of ₹ 45,817.57 lacs in the consolidated financial statements.

During the year, ended March 31, 2018 Raipur unit within EHIRCL was eliminated in compliance with order no. 2232/2321/2016/9 - 55-4 dated August 22, 2016 from Government of Chhattisgarh, wherein it was stated that term of agreement will expire on October 31, 2017 with efflux of time and there will be no renewal thereof. On account of above, the Group recorded an impairment loss of ₹ 4,531.00 lacs in carrying value of Goodwill and other exceptional loss of ₹ 57.74 lacs.

At the previous year end, the management performed an impairment test for the remaining carrying value of goodwill. The recoverable value determined based on discounted cash flows was lower than the remaining carrying value of goodwill and a further impairment loss of ₹ 4,030.79 lacs was recognized for the year ended March 31, 2019 in the carrying value of goodwill.

The recoverable amount of this CGU is based on value-in-use calculations which uses discounted cash flow projections. The fair value measurement has been categorized as Level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

(In percent)	March 31, 2019
Discount rate	12.70
Terminal value growth rate	4.00
Compound average net sales growth rate	10.34

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

Management has identified that a reasonably possible change in the key assumptions could cause a change in amount of impairment loss/ (reversal). The following table shows the amount by which the impairment loss/ (reversal) would change on change in these assumptions, all other factors remaining constant:

(₹ in lacs)	
Increase/ (decrease) in impairment loss	For the year ended March 31, 2019
Discount rate	
Increase by 1%	3,846.43
Decrease by 1%	(4,030.79)
Terminal value growth rate	
Increase by 1%	(2,506.33)
Decrease by 1%	2,148.29

The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections include specific estimates for seven years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound average net sales growth rate, consistent with the assumptions that a market participant would make.

- b. Birdie & Birdie Realtors Private Limited, a subsidiary company of the Group owns a freehold property in New Delhi. During the previous year, the Management performed impairment testing based on the current estimated fair value of the property and impaired goodwill of ₹ 2,488.64 lacs.

The recoverable amount for this CGU has been determined based on the net realizable value of land and building. The fair value measurement has been categorized as Level 3 fair value.

- c. The Company through its subsidiary Fortis Healthcare International Pte. Ltd. bought 64,120,915 shares @ 62 LKR total value in ₹ 19,762.82 lacs in year ended March 31, 2012 representing 28.60% of total equity of Lanka Hospital Corporation Plc, which is listed in Lanka Stock exchange. The average volume of trading is not significant.

During the year ended March 31, 2018, the management of the subsidiary performed an impairment test for the carrying value of its investment in associate in Lanka Hospital Corporation Plc. The carrying value of its investment as on March 31, 2018 was 21,006.19 lacs in the consolidated financial statements. However, the fair value at published price quotation has been consistently below the carrying value and therefore there is a likely permanent diminution in the value of the Investment for which impairment loss was booked during the year ended on March 31, 2018. Further, an impairment loss of ₹ 5,586.00 lacs has been recognized for the year ended March 31, 2019 to reflect the said carrying value to its likely recoverable value based on the published price quotation (Level 1 Fair value) as at March 31, 2019 as the management of the subsidiary is of the view that the subsidiary may not be able to recover the cost of its investment.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- d. The Company through its step-down subsidiary Stellant Capital Advisory Services Private Limited acquired RHT Health Trust Trustee Manager ('RHTTM') in year ended March 31, 2016 which resulted in goodwill of ₹ 8,642.34 lacs in consolidated financial statements.

During the previous year, the management performed an impairment test for the carrying value of goodwill of RHTTM. The recoverable value has been determined to be Nil as the management does not intend to have future operations in the subsidiary and accordingly, an impairment loss of ₹ 4,880.58 lacs has been recognized for the year ended March 31, 2019.

- e. The Company through its wholly owned subsidiary Fortis Hospitals Limited has invested (Equity and loan) in Fortis C-Doc Healthcare Limited which is a joint venture in which Fortis holds 60% stake at an amount of ₹ 622.85 lacs through equity and amount of ₹ 1,623.34 lacs (including interest accrued of ₹ 180.61 lacs) through loan. During the year ended March 31, 2018, considering the recoverability of the investment and uncertainty in recoverability of loan with no foreseeable chances of recovery of the amount, an impairment loss of ₹ 1,623.34 lacs was recognized.

During the current year, the Company have received an amount of ₹ 50.00 lacs (Previous year ₹ 25 lacs) from Fortis C-Doc Healthcare Limited and recorded the same as an exceptional gain.

- f. Stellant Capital Advisors Services Private Limited, a subsidiary company of the Group provides advisory services. The Management performed an impairment test for the carrying value of goodwill. The recoverable value has been determined to be Nil as the management does not intend to have future operations in the subsidiary and accordingly, an impairment loss of ₹ 494.38 lacs has been recognized for the year ended March 31, 2019 in the carrying value of goodwill.

- g. The management performed an impairment test for the carrying value of property, plant and equipment, intangible assets and goodwill for Faridabad hospital (CGU). The recoverable value determined based on discounted cash flows was lower than the remaining carrying value of property, plant and equipment, intangible assets and goodwill and an impairment loss of ₹ 1,879.22 lacs was recognized for the previous year.

The recoverable amount of this CGU is based on value-in-use calculations which uses discounted cash flow projections. The fair value measurement had been categorized as Level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

(In percent)	March 31, 2019
Discount rate	12.70
Terminal value growth rate	4.00
Compound average net sales growth rate	7.87

Management had identified that a reasonably possible change in the key assumptions could cause a change in amount of impairment loss/ (reversal). The following table shows the amount by which the impairment loss/ (reversal) would change on change in these assumptions, all other factors remaining constant.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

Increase/ (decrease) in impairment loss	For the year ended March 31, 2019
Discount rate	
Increase by 0.50%	1,416.07
Decrease by 0.50%	(1,256.02)
Terminal value growth rate	
Increase by 1%	(1,549.85)
Decrease by 1%	1,952.41

- h. The Management performed an impairment test for the carrying value of property, plant & equipment, intangible assets, right of use assets and goodwill for Jaipur hospital (CGU). The recoverable value determined based on discounted cash flows is lower than the remaining carrying value of property, plant and equipment, intangible assets, right of use assets and goodwill and an impairment loss of ₹ Nil (March 31, 2019 ₹ 3,024.13 lacs) has been recognized in the Statement of Profit and Loss.

The recoverable amount of this CGU is based on value-in-use calculations which uses discounted cash flow projections. The fair value measurement has been categorized as Level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

(In percent)	March 31, 2020	March 31, 2019
Discount rate	12.70	12.70
Terminal Value growth rate	4.00	4.00
Compound average net sales growth rate	10.84	10.94

The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

Management has identified that a reasonably possible change in the key assumptions could cause a change in amount of impairment loss/ (reversal). The following table shows the amount by which the impairment loss/ (reversal) would change on change in these assumptions, all other factors remaining constant.

(₹ in lacs)

Increase/ (decrease) in impairment loss	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate		
Increase by 0.50%	-	1,667.80
Decrease by 0.50%	-	(1,883.70)
Terminal value growth rate		
Increase by 1%	-	(2,643.60)
Decrease by 1%	-	2,098.53

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The cash flow projections include specific estimates for seven years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound average net sales growth rate, consistent with the assumptions that a market participant would make.

24. During the current year, wholly owned subsidiary of the Company in Mauritius sold its entire shareholding in C-Care, Mauritius (formerly known as Medical and Surgical Centre Limited) post receipt of approval by the Company's shareholders. The sale resulted in a gain of ₹ 3,856.90 lacs.

25. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013 and rules therein, the Companies within the Group are required to spend at least 2% of average net profit of past three years towards Corporate Social Responsibility (CSR). Details of corporate social responsibility expenditures as certified by Management are as follows:

Particulars	(₹ in lacs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance to be spent as per previous year (A)	625.85	408.24
Amount required to be spent for current year (B)	579.00	638.81
Gross amount required to be spent (A+B)	1,204.85	1,047.05
Spent during the year		
(i) construction/acquisition of any asset	-	-
(ii) on purposed other than (i) above	937.56	421.20
Balance unspent at end of the year	267.29	625.85

26. Business combinations

During the previous year ended March 31, 2019, effective from January 15, 2019, the Company completed the acquisition of 100% stake in International Hospital Limited and Fortis Health Management Limited and consequently Escorts Heart and Super Speciality Hospital Limited, Hospitalia Eastern Private Limited and 49% stake in Fortis Hospotel Limited (in which the Company had already held earlier 51% stake), from the wholly owned subsidiaries of RHT. With the completion of the transaction, the aforesaid Indian entities under RHT became wholly owned subsidiaries (direct/indirect) of the Company. The transaction was for a consideration of ₹ 466,630.17 lacs. The consideration included ₹ 106,301.79 lacs paid towards acquisition of residual 49% stake in Fortis Hospotel Limited (in which the Company had already held 51% stake and therefore by virtue of it was already part of the consolidated financial statements of the Company) and accordingly the consideration paid for acquisition of other Indian entities under RHT was ₹ 360,328.41 lacs. The transaction is accounted as business combination and consequent to a preliminary purchase price allocation, a goodwill of ₹ 180,070.70 lacs has been recorded in respect of the acquisition of the RHT Indian entities other than Fortis Hospotel Limited (it being existing subsidiary of the Company). The preliminary purchase price allocation has been concluded during the year. No adjustment has been made to preliminary purchase price allocation (refer note 33).

- a. The following table summarizes the recognised amount of assets acquired and liabilities assumed at the date of acquisition in relation to acquisition of 100% stake in International Hospital Limited, Fortis Health Management Limited, Escorts Heart and Super Speciality Hospital Limited and Hospitalia Eastern Private Limited.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in lacs)
Particulars	Fair value
Property, plant and equipment	201,752.42
Intangible Assets	4.18
Capital work in progress	22,159.78
Non-Current advance tax	13,204.32
Cash and cash equivalents	9,091.47
Trade and other receivables	1,346.16
Other financial assets	40,805.39
Other assets	1,032.40
Inventory	54.60
Trade payables	(3,055.76)
Provisions for employee benefits	(335.40)
Other liabilities	(50,302.52)
Borrowings	(49,510.07)
Deferred tax liabilities, recognised on business combination	(5,989.26)
Net assets acquired	180,257.71

The management estimates that if the acquisition had occurred on April 01, 2018, consolidated revenue and consolidated loss before tax and other comprehensive income for the year ended March 31, 2019 would have been ₹ 450,448.02 lacs and ₹ 6,188.07 lacs. Management has determined these amounts on the basis that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on April 01, 2018.

Measurement of fair values

The valuation techniques for measurement of fair value is as follows

Property, plant and equipment

Market approach and cost approach: In conducting the analysis, the Group relied on the most appropriate approaches dependent on the type of asset being valued and availability of information. Market approach has been adopted to estimate the fair value of land, whereas for rest of the asset classes, the Group has adopted cost approach to estimate the fair value.

Inventories

Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business.

Trade receivables

The trade receivables comprise contractual amount of ₹ 1,346.16 (net of uncollectable amount on the date of acquisition).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Goodwill

Goodwill arising from acquisition has been determined as follows:

(₹ in lacs)	
Particulars	Amount
Consideration transferred	360,328.41
Fair value of net identifiable assets	180,257.71
Goodwill	180,070.70

The goodwill is attributable mainly to the synergies expected to be achieved by integrating the entities into the Group's existing hospital business. None of the goodwill recognised is expected to be deductible for income tax purposes.

b. Acquisition of Non-controlling interest

On January 15, 2019, the Group acquired the remaining 49.00% in Fortis Hospotel Limited (FHTL) for ₹ 106,301.79 lacs in cash, increasing its ownership interest to 100.00%. Consequently, the entire balance of non-controlling interest amounting to ₹ 81,903.07 lacs on the date of acquisition has been transferred to Other Equity (Retained earnings).

(₹ in lacs)	
Particulars	Amount
Consideration paid to non-controlling interest	1,06,301.00
Less: Carrying value of non-controlling interest	81,903.07
Add: Deferred tax on debt portion of compulsorily convertible debenture	14,570.41
Less: Debt portion of compulsorily convertible debenture	42,153.75
Increase in equity attributable to owners of the Company*	3,185.41

*Recognized in retained earnings.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

27. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

(₹ in lacs)

S. No.	Name of the entity	Net assets, i.e. total assets minus total liabilities		Share in PAT		Share in OCI		Share in TCI	
		As % of consolidated net assets	Amount	As % of consolidated net PAT	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
	Parent								
	Fortis Healthcare Limited	133.26%	887,646.99	561.08%	51,332.66	-112.95%	(12.35)	560.28%	51,320.32
	Subsidiaries								
	Indian								
1	Escorts Heart Institute And Research Centre Limited	8.36%	55,662.62	-155.32%	(14,209.93)	-0.37%	(0.04)	-155.13%	(14,209.97)
2	Fortis Hospitals Limited	-14.25%	(94,895.05)	-813.96%	(74,467.80)	-205.19%	(22.43)	-813.23%	(74,490.22)
3	Fortis Malar Hospitals Limited	1.42%	9,442.61	-9.90%	(905.66)	-102.10%	(11.16)	-10.01%	(916.82)
4	Malar Stars Medicare Limited	0.03%	203.36	0.18%	16.33	35.13%	3.84	0.22%	20.17
5	Fortis HealthStaff Limited	-0.14%	(943.69)	-1.02%	(92.91)	0.00%	-	-1.01%	(92.91)
6	Fortis Lafemme Limited	-0.01%	(78.89)	-0.12%	(11.11)	0.00%	-	-0.12%	(11.11)
7	Fortis Cancer Care Limited	-0.51%	(3,393.48)	-3.84%	(351.66)	0.00%	-	-3.84%	(351.66)
8	Fortis Health Management (East) Limited	-0.18%	(1,173.77)	-1.95%	(178.03)	0.00%	-	-1.94%	(178.03)
9	Hiranandani Healthcare Private Limited	0.12%	782.69	-19.14%	(1,751.29)	18.95%	2.07	-19.10%	(1,749.22)
10	SRL Limited	14.76%	98,321.79	52.18%	4,773.86	-1443.37%	(157.76)	50.40%	4,616.10
11	SRL Diagnostics Private Limited	2.36%	15,753.03	37338.52%	4,081.10	-460.20%	(50.30)	44.01%	4,030.80
12	SRL Reach Limited	0.05%	363.12	-2107.50%	(230.35)	-9.61%	(1.05)	-2.53%	(231.40)
13	Birdie and Birdie Realtors Private Limited	-1.92%	(12,767.97)	-20.14%	(1,842.46)	0.00%	-	-20.11%	(1,842.46)
14	Stellant Capital Advisory Services Private Limited	0.86%	5,753.96	-38.93%	(3,561.69)	-71.64%	(7.83)	-38.97%	(3,569.52)
15	Fortis Hospotel Limited	29.39%	195,740.25	230.22%	21,062.36	-10.13%	(1.11)	229.93%	21,061.25
16	Fortis Emergency Services Limited	-0.98%	(6,524.99)	-7.78%	(712.03)	-10.70%	(1.17)	-7.79%	(713.20)
17	Escort Heart and Super Speciality Hospital Limited	2.14%	14,222.68	61.83%	5,657.00	-12.32%	(1.35)	61.74%	5,655.65
18	International Hospital Limited	15.39%	102,543.46	207.77%	19,008.86	-54.67%	(5.98)	207.46%	19,002.88
19	Hospitalia Eastern Private Limited	-1.58%	(10,516.15)	-17.32%	(1,584.86)	0.00%	-	-17.30%	(1,584.86)
20	Fortis Health Management Limited	-7.41%	(49,370.45)	-70.43%	(6,443.81)	-47.12%	(5.15)	-70.41%	(6,448.96)
	Foreign								
21	Fortis Asia Healthcare Pte Limited	-15.97%	(106,346.61)	-8.00%	(731.53)	-84407.43%	(9,225.73)	-108.71%	(9,957.27)
22	Fortis Healthcare International Limited	-0.04%	(264.17)	80.86%	7,397.92	1652.80%	180.65	82.74%	7,578.57

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

S. No.	Name of the entity	Net assets, i.e. total assets minus total liabilities		Share in PAT		Share in OCI		Share in TCI	
		As % of consolidated net assets	Amount	As % of consolidated net PAT	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
23	Fortis Global Healthcare (Mauritius) Limited	-4.99%	(33,222.82)	-17.11%	(1,565.00)	-24817.06%	(2,712.50)	-46.70%	(4,277.51)
24	SRL Diagnostics FZ-LLC	-0.06%	(409.43)	-6766.51%	(739.58)	-848.76%	(92.77)	-9.09%	(832.35)
25	Fortis Healthcare International Pte Limited	0.08%	500.22	-3.10%	(283.77)	8630.62%	943.33	7.20%	659.56
26	Mena Healthcare Investment Company Limited	-0.15%	(967.21)	0.00%	-	0.00%	-	0.00%	-
27	Medical Management Company Limited	0.13%	850.23	0.00%	-	0.00%	-	0.00%	-
28	RHT Health Trust Manager Pte Ltd	1.63%	10,828.41	-7.95%	(727.60)	2906.83%	317.72	-4.47%	(409.88)
	Associates (investment as per the equity method)								
	Foreign								
1	RHT Health Trust	0.37%	2,486.41	-1.64%	(150.05)	367.29%	40.15	-1.20%	(109.91)
2	Medical and Surgical Centre Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3	Lanka Hospitals Corporate Plc	1.64%	10,943.59	7.59%	694.76	0.00%	0.00	7.58%	694.76
	Joint Ventures (as per the equity method)								
	Indian								
1	Fortis C-Doc Healthcare Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
2	Fortis Cauvery	0.01%	53.81	0.00%	-	0.00%	-	0.00%	-
3	DDRC SRL Diagnostics Private limited	0.56%	3,753.76	6.66%	609.09	-207.41%	(22.67)	6.40%	586.42
	Foreign								
4	SRL Diagnostics Nepal Private Limited	0.04%	270.72	0.69%	62.75	0.00%	-	0.69%	62.75
	Consolidation adjustments	-64.42%	(429,140.19)	54.58%	4,993.27	99309.42%	10,854.52	173.02%	15,847.79
	Total	100.00%	666,108.82	100.00%	9,148.84	100.00%	10.93	100.00%	9,159.77
	Minority interests in all subsidiaries								
	Indian								
1	Fortis Malar Hospitals Limited	0.53%	3,521.15	-3.69%	(337.72)	-38.07%	(4.16)	-3.73%	(341.88)
2	Malar Star Medicare Limited	0.01%	75.83	0.07%	6.09	13.10%	1.43	0.08%	7.52
3	SRL Limited	7.64%	50,880.89	40.30%	3,686.90	-621.66%	(67.95)	39.51%	3,618.95
	Foreign								
4	Mena Healthcare Investment Company Limited, and Medical Management Company Limited	0.00%	(28.06)	0.00%	-	0.00%	-	0.00%	-

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

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

29. Inter Corporate Deposits (ICDs) by Fortis Hospitals Limited ('FHsL')

(Also refer to Note 31(d) (i) to (v) of these Consolidated Financial Statements)

Fortis Hospitals Limited (FHsL), a wholly owned subsidiary of the Company, had placed secured Short-Term Investments in the nature of Inter Corporate Deposits (ICDs) with three companies ('borrowers') aggregating to ₹ 49,414 lacs on July 1, 2017 for a term of 90 days (of which ₹ 40,243 lacs remained outstanding as of March 31, 2018). 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 reduced to 0.77% till March 31, 2018.

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

As on March 31, 2018 ICDs aggregating to ₹ 44,503 lacs including interest accrued thereon of ₹ 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 amounts due, including interest thereon accrued and recognised in the books of account until March 31, 2018, aggregating to ₹ 44,503 lacs was fully provided during the quarter ended and year ended March 31, 2018.

On failure to meet repayment obligations by the Borrowers, FHsL initiated legal action to recover the outstanding ICDs, including interest thereon. FHsL has accrued for the interest on the ICDs till March 2018 for the purpose of including the same in the legal claim on the borrowers. However, in line with applicable accounting norms, interest thereon for the current quarter and period subsequent to March 31, 2018 amounting to ₹ 1,404 lacs and ₹ 11,283 lacs respectively has not been accrued considering the uncertainties around ultimate realisation of the amounts. During the current year, FHsL has filed a civil suit on August 26, 2019 for recovery of ₹ 52,019 lacs before Hon'ble Delhi High Court against the Borrowers and few other entities.

Reference is invited to Note 31 regarding the findings in the Investigation Report which indicate that the placement of the ICDs, including the method of such placement, their subsequent assignment and the cancellation of such assignment were done during the previous year without following the normal treasury operations and treasury mandate; and without specific authorization by the Board of FHsL. (Also refer note 31 (g) on recent SEBI Order).

30. Recoverability of certain advances/investment made/expenditure on capital work-in-progress

- a) The Company and its subsidiary SRL Limited ('SRL') had paid security deposits and advances aggregating to ₹ 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

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agreement/MOUs were either terminated by the Company or expired during the financial year 2017-18. SRL Limited attempted to encash the cheques issued by the Lessor for refund of the advance paid but the same were returned unpaid. Additionally, expenditure aggregating to ₹ 2,843 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. Lessor responded to the notice of the Company for amicable resolution, which have not yet yielded any results. 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 ₹ 460 lacs paid towards Security Deposit and ₹ 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 ₹ 5,333 lacs in the Consolidated Financial Statements for the year ended March 31, 2018 and a further provision of ₹ 186 lacs was made in respect of expenditure accrued during the year ended March 31, 2019.

- b) 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 ₹ 10,000 lacs, balance of ₹ 2,375 lacs was outstanding to be received back. Post-dated cheques received from the entity were dishonored, and FHsL initiated legal proceedings in this regard. FHsL had accrued for the interest amounting to ₹ 174.02 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 realisation of the amounts.

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

During the current year, one of the directors of the entity, post summoning in the legal proceedings initiated by the Company has settled disputes for himself and the entity by paying ₹ 2,300 lacs (including earlier unpaid tax deducted at source of ₹ 24.55 lacs) towards full and final settlement

- c) The Company through its overseas subsidiaries [i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited] made investments in Global Dynamic Opportunity Fund, an overseas fund. During financial year 2017-18, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10%. As at March 31, 2018, the carrying value of the investment in the overseas fund were recorded at the net recoverable values based on subsequent realisation. The consequential foreseeable loss of ₹ 5,510.14 lacs (between the previously recorded carrying value of the investment and the amount subsequently realised) was considered in the Consolidated Financial Statements for the year ended March 31, 2018.

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

- (a) 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 ("ICDs") given by a wholly owned subsidiary of the Company. The erstwhile Audit and Risk Management Committee of the Company in its meeting on February 13, 2018 decided to carry out an independent investigation through an external legal firm on this matter.
- (b) The terms of reference of the investigation, inter alia, comprised: (i) ICDs amounting to a total of ₹ 49,414 lacs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 1, 2017 (refer Note 29 above); (ii) the assignment of these ICDs to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party (refer Notes 14 I and 29 above); (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) (refer Note 30(c) above); (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.
- (c) The investigation report ("Investigation Report") was submitted to the re-constituted Board on June 8, 2018.
- (d) The re-constituted Board discussed and considered the Investigation Report and noted certain significant findings of the external legal firm, which are subject to the limitations on the information available to the external legal firm and their qualifications and disclaimers as described in their investigation report.
 - i. While the Investigation Report did not conclude on utilization of funds by the borrower companies, there are findings in the report to suggest that the ICDs were utilized by the borrower companies for granting/ repayment of loans to certain additional entities including those whose current and/ or past promoters/ directors are known to/ connected with the erstwhile promoters of the Company.
 - ii. In terms of the relationship with the borrower companies, there was no direct relationship between the borrower companies and the Company and / or its subsidiaries during the period December 2011 till December 14, 2017 (these borrower companies became related parties from December 15, 2017). The Investigation Report has made observations where erstwhile promoters were evaluating certain transactions concerning certain assets owned by them for the settlement of ICDs thereby indirectly implying some sort of affiliation with the borrower companies. The Investigation Report has observed that the borrower companies could possibly qualify as related parties of the Company and/ or FHsL, given the substance of the relationship. In this regard, reference was made to Indian accounting Standards dealing with related party disclosures, which states that for considering each possible related party relationship, attention is to be directed to the substance of the relationship and not merely the legal form.

Objections on record indicated that erstwhile management personnel and other persons involved were forced into undertaking the ICD transactions under the repeated assurance of due repayment and it could not be said that the erstwhile management was in collusion with the erstwhile promoters to give ICDs to the borrower companies. Relevant documents/information

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and interviews also indicate that the management's objections were overruled. However, the former Executive Chairman of the Company, in his written responses, has denied any wrongdoing, including override of controls in connection with grant of the ICDs.

- iii. Separately, it was also noted in the Investigation Report that the aforesaid third party to whom the ICDs were assigned has also initiated legal action against the Company. (Refer note 29). Whilst the matter was included as part of the terms of reference of the investigation, the merits of the case cannot be reported since the matter was sub-judice.
- iv. During the year ended March 31, 2018, the Company through its subsidiary (i.e. Escorts Heart Institute and Research Centre Limited ("EHIRCL")), acquired 71% equity interest in Fortis Healthstaff Limited at an aggregate consideration of ₹ 3.46 lacs. Subsequently, EHIRCL advanced a loan to Fortis Healthstaff Limited, which was used to repay the outstanding unsecured loan amount of ₹ 794.50 lacs to an erstwhile promoter group company. Certain documents suggest that the loan repayment by Fortis Healthstaff Limited 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 the Company /FHsL. Further, the said loan advanced by EHIRCL to Fortis Healthstaff Limited was impaired in the books of account of EHIRCL due to anticipated chances of non-recovery during the year ended March 31, 2019.
- v. The investigation did not cover all related party transactions during the period under investigation and focused on identifying undisclosed parties having direct/indirect relationship with the erstwhile promoter group, if any. In this regard, it was observed in internal correspondence within the Company that transactions with certain other entities have been referred to as related party transactions. However, no further conclusions have been made in this regard.
- vi. Additionally, it was observed in the Investigation Report that there were significant fluctuations in the NAV of the investments in overseas funds by the overseas subsidiaries during a short span of time. Further, similar to the paragraph above, in the internal correspondence within the Company, investments in the overseas funds have been referred to as related party transactions. During year ended March 31, 2018, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10% with no loss in the principal value of investments.

Other Matters:

- (e) Related party relationships as required under Ind AS 24 – Related Party Disclosures and the Companies Act, 2013 were as identified by the Management taking into account the findings and limitations in the Investigation Report (Refer Notes 31 (d) (i), (ii), and (vi) above) and the information available with the Management. In this regard, in the absence of specific declarations from the erstwhile directors on their compliance with disclosures of related parties, especially considering the substance of the relationship rather than the legal form, the related parties 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 to the Group and, hence, not known to the Management.
- (f) With respect to the other matters identified in the Investigation Report, the Board initiated specific improvement projects to strengthen the process and control environment. The projects included revision of authority levels, both operational and financial and oversight of the Board, review of Financial Reporting processes, assessment of secretarial documentation w.r.t compliance with regulatory

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requirements and systems design & control enhancement. The assessment work has been done and corrective action plans have been implemented. The Company's Board of Directors had also initiated additional procedures/ enquiries of certain entities in the Group that were impacted in respect of the matters investigated by the external legal firm. The additional procedures/ enquiries are in progress.

- (g) In the above backdrop, it is pertinent to mention that during the financial year 2017-18, the Company received a communication dated February 16, 2018 from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Company. In the aforesaid letter, SEBI required the Company under section 11C (3) of the SEBI Act, 1992 to furnish by February 26, 2018 certain information and documents relating to the short-term investments of ₹ 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, on October 17, 2018 SEBI passed an ex-parte Interim Order ("Order") whereby it observed that certain transactions were structured by some identified entities over a certain duration, and undertaken through the Company, which were prima facie fictitious and fraudulent in nature and which resulted in inter alia diversion of funds from the Company for the ultimate benefit of erstwhile promoters (and certain entities controlled by them) and misrepresentation in financial statements of the Company. Further, it issued certain interim directions that inter alia directed the Company to take all necessary steps to recover ₹ 40,300 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 ₹ 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 have also been 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 SEBI has confirmed the directions issued vide ad interim ex-parte order dated October 17, 2018 read with order dated December 21, 2018, till further orders. SEBI also directed the Company and FHsL to take all necessary steps to recover ₹ 40,300 lacs along with due interest from erstwhile-promoters and various other entities, as mentioned in the Order.

Company and FHsL have 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,

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1992 cannot be invoked at this stage hence, Company and FHsL may take necessary steps to comply with SEBI's direction. FHsL has filed a civil suit for recovery of ₹ 52,019 lacs before Hon'ble Delhi High Court against the parties, named in the orders passed by SEBI.

The matter before SEBI is sub-judice and the investigation is ongoing, in as much as it has observed that a detailed investigation would be undertaken to ascertain the role of each entity in the alleged diversion and routing of funds. The Board of Directors is committed to fully co-operating with the relevant regulatory authorities to enable them to make a determination on these matters and to undertake remedial action, as may be required, and to ensure compliance with applicable laws and regulations. In the aforesaid context, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- (h) As per the assessment of the Board of Directors, based on the investigation carried out through the external legal firm, all identified/required adjustments/disclosures arising from the findings in the Investigation Report, were made in the Consolidated Financial Statements for the year ended March 31, 2018.

Further, based on the SEBI orders and the information available at this stage, no further adjustments are required to be made in audited Consolidated Financial Statements for the year ended March 31, 2020. Any further adjustments/disclosures, if required, would be made in the books of account as and when the outcome of the above is known.

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

32. Investigation by Various other Regulatory Authorities:

- a) 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.
- b) 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 Group has submitted requisite information in this regard with SFIO, as requested from time to time.
- c) The Investigation Report of the external legal firm was submitted by the Company to the Securities and Exchange Board of India and the Serious Frauds Investigation Office ("SFIO") on June 12, 2018.

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

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33. The Board of Directors, after seeking inputs from reputed investment bankers, had approved an equity infusion of ₹ 400,000 lacs at a price of ₹ 170 per equity share into the Company by Northern TK Venture Pte Ltd Singapore ("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. The public shareholder has inter alia prayed for the allowing the Mandatory Open Offer. Next date for the concerned matters in the Supreme Court is July 6, 2020.

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

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34. Letter of Appointment of erstwhile Executive Chairman

The Company having considered all necessary facts and taking into account external legal advice, had on June 27, 2018 decided to treat as non-est the Letter of Appointment dated September 27, 2016, as amended, ("LoA") issued to the erstwhile Executive Chairman of the Company in relation to his role as 'Lead: Strategic Initiatives' in the Strategy Function. Basis legal advice taken by the Company, the payments made to him under this LoA would be considered to be covered under the limits of section 197 of the Companies Act, 2013. The Company sent a letter to the erstwhile Executive Chairman seeking refund of the excess amounts paid to him. The erstwhile Executive Chairman sent a notice to the Company claiming ₹ 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 is not payable being illegal and accordingly no adjustment has been made in these audited Consolidated Financial Statements with respect to these claims. Subsequently, Company filed a complaint against the erstwhile Executive Chairman before Economic Offence Wing, New Delhi which is being investigated. The Company has received back vehicles which were being used by him. However, IT assets and excess amounts paid are yet to be received. (Also refer Note 31(g) on recent SEBI Order).

In view of the above, the amounts paid to him under the aforesaid LoA and certain additional amounts reimbursed in relation to expenses incurred (in excess of the amounts approved by the Central Government under section 197 of the Companies Act 2013 for remuneration & other reimbursements), aggregating to ₹ 2,002.39 lacs was shown as recoverable in the Consolidated Financial Statements of the Company for the year ended March 31, 2018. However, considering the uncertainty involved on recoverability of the said amounts a provision of ₹ 2,002.39 lacs was made which has been shown as an exceptional item in the Consolidated Financial Statements for the year ended March 31, 2018.

- 35.** During the year ended March 31, 2019, SRL Limited ('SRL' or 'Company') had provided ₹131.35 Lakhs managerial remuneration to erstwhile Executive Chairman, Mr. Malvinder Mohan Singh, in respect of his full and final settlement in the books of accounts. The amount paid in excess of the limits aggregating to ₹ 47.96 Lakhs in FY 2017-18 was adjusted against the amounts payable to him for the period 1 April, 2018 to 27 May, 2018.
- 36.** The Group has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation under Section 92D for its international transactions as well as specified domestic transactions. Based on the transfer pricing regulations/ policy, the transfer pricing study for the year ended March 31, 2020 is to be conducted on or before due date of the filing of return and the company will further update above information and records based on the same and expects these to be in existence latest by that date. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have impact on the financial statement, particularly on the amount of tax expense and provision for taxation.
- 37.** During the previous year, Fortis Cancer Care Limited (FCCL), a step-down subsidiary of the Company entered into definitive agreements in relation to sale of its entire shareholding in Lalitha Healthcare Private Limited (LHPL), representing 79.43% of the total issued and paid up equity share capital of LHPL, to the remaining promoters of LHPL. With the consummation of the transaction, LHPL ceased to be a step-down subsidiary of the Company and therefore LHPL has not been consolidated w.e.f. June 30, 2018. The gain on sale/ deconsolidation aggregating to ₹ 306.76 lacs has been shown as an exceptional item for the year ended March 31, 2019.

Due to deconsolidation of LHPL there has been adjustment to retained earnings for Rs 2,215.56 and to non-controlling interest for ₹ 340.44 lacs respectively.

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38. The Board of Directors at its meeting held on July 13, 2018, approved re-classification of the then promoter holding under the category of 'Public Shareholding'. This was approved by the shareholders at their Extra Ordinary General Meeting dated August 13, 2018. During the year ended March 31, 2020, the Company received approval from SEBI for re-classification of erstwhile promoters as "public shareholder". SEBI has also reclassified the erstwhile promoters as "public shareholder".

39. The Group has entered in various agreements with equipment manufacturer suppliers. As per agreements, group will get equipment free of cost and reagents have to be purchased from those specific vendors only. These equipment can be replaced at any point of time as per the discretion of the respective vendors.

40. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

The Ministry of Micro and Small Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the micro enterprises and the small enterprises should mention in their correspondences with their customers the Entrepreneur Memorandum Number as allocated after filing of the memorandum. Accordingly, the below information regarding dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	(₹ in lacs)	
	As at March 31, 2020	As at March 31, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
-Principal amount due to micro and small enterprises	6,392.22	4,668.05
-Interest due on above	12.94	4.50
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	-	-

41. The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions specified in the said section. The Group has taken provision for taxation for the current year based on the new tax rates for certain group companies.

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42. Going concern

As at March 31, 2020, the Group's current liabilities are higher than its current assets by ₹ 163,845.27 lacs (which includes financial liability for cash put option issued to minority shareholders of subsidiary amounting to approx. ₹ 11,8000 lacs). Further, the decline in business in last quarter and subsequent to the year-end due to impact of COVID-19 (as explained in note 43) has affected the performance and cash flow position of the Group. Additionally, as explained in note 33, the ongoing litigation at the Hon'ble Supreme Court has delayed the ability of the Group to carry out planned restructuring activities.

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

- (a) As at March 31, 2020 the Group has sanctioned unutilized borrowing facilities amounting to ₹ 24,700 lacs.
- (b) The exercise period for cash put option (financial liability) has been further extended till September 30, 2020. The process to find new investors to sell the shares in SRL by the minority equity shareholders is currently underway. The management believes that the chances of successful completion of the process are high.
- (c) The Group has sufficient unencumbered assets that can be utilized for any additional funding requirements in future;

Considering the above factors and expected positive cash flows in future years, the management believes that the going concern assumption in these audited consolidated financial statements is appropriate. In view of the aforesaid, the management has considered it appropriate to prepare these audited consolidated financial statements on a going concern basis.

- 43.** The COVID – 19 pandemic has impacted the revenues and profitability of the Group during the quarter ended March 31, 2020 and continued subsequently with a decline in occupancy impacting significantly the hospital business revenues, profitability and cash flows. The diagnostics business of the Group also witnessed a significant drop in volumes. However, with a slew of cost saving measures the Company has been able to partly reduce the significant negative impact on business.

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.

With the lockdown restrictions easing the Company has begun to witness signs of gradual improvement in operations but would continue to see an impact on its financials through the course of the remaining Apr-June quarter till normalization of business.

The Group has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory and Investments as at the reporting period and has concluded that there are no material adjustments required in the financial statements. The management has considered the possible effects that may result from COVID-19 pandemic in preparation of its financial statements. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Company's Management has considered the global economic conditions prevailing as at the date of approval of these financial statements. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- 44.** 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 current 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 are also more than 50 per cent of its total assets as at 31 March 2020. Accordingly, the Company meets the eligibility criteria ('Principal business' test) as per the press release by 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 current year was largely on account of profits from disposal of investments held by the subsidiary 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 also made a representation to the RBI in this regard. The Company will decide on appropriate future course of action in accordance with applicable law, and would have discussions with the RBI (if required), in consultation with its legal counsels.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sd/-
RAJESH ARORA
Partner
Membership Number: 076124

Place : Gurugram
Date : June 17, 2020

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

Sd/-
ASHUTOSH RAGHUVANSHI
Managing Director & Chief Executive Officer
DIN: 02775637

Sd/-
SUMIT GOEL
Company Secretary
Membership No.: F6661

Place : Gurugram
Date : June 17, 2020

Sd/-
INDRAJIT BANERJEE
Independent Director
DIN: 01365405

Sd/-
VIVEK KUMAR GOYAL
Chief Financial Officer



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