

Independent Auditor's Report

To the Members of Fortis Hospitals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fortis Hospitals Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and in the context of the overriding effect of the provision in the Composite Scheme of Arrangement between Fortis Hospitals Limited ('FHSL') and International Hospital Limited ('IHL') and Fortis Hospotel Limited ('FHTL') as approved by the National Company Law Tribunal ('NCLT'), regarding accounting of Composite Scheme of Arrangement from the specified retrospective appointed date and consequential restatement of comparatives 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 2026, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 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 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 opinion on the financial statements.

Emphasis of Matters

- i. We draw attention to Note 20 and 21 of the financial statements which deal with various matters including the ongoing investigation by Serious Fraud Investigation Office ("SFIO") on Fortis Healthcare Limited ("Fortis" or "FHL" or "holding Company") and its subsidiaries ("Fortis Group") regarding alleged improper transactions and non-compliances with laws and regulations including Companies Act, 2013 (including matters relating to remuneration paid to managerial personnel). These transactions and non-compliances relate to or originated prior to take over of control by reconstituted board of directors of Fortis in the year ended 31 March 2018. As mentioned in the note, the Fortis Group has been submitting information required by SFIO and is also cooperating in the regulatory investigations.

As explained in the said note, the Fortis Group had recorded significant adjustments/ provisions in its books of account during the year ended 31 March 2018. Fortis has launched legal proceedings and has also filed a complaint with the Economic Offences Wing ('EOW') against erstwhile promoters and their related entities based on the findings of the investigation conducted by the Fortis Group. Further, based on management's detailed analysis and consultation with external legal counsel, a further provision has been made by Fortis and recognised in the year ended 31 March 2021 for any contingency that may arise

Registered Office:

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from the aforesaid issues on Fortis Group. Fortis has undertaken that any penalty/fine, required to be paid by the Company, if any, in respect of this matter shall be reimbursed by Fortis. As per the management, any further additional impact, to the extent it can be reliably estimated as at present, is not expected to be material.

- ii. We draw attention to Note 22 and 23 of the financial statements which describes the accounting for the Composite Scheme of Arrangement between the Company, International Hospital Limited ('IHL') and Fortis Hospotel Limited ('FHTL') ("Scheme A") and Scheme of Merger by absorption of Fortis Emergency Services Limited, Birdie & Birdie Realtors Private Limited, Fortis Health Management (East) Limited and Fortis Cancer Care Limited with the Company ("Scheme B"). Scheme A has been approved by the Hon'ble National Company Law Tribunal, Delhi Bench ('NCLT Delhi') and the Hon'ble National Company Law Tribunal, Chandigarh Bench ('NCLT Chandigarh'), vide Orders dated May 09, 2025 and July 30, 2025 respectively with an appointed date of 1 April 2023 and a certified copy has been filed by the Company with the Registrar of Companies, Haryana, on September 01, 2025. Further, Scheme B has been approved by the NCLT Delhi and NCLT Chandigarh vide orders dated 05 January 2026 and 15 January 2026 respectively with an appointed date of 1 April 2022 and a certified copy has been filed by the Company with the Registrar of Companies, Delhi on 01 March 2026.

Further in accordance with the Scheme A approved by respective NCLT, the Company has given effect to the scheme from the retrospective appointed date specified therein i.e. 01 April 2023 which overrides the relevant requirement of Ind AS 103 (according to which the scheme would have been accounted from 30 July 2025, which is the date of demerger as per the aforesaid standard).

Accordingly, the amounts relating to the year ended 31 March 2026 include the impact of the Composite Scheme of Arrangement and Scheme of Merger by absorption for the entire year and the corresponding amounts for the previous year ended 31 March 2025 have been restated by the Company after recognising the effect of the Scheme A from the Appointed date and Scheme B, as if it had occurred from the beginning of the preceding period. The aforesaid notes also describe in detail the impact of the aforesaid Scheme A and Scheme B on the financial statements.

Our opinion is not modified in respect of these matters.

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 directors' report, but does not include the financial statements and auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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' Responsibilities for the 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 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

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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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 in preparation of 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. 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 except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with the overriding effect of the Scheme approved by the NCLT as described in Emphasis of Matter paragraph above.
 - e. The matter (i) described in the "Emphasis of Matter" paragraph 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 01 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - g. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - 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 Auditor's 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:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note 11, 20 and 21 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 25(iii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 25(iv) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. Based on our examination which included test checks, except for the instance mentioned below, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
- i. the feature of recording audit trail (edit log) facility was not enabled on certain non-editable fields/ tables of the accounting software used for maintaining the books of account relating to revenue and consumption records.
- Further, where audit trail (edit log) facility was enabled and operated for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.
- Additionally, except to the extent audit trail was not enabled, the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

Rakesh Dewan

Partner

Place: Gurugram

Membership No.: 092212

Date: 15 May 2026

ICAI UDIN:26092212IPFUGF3823

Annexure A to the Independent Auditor's Report on the Financial Statements of Fortis Hospitals Limited for the year ended 31 March 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified at least once over a period of two years. In accordance with this programme, certain property, plant and equipment were 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. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) 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 revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable to the Company. The Company had granted loans and advances in the nature of loans to companies and other parties in earlier years, in respect of which the requisite information is as below.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated, however the repayments or receipts have not been regular for loans as listed below:

Annexure A to the Independent Auditor's Report on the Financial Statements of Fortis Hospitals Limited for the year ended 31 March 2026 (Continued)

Name of the entity	Amount (Rupees in lacs)	Due Date	Extent of delay	Remarks, if any
Modland Wears Private Limited	Principal-13,336.00 Interest-16,097.37	Principal was due on 29 September 2017 and Interest due monthly from August 2017	Principal-September'17 to March'26	Refer Note 20 and 21 of the financial statements. These loans have been fully provided for in the books of accounts in earlier years.
Fern Healthcare Private Limited	Principal-11,400.00 Interest-13,760.58		Interest-August'17 to March'26	
Best Healthcare Private Limited	Principal-15,507.00 Interest-18,718.01			

In case of advances in the nature of loan as listed below, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment on whether the repayments or receipts are regular:

S. No.	Name of the entity	Amount (Rupees in lacs)	Nature	Remarks
1.	Moradabad Charitable Trust & Health Research Centre	8.74	Advances in the nature of loans	These amounts have been fully provided for in books of accounts in earlier years.
2.	Sri Raghavendra Society	464.97	Advances in the nature of loans	
3.	RB Seth Jessa Ram and Bros, Charitable Hospital Trust	156.66	Advances in the nature of loans	

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given other than for loans detailed in clause (c) above. In our opinion, for loans given to Modland Wears Private Limited, Fern Healthcare Private Limited, Best Healthcare Private Limited as detailed in clause (c) above, reasonable steps have been taken by the Company for recovery of the principal and interest. Also refer Note 20 and 21 of the financial statements. Further, in case of advances in the nature of loans given in clause (c) above, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days.

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- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) 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 granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 (“the Act”) have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its sales of goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of Provident fund (PF).

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rupees in lacs)	Amount Paid under Protest (Rupees in lacs)	Period to which the amount relates	Forum where dispute is pending
Rajasthan Value Added Tax Act, 2003	Value Added tax and Interest thereon	502.00	-	FY 2011-12 and FY 2012-13	Hon’ble High Court of Rajasthan
Rajasthan Tax on Luxuries (in Hotels and Lodging houses) Act 1990	Luxury Tax	316.33	-	FY 2011-13	Hon’ble High Court of Rajasthan

Annexure A to the Independent Auditor's Report on the Financial Statements of Fortis Hospitals Limited for the year ended 31 March 2026 (Continued)

Name of the statute	Nature of the dues	Amount (Rupees in lacs)	Amount Paid under Protest (Rupees in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest thereon	50.52	50.52	AY 2010-11	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income Tax (TDS) and Interest thereon	582.65	-	AY 2013-14	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income Tax (TDS) and Interest thereon	371.09	-	AY 2014-15	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income Tax (TDS) and Interest thereon	915.00	-	AY 2016-17 and 2017-18	Income Tax Appellate Tribunal, Delhi
Income Tax Act, 1961	Income Tax (TDS) and Interest thereon	513.87	-	AY 2016-17	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income Tax and Interest thereon	2,591.48	2,591.48	AY 2017-18	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income Tax (TDS) and Interest thereon	2,405.94	-	AY 2017-18	Commissioner of Income Tax (Appeals), Delhi
Income Tax Act, 1961	Income Tax and Interest thereon	8,952.90	-	AY 2022-23	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	5,718.00	-	AY 2024-25	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax and Interest thereon	14,912.46	-	AY 2021-22	Commissioner of Income Tax (Appeals)
Employees Provident Fund & Miscellaneous	Provident fund	81.57	-	FY 2019-20	Employees' Provident Fund Appellate Tribunal

Annexure A to the Independent Auditor's Report on the Financial Statements of Fortis Hospitals Limited for the year ended 31 March 2026 (Continued)

Name of the statute	Nature of the dues	Amount (Rupees in lacs)	Amount Paid under Protest (Rupees in lacs)	Period to which the amount relates	Forum where dispute is pending
Provisions Act, 1952					
The Punjab Municipal Corporation Act, 1976	Property Tax	35.59	-	FY 2018-19	Divisional Commissioner, Patiala
The Customs Act, 1962	Customs duty	165.24	-	FY 2018-19	Customs Excise and Service Tax Appellate Tribunal (CESTAT)

- (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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

Annexure A to the Independent Auditor's Report on the Financial Statements of Fortis Hospitals Limited for the year ended 31 March 2026 (Continued)

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
 - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
 - (d) According to the information and explanations provided to us, there is no core investment company within the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016). Accordingly, clause 3(xvi)(d) of the Order is not applicable. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Annexure A to the Independent Auditor's Report on the Financial Statements of Fortis Hospitals Limited for the year ended 31 March 2026 (Continued)

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Rakesh Dewan

Partner

Place: Gurugram

Membership No.: 092212

Date: 15 May 2026

ICAI UDIN:26092212IPFUGF3823

Annexure B to the Independent Auditor's Report on the financial statements of Fortis Hospitals Limited for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Fortis Hospitals Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Annexure B to the Independent Auditor's Report on the financial statements of Fortis Hospitals Limited for the year ended 31 March 2026 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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

Rakesh Dewan

Partner

Place: Gurugram

Membership No.: 092212

Date: 15 May 2026

ICAI UDIN:26092212IPFUGF3823

FORTIS HOSPITALS LIMITED
BALANCE SHEET AS AT MARCH 31, 2026

	Notes	As at March 31, 2026 (Rupees in lacs)	As at March 31, 2025 (Rupees in lacs) (Restated)*
ASSETS			
A. Non-current assets			
(a) Property, plant and equipment	5 (i)(a)	39,111.37	35,296.61
(b) Capital work-in-progress	5 (i)(b)	1,345.17	1,268.02
(c) Right-of-use of assets	7(i)	7,079.82	10,061.00
(d) Goodwill	5 (ii)	19,762.23	19,762.23
(e) Other intangible assets	5 (iii)(a)	448.16	643.36
(f) Intangible assets under development	5 (iii)(b)	6.71	71.66
(g) Financial assets			
(i) Investments	5 (iv), 5(v)	38,472.42	33,055.83
(ii) Loans	5 (vii)	-	-
(iii) Other financial assets	5 (viii)	778.83	761.25
(h) Deferred tax assets (net)	5 (ix)(a)	3,850.98	7,837.09
(i) Non-current tax assets	5 (x)(a)	12,791.26	12,793.92
(j) Other non-current assets	5 (xi)	216.57	92.43
Total Non-current assets (A)		123,863.52	121,643.40
B. Current assets			
(a) Inventories	5 (xii)	1,722.02	1,500.66
(b) Financial assets			
(i) Trade receivables	5 (vi)	16,483.47	14,090.90
(ii) Cash and cash equivalents	5 (xiii)	3,428.12	195.05
(iii) Bank balances other than (ii) above	5 (xiv)	26.33	1,997.54
(iv) Loans	5 (vii)	-	-
(v) Other financial assets	5 (viii)	890.88	744.89
(c) Other current assets	5 (xi)	901.08	854.67
Total current assets (B)		23,451.90	19,383.71
Total assets (A+B)		147,315.42	141,027.11
EQUITY AND LIABILITIES			
A. Equity			
(a) Equity share capital	5 (xv)	6,698.76	6,698.76
(b) Instruments entirely equity in nature	5 (xv)	1,300.00	1,300.00
(c) Other equity		7,099.70	(10,099.73)
Total equity (A)		15,098.46	(2,100.97)
B. Liabilities			
I Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	5 (xvii)	63,016.29	9,492.44
(ii) Lease liabilities	7(i)	4,452.55	12,559.31
(b) Provisions	5 (xix)	2,198.96	1,773.74
Total non-current liabilities (B)		69,667.80	23,825.49
II Current liabilities			
(a) Financial liabilities			
(i) Borrowings	5 (xvii)	6,930.12	3,172.80
(ii) Lease liabilities	7(i)	8,894.01	7,585.76
(iii) Trade payables	5 (xx)		
-Total outstanding dues of micro enterprises and small enterprises		1,201.40	1,494.84
-Total outstanding dues of creditors other than micro enterprises and small enterprises		29,488.40	25,622.38
(iv) Other financial liabilities	5 (xviii)	6,834.98	78,569.49
(b) Provisions	5 (xix)	597.91	505.60
(c) Current tax liabilities	5 (x)(b)	6,327.18	-
(d) Other current liabilities	5 (xxi)	2,275.16	2,351.72
Total current liabilities (C)		62,549.16	119,302.59
Total liabilities (B+C)		132,216.96	143,128.08
Total equity and liabilities (A+B+C)		147,315.42	141,027.11

* refer note 22 and 23

See accompanying notes forming part of the financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Rakesh Dewan
Partner
Membership Number: 092212

Place : Gurugram
Date : May 15, 2026

1-25

For and on behalf of Board of Directors
Fortis Hospitals Limited

Richa Singh Debgupta
Director
DIN: 08891397
Place : Kolkata

Anil Vinayak
Director
DIN: 02407380
Place : Gurugram

Vinti Verma
Company Secretary
Membership No: ACS 44528
Place : Gurugram
Date : May 15, 2026

Pradeep Kumar Malhotra
Chief Financial Officer
Place : Gurugram

FORTIS HOSPITALS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

	Notes	Year ended March 31, 2026 (Rupees in lacs)	Year ended March 31, 2025 (Rupees in lacs) (Restated)*
I Revenue from operations	5 (xxii)	136,641.46	128,246.85
II Other income	5 (xxiii)	933.67	5,611.53
III Total income (I+II)		137,575.13	133,858.38
IV Expenses			
(i) Purchases of medical consumables and drugs		31,422.47	29,539.44
(ii) Changes in inventories of medical consumables and drugs	5 (xxiv)	(221.36)	96.70
(iii) Employee benefits expense	5 (xxv)	15,015.73	14,488.52
(iv) Finance costs	5 (xxvi)	4,161.16	5,121.56
(v) Depreciation and amortisation expense	5 (xxvii)	8,101.30	8,177.60
(vi) Other expenses	5 (xxviii)	62,858.38	59,278.02
Total expenses (IV)		121,337.68	116,701.84
V Profit before exceptional items and tax (III-IV)		16,237.45	17,156.54
VI Exceptional gain	5 (xxix)	(4,891.36)	(2,197.72)
VII Profit before tax (V - VI)		21,128.81	19,354.26
VIII Tax expense			
(i) Current tax	5 (ix)(b)	-	-
(ii) Deferred tax (credit)	5 (ix)(b)	3,971.84	6,403.01
Total tax expense (VIII)		3,971.84	6,403.01
IX Profit for the year (VII-VIII)		17,156.97	12,951.25
X Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit liability		56.74	(39.14)
(b) Income tax relating to items that will not be reclassified to profit or loss		(14.28)	9.85
Total other comprehensive income/ (loss) (X)		42.46	(29.29)
XI Total comprehensive income for the year (IX+X)		17,199.43	12,921.96
Earnings per equity share of Rupees 10 each (not annualised):			
(i) Basic (in Rupees)	15	21.45	16.19
(ii) Diluted (in Rupees)	15	21.45	16.19

* refer note 22 and 23

See accompanying notes forming part of the financial statements

1-25

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of Board of Directors
Fortis Hospitals Limited

Rakesh Dewan
Partner
Membership Number: 092212

Richa Singh Debgupta
Director
DIN: 08891397
Place : Kolkata

Anil Vinayak
Director
DIN: 02407380
Place : Gurugram

Place : Gurugram
Date : May 15, 2026

Vinti Verma
Company Secretary
Membership No: ACS 44528

Pradeep Kumar Malhotra
Chief Financial Officer

Place : Gurugram
Date : May 15, 2026

Place : Gurugram

FORTIS HOSPITALS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026

Notes	Year ended March 31, 2026 (Rupees in lacs)	Year ended March 31, 2025 (Rupees in lacs) (Restated)*
Cash flows from operating activities		
Profit before tax	21,128.81	19,354.26
Adjustments for:		
Loss / (Gain) on sale of Richmond Road hospital	8.12	(2,350.45)
Allowance for investment in subsidiaries	(5,416.59)	241.06
Reversal of loss allowance for loans given	-	(88.33)
Finance costs	4,161.16	5,121.56
Interest income	(923.56)	(596.63)
Dividend income on equity investment	-	(4,994.77)
Profit on redemption of mutual funds	(0.62)	-
loss on sale of property, plant and equipment (net)	13.98	-
Allowance for doubtful receivables	1,513.76	1,718.97
Provison / liabilities no longer required written back	(109.01)	(299.22)
Allowance for doubtful advances	41.57	42.91
Depreciation and amortisation expense	8,101.30	8,177.60
	28,518.92	26,326.96
Working capital adjustments		
Increase in trade and other receivables	(3,906.33)	(5,953.48)
(Increase) / decrease in inventories	(221.36)	20.10
Increase in other assets and financial assets	(378.06)	(104.59)
Increase / (decrease) in trade payables	3,673.44	(1,805.86)
(Decrease) / increase in provisions	438.13	180.11
Decrease in other liabilities and financial liabilities	2,841.90	(3,308.83)
Cash generated from operating activities	30,966.64	15,354.41
Income taxes refunded/ (paid) (net)	6,329.84	6,229.04
Net cash generated by operating activities	(A) 37,296.48	21,583.45
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(9,225.09)	(5,726.67)
Purchase of intangible assets	(16.24)	(217.82)
Proceeds from sale of property, plant and equipment	44.74	78.37
Investments in mutual fund	(2,250.00)	-
Proceeds from sale of mutual fund	2,250.62	-
Proceeds from sale of Richmond Road hospital	-	2,275.31
Investment in bank deposits (net)	1,986.27	(1,864.07)
Dividend income received	-	4,994.77
Interest received	908.26	678.11
Net cash (used in)/generated from investing activities	(B) (6,301.44)	218.00
Cash flows from financing activities		
Proceeds from non-current borrowings	65,658.89	12.14
Repayment of non-current borrowings	(6,745.35)	(4,675.62)
Proceeds/(repayment) of current borrowings (net)	(42.95)	(4,564.32)
Principal payment of lease liabilities #	(7,713.37)	(6,795.66)
Finance costs paid	(3,653.89)	(5,330.40)
Amount paid to related party [refer note 5(xviii)]	(73,675.88)	-
Net cash used in financing activities	(C) (26,172.55)	(21,353.86)
Net increase in cash and cash equivalents	(A+B+C) 4,822.49	447.59
Cash and cash equivalents at the beginning of the year	(1,394.37)	(1,841.96)
Cash and cash equivalents at the end of the year	5 (xiii) 3,428.12	(1,394.37)

Including interest on lease liabilities Rupees 1,968.40 lacs and Rupees 2,848.22 lacs for the year ended March 31, 2026 and March 31, 2025 respectively.

Notes

- (a) The cash flow statement has been prepared in accordance with "Indirect Method" as set out on Indian Accounting Standard -7 on "Statement on Cash flows."
(b) The Company has paid Rs. Nil towards Corporate Social Responsibility (CSR) expenditure in the current and previous year. (refer note 19)

*refer note 22 and 23

See accompanying notes forming part of the financial statements

1-25

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of Board of Directors
Fortis Hospitals Limited

Rakesh Dewan
Partner
Membership Number: 092212

Richa Singh Debgupta
Director
DIN: 08891397
Place : Kolkata

Anil Vinayak
Director
DIN: 02407380
Place : Gurugram

Place : Gurugram

Date : May 15, 2026

Vinti Verma
Company Secretary
Membership No: ACS 44528
Place : Gurugram
Date : May 15, 2026

Pradeep Kumar Malhotra
Chief Financial Officer
Place : Gurugram

FORTIS HOSPITALS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

Other equity							(Rupees in lacs)
	Equity	Reserves and Surplus				Total	Total
Particulars	Equity share capital	Convertible non-participating preference share	Securities premium reserve*	Retained earnings	Deemed equity**	Total	
(a) Balance as at April 01, 2024 (Restated, refer note 22 and 23)	6,698.76	1,300.00	167,211.82	(189,918.80)	(314.71)	(23,021.69)	(15,022.93)
(i) Profit for the year	-	-	-	12,951.25	-	12,951.25	12,951.25
(ii) Other comprehensive loss for the year	-	-	-	(29.29)	-	(29.29)	(29.29)
(b) Total comprehensive income for the year	-	-	-	12,921.96	-	12,921.96	12,921.96
(c) Balance as at March 31, 2025 (Restated, refer note 22 and 23)	6,698.76	1,300.00	167,211.82	(176,996.84)	(314.71)	(10,099.73)	(2,100.97)
(i) Profit for the year	-	-	-	17,156.97	-	17,156.97	17,156.97
(ii) Other comprehensive loss for the year	-	-	-	42.46	-	42.46	42.46
(d) Total comprehensive income for the year	-	-	-	17,199.43	-	17,199.43	17,199.43
(e) Balance as at March 31, 2026	6,698.76	1,300.00	167,211.82	(159,797.41)	(314.71)	7,099.70	15,098.46

* 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 Act.

** Deemed equity represents corporate guarantee given by the Company to bank on behalf of Holding company in earlier years.

See accompanying notes forming part of the financial statements

1-25

As per our report of even date attached

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

Chartered Accountants

Firm Registration Number: 101248W/W-100022

For and on behalf of Board of Directors

Fortis Hospitals Limited

Rakesh Dewan

Partner

Membership Number: 092212

Richa Singh Debgupta

Director

DIN: 08891397

Place : Kolkata

Anil Vinayak

Director

DIN: 02407380

Place : Gurugram

Place : Gurugram

Date : May 15, 2026

Vinti Verma

Company Secretary

Membership No: ACS 44528

Place : Gurugram

Date : May 15, 2026

Pradeep Kumar Malhotra

Chief Financial Officer

Place : Gurugram

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

1) Corporate information

Fortis Hospitals Limited (the ‘Company’ or ‘FHsL’), (“CIN: U93000DL2009PLC222166”) a public limited company, was incorporated on 18 June 2009 as a wholly owned subsidiary of Fortis Healthcare Limited (‘FHL’) and registered office is located at Escorts Heart Institute and Research Centre, Okhla Road, New Delhi 110025 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.

The Company carries on the business of promotion, maintenance, management, operation and conduct of healthcare and related services and providing consultancy for establishment of healthcare services.

2) Material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements (‘financial statements’). The accounting policies adopted are consistent with those of the previous financial year.

(a) Basis of preparation

(i) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, 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 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 May 15, 2026.

(ii) Functional and presentation currency

These financial statements are presented in Indian Rupees, which is also the Company’s functional currency. All amounts are in Indian Rupees lacs except share data and per share data, unless otherwise stated.

(iii) Basis of measurement

The financial statements have been prepared under historical cost convention on accrual basis except for the following items:

Item basis	Measurement
Derivative liability	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less the present value of the defined benefit obligation

Fair value is the price that would be received to sell as asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iv) Consolidated financial statements

The Company has opted for exemption from preparation of consolidated financial statements under Rule 6 of the Companies (Accounts) Rules, 2014, as amended, and accordingly prepared only standalone financial statements.

(v) Going concern assumption

As at March 31, 2026, the current liabilities of the Company exceed current assets by Rupees 39,097.26 lacs. However, the Company has generated positive operating cash flows and profits for the last three years. As at March 31, 2026, the Company has funds available of Rupees 3,428.12 lacs and unutilized borrowing facilities sanctioned by banks amounting to Rupees 12,964.00 lacs. Based on its future cash flow projections, the management believes that the going concern assumption used in preparation of these financial statements is appropriate.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(b) Current versus non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

The Company shall classify a liability as current when:

- a) it expects to settle the liability in its normal operating cycle;
- b) it holds the liability primarily for the purpose of trading;
- c) the liability is due to be settled within twelve months after the reporting period; or
- d) it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The Company shall classify all other liabilities as non-current.

(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) 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 Statements of Profit or Loss. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair value at the date of acquisition. Transaction costs incurred in connection with a business combination are expensed as incurred. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company 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 Company in the same form in which they appeared in the financial

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

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 (if credit) or revenue reserves (if debit) and if there are no reserves or inadequate reserves, to an amalgamation deficit reserve (if debit), with disclosure of its nature and purpose in the notes to the financial statements.

(e) Property, plant and equipment (PPE) and other intangible assets

(i) Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if 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.

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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major Components) of property, plant and equipment.

(ii) Goodwill and other intangible assets

a) Recognition and measurement

- For measurement of Goodwill that arises from business combination, refer to accounting policy thereon above. Subsequent measurement is at cost less any accumulated impairment losses.
- Internally generated goodwill is not recognised as an asset. With regard to other internally generated intangible assets:
 - Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Statement of Profit and Loss as incurred.
 - Development expenditure including regulatory cost and legal expenses leading to product registration/market authorisation relating to the new and/or improved product and/or process development is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and directly attributable finance costs (in the same manner as in the case of property, plant and equipment). Other development expenditure is recognised in the Statement of Profit and Loss as incurred.
- Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is recognised at fair value at the date of acquisition. An intangible asset is recognised only if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. After initial recognition, other intangible assets, including those required by Company in a business combination and have finite lives are measured at cost less accumulated amortization and any accumulated impairment loss.

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b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and the cost of the asset can be measured reliably. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of profit and loss. Goodwill is not amortised.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iii) Depreciation and amortisation methods, estimated useful lives and residual value

Depreciation is provided on straight line basis on the original cost/ acquisition cost of assets or other amounts substituted for cost of property, plant and equipment as per the useful life specified in Part 'C' of Schedule II of the Act, read with notification dated 29 August 2014 of the Ministry of Corporate Affairs, except for the following classes of property, plant and equipment which are depreciated based on the internal technical assessment of the management as under:

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Buildings	3-30 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

Estimated useful lives of the other intangible assets are as follows:

Category of assets	Management estimate of useful life
Computer software	3-6 years
License fee	3-10 years
Technical Know-how	3-5 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/month 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.

Depreciation on leasehold improvements is provided over the primary period of lease or useful life whichever is shorter.

(iv) Derecognition

Property, plant and equipment and intangible assets is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

(f) Impairment of non-financial assets

Goodwill and other 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.

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets

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 (FVPL)
- 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

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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 FVPL

FVPL 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 FVPL. 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 FVPL. 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 FVPL 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 FVPL. For all other equity instruments in scope of Ind AS 109, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss to retained earnings.

Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Dividend income from investments is recognised in statement of profit and loss on the date that the right to receive payment is established.

Impairment of financial assets

The Company 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.

Credit-impaired financial assets

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At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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.

Write-off of financial assets

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL 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 FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

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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. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purpose of Statement of cash flows, cash and cash equivalent includes cash in hand, in banks, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts that are repayable on demand and are considered part of the cash management system.

(j) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not 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.

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Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(k) Provisions

A provision is 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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(l) Government grant

The Company recognises government grant that compensate the Company for expenses in profit or loss on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. The grant is recognised when it becomes receivable and adjusted against relevant expenses in the statement of profit and loss.

(m) Revenue recognition

Revenue primarily comprises fees charged under contract for in-patient and out-patient hospital services and also includes sale of products comprising medical and non-medical items, Management fees from hospitals. 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 towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered and goods sold is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract 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 in-patient hospital services and Management fees from hospitals is recognised over the period of time, as and when services are performed. Revenue from outpatient hospital services is recognised at a point in time when patient has actually received the service. Revenue from sale of products is recognised at the point in time upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Excess of revenue earned over billings on contracts is recognised as unbilled revenue. Unbilled revenue is classified as

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trade receivable 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 of revenue from various ancillary revenue generating activities like sponsorship arrangements and academic services which is recognized over the period of time, in accordance with the terms of the relevant agreements, as and when services are performed.

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method on a time proportionate basis.

(n) 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. Short term employee benefits are measured on an undiscounted basis.

Post-employment benefits

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The liability in respect of gratuity is recognised in the books of account based on actuarial valuation by an independent actuary.

b) Provident fund

The Company makes contribution to Regional Provident Fund Commissioner for its employees. 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 recognized immediately in the Statement of Changes in Equity with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Changes in the present value of the

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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).

(o) Income tax

Income tax expense 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. Interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current taxes

Current tax comprises the best estimate of 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 also recognized in respect of carried forward tax losses and tax credits. 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
 - at the time of transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates or joint arrangements, to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets (DTA) include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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(p) Leases

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
- 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.

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.

(i) As a lessee

The Company accounts for assets taken under lease arrangement in the following manner:

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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.

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Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight- line basis over the lease term.

(ii) As a lessor

The Company accounts for assets given under lease arrangement in the following manner:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Assets subject to operating leases are included in Property, Plant and Equipment. Rental income on operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

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.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(q) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense on lease liability. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing 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 borrowing 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 borrowing costs eligible for capitalization. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the period of such borrowings.

(r) Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

(s) Statement of cash flows

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.

(t) Operating segments

An operating segment is a component of the Company 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

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

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.

(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

(v) Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly, disclosed in the financial statements.

3) Critical estimates and judgments

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.

Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Leasing arrangement (classification) – Note 7

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Leasing arrangement (accounting) – Note 7
- Estimated impairment of financial assets and non-financial assets – Note 5(iv), 5(v), 5(vi), 5(vii), 5(viii) and 5(xi)
- Assessment of useful life and residual value of property, plant and equipment and other intangible asset – Note 2(e)(iii)
- Estimation of assets and obligations relating to employee benefits (including actuarial assumptions) – Note 12
- Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources – Note 5 (xix) and 11
- Measurement of ECL allowance for trade receivables and other assets – Note 5(vi)

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

- Recognition of deferred tax assets: availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be utilized – Note 5 (ix)

4) Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

A. Amendments effective during the year

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025.

The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendment to:

i. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025

The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

ii. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments – Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has not entered into any supplier finance arrangements and hence, does not impact any disclosure requirement.

iii. Ind AS 12, International Tax Reform – Pillar Two Model Rules, applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and requires the Company to disclose that it has applied the relief. This relief is immediate and applies retrospectively. There is no impact of the amendment on the financial statements.

B. Standards issued but not yet effective

Pursuant to the amendment to Ind AS 1 – Presentation of Financial Statements, where an entity breaches a loan covenant on or before the reporting date and the liability becomes payable on demand, it must be classified as current, even if the lender subsequently agrees not to demand repayment. It is classified as current because, at the reporting date, the entity does not have the right to defer settlement for at least 12 months. However, if the lender has already provided—by the reporting date—a grace period extending at least 12 months beyond that date, during which the breach can be rectified and repayment cannot be demanded, the liability is classified as non-current.

This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The Company does not expect a significant impact of this amendment on the Standalone Financial Statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

5 (i)(a) Property, plant and equipment

Particulars	(Rupees in lacs)									
	Land	Buildings	Leasehold improvements	Plant and machinery	Medical equipment	Furniture and fittings	Computers	Office equipment	Vehicles	Total
Gross carrying amount										
As at April 01, 2024 (Restated, refer note 22 and 23)	5,282.17	6,134.67	6,565.51	4,628.87	43,975.60	2,006.47	2,095.75	1,170.94	640.98	72,500.97
Additions	-	38.53	83.87	446.76	6,143.35	33.36	258.40	83.28	78.94	7,166.49
Disposals	-	-	(3,703.74)	(812.83)	(2,444.58)	(254.35)	(169.53)	(103.42)	(55.40)	(7,543.85)
As at March 31, 2025 (Restated, refer note 22 and 23)	5,282.17	6,173.20	2,945.64	4,262.80	47,674.37	1,785.48	2,184.62	1,150.80	664.52	72,123.61
Additions	-	48.79	44.45	239.44	7,081.81	21.80	159.08	116.08	90.88	7,802.33
Disposals	-	-	(0.47)	(89.71)	(326.63)	(147.48)	(139.33)	(23.30)	(46.50)	(773.42)
As at March 31, 2026	5,282.17	6,221.99	2,989.62	4,412.53	54,429.55	1,659.80	2,204.37	1,243.58	708.90	79,152.51
Accumulated depreciation										
As at April 01, 2024 (Restated, refer note 22 and 23)	-	1,889.88	4,899.55	2,438.73	25,993.56	1,520.38	1,518.18	961.61	312.52	39,534.41
Charge for the year	-	232.83	445.02	290.56	2,230.37	86.39	316.22	58.70	93.30	3,753.39
Disposals	-	-	(3,525.27)	(474.94)	(1,943.34)	(231.96)	(148.29)	(97.40)	(39.61)	(6,460.81)
As at March 31, 2025 (Restated, refer note 22 and 23)	-	2,122.71	1,819.30	2,254.35	26,280.59	1,374.81	1,686.11	922.91	366.21	36,826.99
Charge for the year	-	234.27	124.62	270.93	2,710.06	67.86	326.30	71.37	123.44	3,928.85
Disposals	-	-	(0.47)	(76.23)	(314.24)	(145.12)	(139.33)	(23.19)	(16.11)	(714.70)
As at March 31, 2026	-	2,356.98	1,943.45	2,449.05	28,676.41	1,297.55	1,873.09	971.09	473.54	40,041.14
Carrying value										
As at March 31, 2025 (Restated, refer note 22 and 23)	5,282.17	4,050.49	1,126.34	2,008.45	21,393.78	410.67	498.51	227.89	298.31	35,296.61
As at March 31, 2026	5,282.17	3,865.01	1,046.17	1,963.48	25,753.14	362.25	331.28	272.49	235.36	39,111.37

Notes:

- a) The Company does not have any immovable property, whose title deeds are not held in the name of the Company and no immovable property is jointly held with others.
- b) The Company has not revalued its Property, plant and equipment during the year ended March 31, 2026 and previous year ended March 31, 2025.
- c) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- d) Movable property, plant and equipment are hypothecated against loan taken by the Company refer note 5 (xvii) and 8.

5 (i)(b) Capital work-in-progress

	(Rupees in lacs)	
	As at March 31, 2026	As at March 31, 2025 (Restated, refer note 22 and 23)
Opening Balance	1,268.02	497.11
Additions *	7,879.48	7,937.40
Transfer to property, plant and equipment	(7,802.33)	(7,166.49)
Closing balance	1,345.17	1,268.02

* 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.

Capital-Work-in Progress (CWIP)

Ageing schedule

As at March 31, 2026

Capital-Work-in Progress	Amount in Capital-Work-in Progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,345.17	-	-	-	1,345.17
Projects temporarily suspended	-	-	-	-	-
Total	1,345.17	-	-	-	1,345.17

As at March 31, 2025 (Restated, refer note 22 and 23)

Capital-Work-in Progress	Amount in Capital-Work-in Progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,238.22	20.18	-	9.62	1,268.02
Projects temporarily suspended	-	-	-	-	-
Total	1,238.22	20.18	-	9.62	1,268.02

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and March 31, 2025

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

5 (iii)(a) Other intangible assets

Particulars	(Rupees in Lacs)			
	License fee	Technical Knowhow	Computer Software	Total
Gross carrying amount				
As at April 01, 2024 (Restated, refer note 22 and 23)	896.94	17.20	6,505.93	7,420.07
Additions	0.14	-	163.57	163.71
Disposals	(33.57)	-	(10.18)	(43.75)
As at March 31, 2025 (Restated, refer note 22 and 23)	863.51	17.20	6,659.32	7,540.03
Additions	3.26	-	77.93	81.20
Disposals	-	-	-	-
As at March 31, 2026	866.77	17.20	6,737.25	7,621.23
Amortisation				
As at April 01, 2024 (Restated, refer note 22 and 23)	769.37	17.20	5,704.43	6,491.00
Charge for the year	23.67	-	425.74	449.41
Disposals	(33.56)	-	(10.18)	(43.74)
As at March 31, 2025 (Restated, refer note 22 and 23)	759.48	17.20	6,119.99	6,896.67
Charge for the year	9.96	-	266.44	276.40
Disposals	-	-	-	-
As at March 31, 2026	769.44	17.20	6,386.43	7,173.07
Carrying value				
As at March 31, 2025 (Restated, refer note 22 and 23)	104.03	-	539.33	643.36
As at March 31, 2026	97.33	-	350.82	448.16

5 (iii)(b) Intangible assets under development

	(Rupees in lacs)	
	As at March 31, 2026	As at March 31, 2025 (Restated, refer note 22 and 23)
Opening Balance	71.66	17.54
Additions *	16.25	217.83
Transfer to intangible assets	(81.20)	(163.71)
Closing balance	6.71	71.66

* The Company accounts for all capitalisation of intangible assets through intangible assets under development and therefore the movement in intangible assets under development is the difference between closing and opening balance of intangible assets under development as adjusted in additions to intangible assets.

**Intangible assets under development
Ageing schedule**

As at 31 March, 2026

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6.71	-	-	-	6.71
Total	6.71	-	-	-	6.71

As at 31 March, 2025 (Restated refer note 22 and 23)

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	58.77	12.89	-	-	71.66
(d)	58.77	12.89	-	-	71.66

There is no project whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and March 31, 2025.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

5 (ii) Goodwill

Goodwill acquired in business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

Particulars	March 31, 2026				March 31, 2025			
	As at	Addition	Impairment	As at	As at	Addition	Impairment	As at
	April 01, 2025 (Restated, refer note 22 and 23)			March 31, 2026	April 01, 2024 (Restated, refer note 22 and 23)			March 31, 2025 (Restated, refer note 22 and 23)
Carrying amount								
Hospital business								
Fortis Hospital, Banergatta Road	17,057.66	-	-	17,057.66	17,057.66	-	-	17,057.66
Fortis Hospital, Cunningham Road	2,704.57	-	-	2,704.57	2,704.57	-	-	2,704.57
Total	19,762.23	-	-	19,762.23	19,762.23	-	-	19,762.23

At cash generating unit (CGU's) 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 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. The fair value measurements were categorised as a Level 3 fair value based on the inputs in the valuation technique used. Cash flow projections were developed covering a seven-year period as at March 31, 2026 and March 31, 2025 which reflects a more appropriate indication/trend of future track of business of the Company. Cash flows beyond the seven-year period were extrapolated using estimate rates stated below.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using post-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Key assumptions used for value in use calculations are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated, refer note 22 and 23)
Compound average net sales growth rate for seven years (per annum (p.a.))	8%-10%	9%-10%
Growth rate used for extrapolation of cash flow projections beyond seven years (per annum (p.a.)). (refer note below)	4%	4%
Discount rate (post tax)	11.82%	11.31%
Discount rate (pre tax)	15.80%	15.11%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using post-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

	As at March 31, 2026 (Rupees in lacs)	As at March 31, 2025 (Rupees in lacs) (Restated)
5 (iv) A. Investment in subsidiaries		
Non-current		
<u>Unquoted investments (fully paid)</u>		
(a) Investments in equity instruments - at cost		
(i) Stellant Capital Advisory Services Private Limited 17,499,997 (as at March 31, 2025 : 17,499,997) equity shares of Rupees 10 each, fully paid up [Of the above, 6 shares (previous year : 6 shares) are held by nominee share holders]	10,047.75	10,047.75
(ii) Fortis Global Healthcare (Mauritius) Limited 835,214 (as at March 31, 2025 : 835,214) equity shares of USD 1 each, fully paid up Total aggregate unquoted non-current investment in subsidiaries	2,946.71	2,946.71
	12,994.46	12,994.46
Less: Impairment in value of investment Stellant Capital Advisory Services Private Limited [Refer note 17(c)] Fortis Global Healthcare (Mauritius) Limited	(7,244.34) (2,946.71)	(6,991.93) (2,946.71)
	(10,191.05)	(9,938.64)
<u>Quoted investments (fully paid)</u>		
(b) Investments in equity instruments - at cost		
Investment in subsidiary		
(i) Fortis Malar Hospitals Limited (refer note a below) 11,752,402 (as at March 31, 2025 : 11,752,402) equity shares of Rupees 10 each fully paid up	0.01	0.01
	0.01	0.01
	2,803.42	3,055.83
B. Investment in others		
Non-current		
<u>Unquoted investments (fully paid)</u>		
(a) Investments in equity instruments (compulsorily convertible preference shares) - at cost		
(i) Escorts Heart Institute and Research Centre Limited 401,769 (as at March 31, 2025 : 401,769) 0.01% compulsorily convertible preference shares of Rupees 10 each Total aggregate unquoted non-current investment in others	35,669.00	35,669.00
	35,669.00	35,669.00
Less: Impairment in value of investment [Refer note 17(e)]	-	(5,669.00)
	35,669.00	30,000.00
Aggregate carrying value of investment other than quoted (A)	38,472.42	33,055.83
Aggregate value of quoted investment in subsidiary	0.01	0.01
Aggregate market value of quoted investment in subsidiary	4,899.58	8,627.44
Aggregate value of unquoted investments in subsidiaries and others	48,663.46	48,663.46
Aggregate carrying value of unquoted investments in subsidiaries and others	38,472.41	33,055.82
Aggregate amount of impairment in value of unquoted investments in subsidiaries and others	(10,191.05)	(15,607.64)

Note:

a) 11,752,402 quoted equity shares of Fortis Malar Hospitals Limited were received as a gift from International Hospital Limited in earlier years which were recorded at a nominal value of Rupees 1,000.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

	As at March 31, 2026 (Rupees in lacs)	As at March 31, 2025 (Rupees in lacs) (Restated)
5 (v) Investment in joint ventures		
Non-current		
(a) Investments in equity instruments - at cost		
(i) Fortis C-Doc Healthcare Limited 4,060,637 (as at March 31, 2025: 4,060,637) equity shares of Rupees 10 each, fully paid up [Of the above, 3 shares (Previous year : 3 shares) are held with nominee share holders]	622.85	622.85
	622.85	622.85
(b) Investments in 0.01% optionally redeemable convertible preference shares - at cost		
(i) Fortis C-Doc Healthcare Limited 43,333,333 (as at March 31, 2025: 43,333,333) 0.01% optionally redeemable convertible preference share of Rupees 3 each, fully paid up	1,300.00	1,300.00
	1,300.00	1,300.00
Aggregate value of unquoted investment in joint venture	1,922.85	1,922.85
Less: Impairment of investment [refer note 17(b)]	(1,922.85)	(1,922.85)
Aggregate carrying value of unquoted investment in joint venture (B)	-	-
Aggregate amount of impairment in value of unquoted investment in joint venture	1,922.85	1,922.85
Total carrying value of investments (A+B)	38,472.42	33,055.83

5 (vi) Trade receivables

Current

(unsecured, unless stated otherwise)

Considered good		
- from others		
-Billed	16,922.16	14,579.39
-Unbilled	1,394.65	1,172.97
- from related parties (refer note 6)	653.57	370.69
Less: Loss allowance	(2,486.91)	(2,032.15)
	16,483.47	14,090.90

Trade receivables are unsecured and are derived from revenue earned from providing healthcare and other ancillary services. No interest is charged on the outstanding balance, regardless of the age of the balance. In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection. The Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. Management makes specific provision in cases where there are known specific risks of customer default in making the payments. The provision matrix takes into account historical credit loss experience and adjusted for forward- looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The Company does not have any significant concentration of exposures to specific category of customer. The provision matrix used to compute the expected credit loss allowance for trade receivables (other than due from related parties) are as follows:

Ageing

	Expected credit allowance	
	March 31, 2026	March 31, 2025
0 - 1 year	0%-26%	0%-25%
1 - 2 year	3%-61%	6%-56%
2 - 3 year	11%-88%	14%-82%
More than 3 years	100%	100%

The movement in Expected Credit Loss during the year is as follows :

Balance at the beginning of the year	2,032.15	2,808.23
Addition	1,513.76	1,718.97
Utilisation of provision	(1,059.00)	(2,495.05)
Balance at the end of the year	2,486.91	2,032.15

The Company does not require collateral in respect of trade receivables. The Company does not have trade receivables for which no loss allowance is recognised because of collateral.

Trade Receivables ageing schedule as at March 31, 2026

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	12,180.00	1,956.74	1,211.00	983.68	501.60	742.71	17,575.73
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	12,180.00	1,956.74	1,211.00	983.68	501.60	742.71	17,575.73
Less: Loss allowance for doubtful trade receivables - billed							(2,486.91)
							15,088.82
Trade receivables - unbilled							1,394.65
							16,483.47

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

As at
March 31, 2026
(Rupees in lacs)

As at
March 31, 2025
(Rupees in lacs)
(Restated)

Trade Receivables ageing schedule as at March 31, 2025

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6	6 months -1 year	1-2 years	2-3 years	More than 3	
(i) Undisputed Trade receivables – considered good	11,023.66	1,668.45	734.22	613.17	253.08	657.50	14,950.08
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	11,023.66	1,668.45	734.22	613.17	253.08	657.50	14,950.08
Less: Loss allowance for doubtful trade receivables - billed							(2,032.15)
							12,917.93
Trade receivables - unbilled							1,172.97
							14,090.90

Note: Current assets are hypothecated against loan taken by the Company refer note 5 (xvii) & note 8.

5 (vii) Loans

Non-current - at amortised cost

Unsecured, credit impaired

(a) Loans to body corporate and others

8.74 8.74

Total (A)

8.74 8.74

Less: Loss allowance

(8.74) (8.74)

Total (B)

(8.74) (8.74)

Total (A+B)

- -

Current - at amortised cost

Secured, credit impaired

(a) Inter-corporate deposits [refer note 20(C) (i)]

40,243.00 40,243.00

Total (A)

40,243.00 40,243.00

Unsecured, credit impaired

(a) Loan to body corporate and others

621.63 621.63

Total (B)

621.63 621.63

Less: Loss allowance

(40,864.63) (40,864.63)

Total (C)

(40,864.63) (40,864.63)

Total (A+B+C)

- -

Grand Total (Current and Non-current)

- -

Other than above, the Company have not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment

Break-up of security details

Secured and credit impaired

40,243.00 40,243.00

Less: Loss allowance

(40,243.00) (40,243.00)

Total Loans

- -

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

	As at March 31, 2026 (Rupees in lacs)	As at March 31, 2025 (Rupees in lacs) (Restated)
5 (viii) Other financial assets (unsecured)		
<u>Non-Current - at amortised cost</u>		
Considered good		
(a) Deposit accounts with banks*	89.14	104.20
(b) Advances others	0.58	0.58
(c) Security deposits	689.11	656.47
Total (A)	778.83	761.25
Credit impaired		
(a) Security deposits	9.20	9.20
Total (B)	9.20	9.20
Less: Loss allowance	(9.20)	(9.20)
Total (C)	(9.20)	(9.20)
Total (A+B+C)	778.83	761.25
*Includes fixed deposits under lien with bank and restricted from being exchanged for more than 12 months from the balance sheet date.		
<u>Current - at amortised cost</u>		
Considered good		
(a) Interest accrued but not due on bank deposits	45.44	30.13
(b) Deposit accounts with banks (refer note a below)	132.44	3.67
(c) Others	552.26	552.39
(d) Security deposits	144.14	142.10
(e) Government grant receivable	16.60	16.60
Total (A)	890.88	744.89
Credit impaired		
(a) Interest accrued on inter-corporate deposits [refer note 20(C)(i)]	4,259.62	4,259.62
(b) Others	579.56	543.70
(c) Security deposits	22.93	22.93
Total (B)	4,862.11	4,826.25
Less: Loss allowance	(4,862.11)	(4,826.25)
Total (C)	(4,862.11)	(4,826.25)
Total (A+B+C)	890.88	744.89

Notes:

a) Consists of bank deposits having original maturity of more than 12 months but remaining maturity of less than 12 months.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

	As at March 31, 2026 (Rupees in Lacs)	As at March 31, 2025 (Rupees in Lacs) (Restated)
5 (ix)(a) Deferred tax assets (net)		
Deferred tax assets	11,160.55	15,632.12
Deferred tax liabilities	(7,309.57)	(7,795.03)
	3,850.98	7,837.09

The following is the analysis of the movement in deferred tax assets/ (liabilities) presented in financial statements:-

	(Rupees in lacs)			
Deferred tax assets/(liabilities) in relation to:	Deferred tax recognised as at April 01, 2025 (Restated)	(Credit) / charge to Profit or loss	Credit / (charge) to other comprehensive income	Deferred tax as at March 31, 2026
Deferred tax liability				
(a) Intangible assets	(4,858.62)	4.70	-	(4,863.32)
(b) Right-of-use of assets	(2,532.15)	(750.30)	-	(1,781.85)
(c) Property, plant and equipment	(404.26)	260.14	-	(664.40)
	(7,795.03)	(485.46)	-	(7,309.57)
Deferred tax asset				
(a) Provision for credit impaired advances	262.00	(51.38)	-	313.38
(b) Provision for expected credit loss on receivables	511.45	(114.46)	-	625.91
(c) Defined benefit obligation	485.78	(143.61)	(14.28)	615.11
(d) Unabsorbed depreciation/amortisation	9,205.84	3,005.13	-	6,200.71
(e) Lease liabilities	5,070.11	1,711.05	-	3,359.06
(f) Disallowance under section 43B(h)	96.94	50.56	-	46.38
	15,632.12	4,457.29	(14.28)	11,160.55
Deferred tax asset (net)	7,837.09	3,971.84	(14.28)	3,850.98

	(Rupees in lacs)			
Deferred tax assets/(liabilities) in relation to:	Deferred tax recognised as at April 01, 2024 (Restated, refer note 22 and 23)	(Credit) / charge to Profit or loss	Credit / (charge) to other comprehensive income	Deferred tax as at March 31, 2025 (Restated)
Deferred tax liability				
(a) Intangible assets	(4,757.64)	100.98	-	(4,858.62)
(b) Right-of-use of assets	-	2,532.15	-	(2,532.15)
(c) Property, plant and equipment	-	404.26	-	(404.26)
	(4,757.64)	3,037.39	-	(7,795.03)
Deferred tax asset				
(a) Property, plant and equipment	630.34	630.34	-	-
(b) Provision for contingency	39.51	39.51	-	-
(c) Provision for credit impaired advances	2,188.63	1,926.63	-	262.00
(d) Provision for expected credit loss on receivables	1,110.22	598.77	-	511.45
(e) Defined benefit obligation	608.15	132.22	9.85	485.78
(f) Unabsorbed losses and depreciation/amortisation	14,411.04	5,205.20	-	9,205.84
(g) Lease liabilities	-	(5,070.11)	-	5,070.11
(h) Disallowance under section 43B(h)	-	(96.94)	-	96.94
	18,987.89	3,365.62	9.85	15,632.12
Deferred tax asset (net)	14,230.25	6,403.01	9.85	7,837.09

	(Rupees in Lacs)	
	As at March 31, 2026	As at March 31, 2025 (Restated)
5 (ix)(b) Income tax		
Recognised in statement of profit and loss		
Current tax		
(a) Current income tax charge for the year	-	-
Deferred tax credit		
(a) Deferred tax for the year	3,971.84	6,403.01
	3,971.84	6,403.01
Tax expense recognised through statement of profit and loss	3,971.84	6,403.01
Recognised in other comprehensive income		
Deferred tax credit		
Tax related to items that will not be reclassified to profit or loss	14.28	(9.85)
Tax recognised through other comprehensive income	14.28	(9.85)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit before tax	21,128.81	19,354.26
Enacted income tax rate in India	25.168%	25.168%
Income tax charge calculated	5,317.70	4,871.08
Utilisation of deferred tax asset not recognised earlier based on the projected future taxable profits	-	(4,921.93)
Creation of deferred tax asset on previously unrecognised temporary difference	-	1,081.06
Rate change impact on deferred tax assets recognised earlier	-	5,312.11
Net reversal of impairment of Investment	(1,363.25)	-
Others	17.39	60.69
Income tax expense (including deferred tax) recognised in profit	3,971.84	6,403.01

Deferred tax asset is not recognised on:

	As at March 31, 2026		As at March 31, 2025 (Restated)	
	Gross Amount	Tax effect	Gross Amount	Tax effect
MAT credit				
2027-28	6,357.48	6,357.48	6,357.48	6,357.48
Total	6,357.48	6,357.48	6,357.48	6,357.48
Unused Long Term Capital Loss				
2025-26	1,002.33	143.33	1,002.33	143.33
2033-34	228.37	32.66	228.37	32.66
Total	1,230.70	175.99	1,230.70	175.99
Inter-corporate deposits [refer note 20(C) (i)]	40,243.00	10,127.96	40,243.00	10,127.96
Interest accrued on inter-corporate deposits [refer note 20(C) (i)]	4,259.62	1,072.02	4,259.62	1,072.02
Total	44,502.62	11,199.97	44,502.62	11,199.97

Details of losses on which deferred tax asset is recognised:

	As at March 31, 2026		As at March 31, 2025 (Restated)	
	Gross Amount	Tax effect	Gross Amount	Tax effect
Unabsorbed depreciation				
No expiry	24,637.27	6,200.71	36,577.55	9,205.84
Total	24,637.27	6,200.71	36,577.55	9,205.84

	As at March 31, 2026	As at March 31, 2025 (Restated)
5 (x)(a) Non-current tax assets		
(a) Advance income tax *	12,791.26	12,793.92
Current tax liabilities	12,791.26	12,793.92
(b) Income tax payable	6,327.18	-
	6,327.18	-
	6,464.08	12,793.92

* Including refund adjusted by tax authorities against demand orders of earlier years which are being contested by the Company under various forums.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

	As at March 31, 2026 (Rupees in lacs)	As at March 31, 2025 (Rupees in lacs) (Restated)
5 (xi) Other assets (unsecured)		
<u>Non-current</u>		
Considered good		
(a) Capital advances	25.40	28.01
(b) Balances with customs excise and other authorities	64.42	64.42
(c) Prepaid expenses	126.75	-
	216.57	92.43
Considered doubtful		
(a) Capital advances	671.27	671.27
	671.27	671.27
Less: Loss allowance	(671.27)	(671.27)
	216.57	92.43
<u>Current</u>		
Considered good		
(a) Balance with government authorities- goods and service tax recoverable	362.94	199.92
(b) Advance to vendors	95.69	50.42
(c) Prepaid expenses	442.45	604.33
	901.08	854.67
Considered doubtful		
(a) Advance to vendors	3.11	3.13
	3.11	3.13
Less: Loss allowance	(3.11)	(3.13)
	-	-
	901.08	854.67
5 (xii) Inventories		
Valued at lower of cost and net realisable value		
(a) Medical consumables and drugs	1,722.02	1,500.66
	1,722.02	1,500.66
Note: Current assets are hypothecated against loan taken by the company refer note 5 (xvii) & note 8		
5 (xiii) Cash and cash equivalents		
(a) Balances with banks -on current accounts	3,338.61	72.67
(b) Cash on hand	89.51	122.38
Cash and cash equivalents as per balance sheet	3,428.12	195.05
Bank overdrafts [refer note 5(xvii)]	-	(1,589.42)
Cash and cash equivalents as per statement of cash flow	3,428.12	(1,394.37)
5 (xiv) Bank balances other than above		
(a) Deposits with original maturity of more than 3 months but less than 12 months from reporting date	26.33	1,997.54
	26.33	1,997.54

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

	As at March 31, 2026 (Rupees in lacs)	As at March 31, 2025 (Rupees in lacs) (Restated)
5 (xv) Share capital		
Authorised share capital:*		
84,760,000 (as at 31 March 2025: 84,760,000) equity shares of Rupees 10 each	8,476.00	8,476.00
15,300,000 (as at 31 March 2025 : 15,300,000) preference shares of Rupees 10 each	1,530.00	1,530.00
8,000,000 (as at 31 March 2025 : 8,000,000) preference shares of Rupees 1 each	80.00	80.00
* Authorised share capital stand increased pursuant to the scheme of merger by absorption (refer note 22)		
Issued, subscribed and fully paid up shares:		
Equity Share Capital		
66,987,576 (as at 31 March 2025 : 66,987,576) equity shares of Rupees 10 each	6,698.76	6,698.76
Instruments entirely equity in nature		
13,000,000 (as at 31 March 2025 : 13,000,000) 0.01% Non-cumulative compulsory convertible preference shares ('CCPS') of Rupees 10 each	1,300.00	1,300.00
Total issued, subscribed and fully paid up share capital	7,998.76	7,998.76

Notes :

(a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:**

Equity shares

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	Number	Rupees in Lacs	Number	Rupees in Lacs
At the beginning of the year	66,987,576	6,698.76	66,987,576	6,698.76
Issued during the year	-	-	-	-
Outstanding at the end of the year	66,987,576	6,698.76	66,987,576	6,698.76

Non-cumulative compulsory convertible preference shares

Particulars	Year ended March 31, 2026		Year ended March 31, 2025	
	Number	Rupees in Lacs	Number	Rupees in Lacs
At the beginning of the year	13,000,000	1,300.00	13,000,000	1,300.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	13,000,000	1,300.00	13,000,000	1,300.00

(b) **Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of Rupees 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) **Terms/ rights attached to preference shares**

The preference shares are compulsorily convertible on expiry of 10 years from the date of the allotment. The preference shares were allotted in two tranches 60,00,000 as on February 16, 2016 and 70,00,000 as on May 30, 2016. The holder of these preference shares will be entitled for 1 equity share for each preference share held by them. 0.01% CCPS are compound instruments as it also contain liability towards payment of 0.01% dividend at the end of the period of 10 years. The terms of the compulsory convertible preference shares (CCPS) has been extended vide resolution dated February 03, 2026 and March 25, 2026 to February 17, 2031 and May 29, 2031 i.e. (6,000,000 on February 17, 2031 and 7,000,000 on May 29, 2031). Such liability component is insignificant to the total instrument and therefore, not segregated from the instrument value.

(d) For the period of five years immediately preceding the date of the balance sheet, there were no share allotment made for consideration other than cash and also no bonus shares were issued. Further, there has been no buyback of shares during the period of five years preceding the date of balance sheet.

(e) **Shares held by the holding/ ultimate holding company and/ or their Subsidiaries**

Equity shares

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	Rupees in Lacs	No. of Shares held	Rupees in Lacs
Fortis Healthcare Limited, the Holding company*	66,987,576	6,698.76	66,987,576	6,698.76

* Including 6 equity share held by nominees.

Non-cumulative compulsory convertible preference Shares

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	Rupees in Lacs	No. of Shares held	Rupees in Lacs
Escorts Heart Institute and Research Centre Limited, fellow Subsidiary	13,000,000	1,300.00	13,000,000	1,300.00

(f) **Details of shareholders holding more than 5% shares in the Company**

Equity Shares

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Limited, the Holding company*	66,987,576	100.00%	66,987,576	100.00%

* Including 6 equity share held by nominees.

Name of Shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Escorts Heart Institute and Research Centre Limited, fellow Subsidiary	13,000,000	100.00%	13,000,000	100.00%

As per records of the Company, including its register of share holders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(g) **Details of shares held by promoters**

As at March 31, 2026

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Fortis Healthcare Limited, the Holding company*	66,987,576	-	66,987,576	100.00%	-

As at March 31, 2025

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Fortis Healthcare Limited, the Holding company*	66,987,576	-	66,987,576	100.00%	-

* Including 6 equity share held by nominees.

(h) **Shares reserved for issue under contracts**

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	Amount	No. of Shares held	Amount
For compulsory convertible non-cumulative preference shares, 13,000,000 equity shares of Rupees 10 each	13,000,000	1,300	13,000,000	1,300

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

5 (xvi) **Changes in liabilities arising from financing activities**

	Long term borrowings	Short term borrowings (net)	Lease Liabilities	Interest accrued
As at April 01, 2024 (Restated, refer note 22 and 23)	14,906.36	7,446.39	28,649.38	331.85
Lease liabilities paid	-	-	(6,795.66)	-
Deletion of lease contract	-	-	(1,708.65)	-
Proceeds from borrowings	12.14	-	-	-
Repayment of borrowings	(4,675.62)	(4,564.32)	-	-
Finance costs	-	-	2,848.22	2,161.60
Finance cost paid	-	-	(2,848.22)	(2,482.18)
Reclassification of non-current borrowings to current borrowings	(750.44)	750.44	-	-
Reclassification of bank overdraft*	-	(459.71)	-	-
As at March 31, 2025 (Restated, refer note 22 and 23)	9,492.44	3,172.80	20,145.07	11.27
Lease liabilities paid	-	-	(7,713.37)	-
Addition/ (deletion) of lease contract (net)	-	-	914.86	-
Proceeds from borrowings	65,658.89	-	-	-
Repayment of borrowings	(6,745.35)	(42.95)	-	-
Finance costs	-	-	1,968.40	2,056.62
Finance cost paid	-	-	(1,968.40)	(1,685.50)
Reclassification of non-current borrowings to current borrowings	(5,389.69)	5,389.69	-	-
Reclassification of bank overdraft*	-	(1,589.42)	-	-
As at March 31, 2026	63,016.29	6,930.12	13,346.56	382.39

* Bank overdraft has been reclassified from current borrowings to cash and cash equivalent for the purpose of preparation of cash flow statement.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

	As at March 31, 2026 (Rupees in lacs)	As at March 31, 2025 (Rupees in lacs) (Restated)
5 (xx) Trade payables (unsecured)		
Current		
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 16)	1,201.40	1,494.84
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	29,488.40	25,622.38
	30,689.80	27,117.22
Of the above trade payables amounts due to related parties are as below:		
Trade Payables due to related parties (refer note 6)	19,025.92	16,219.28

Trade Payables aging schedule as at March 31, 2026

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	-	1,041.58	159.82	-	-	-	1,201.40
(ii) Others	3,011.96	5,963.19	10,159.31	5,538.25	4,796.52	19.17	29,488.40
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	3,011.96	7,004.77	10,319.13	5,538.25	4,796.52	19.17	30,689.80

Trade Payables aging schedule as at March 31, 2025 (Restated refer note 22 and 23)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME*	-	1,372.77	119.27	2.80	-	-	1,494.84
(ii) Others	1,769.18	7,305.66	10,734.83	5,354.44	67.04	391.23	25,622.38
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	1,769.18	8,678.43	10,854.10	5,357.24	67.04	391.23	27,117.22

*MSME classification is based on MSME status confirmed by the vendors/ information available with the Company as on respective balance sheet dates.

5 (xxi) Other current liabilities

(a) Contract liabilities		
- Advances from patients	851.73	735.23
(b) Statutory dues payables	1,423.43	1,616.49
	2,275.16	2,351.72

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

	Year ended March 31, 2026 (Rupees in lacs)	Year ended March 31, 2025 (Rupees in lacs) (Restated)
5 (xxii) Revenue from operations		
I. Revenue from contracts with customers		
A Sale of services		
Healthcare services		
-Operating income - in patient department	115,207.64	107,786.31
-Operating income - out patient department	18,543.09	17,184.53
-Income from medical services	170.29	157.65
-Management fees from hospitals	4,023.13	4,248.66
-Income from clinical research	1.98	2.31
Less: Trade discounts	(4,363.78)	(4,160.25)
Total (A)	133,582.35	125,219.21
B Sale of products - Trading		
Out patient pharmacy	2,445.28	2,254.44
Less: Trade discounts	(115.60)	(94.72)
Total (B)	2,329.68	2,159.72
I. Total revenue from contracts with customers (A+B)	135,912.03	127,378.93
II. Other operating revenues		
(a) Income from academic services	164.77	96.96
(b) Income from rent	142.95	240.99
(c) Export benefits	29.45	-
(d) Provison/ liabilities no longer required written back	109.01	299.22
(e) Miscellaneous income	283.25	230.75
II. Total other operating revenues	729.43	867.92
Total revenue from operations (I+II)	136,641.46	128,246.85
Disaggregation of revenue from contract with customers:		
Timing of revenue recognition		
Goods transferred at point in time	2,329.68	2,159.72
Services transferred over time	115,532.91	108,592.73
Services transferred at a point in time	18,049.44	16,626.48
	135,912.03	127,378.93
Contract balances		
Contract assets (unbilled revenue)	1,394.65	1,172.97
Contract liabilities (advances from patients and deferred revenue)	851.73	735.23
Out of the above contract balances, the revenue recognised during the current year is the balancing number of opening and closing balances of contract assets and contract liabilities.		
5 (xxiii) Other income		
I. Interest income		
(a) Interest income from:		
- bank deposits	14.64	14.19
- loans to joint venture	85.77	29.75
- income tax refunds	800.16	498.32
- others	23.00	54.38
II. Other non-operating income		
(a) Profit on redemption of mutual funds	0.62	-
(b) Dividend income on equity investment	-	4,994.77
(c) Miscellaneous income	9.48	20.12
	933.67	5,611.53
5 (xxiv) Changes in inventories of medical consumables and drugs		
(a) Inventory at the beginning of the year	1,500.66	1,597.36
(b) Inventory at the end of the year	(1,722.02)	(1,500.66)
Changes in inventories [(a) + (b)]	(221.36)	96.70
5 (xxv) Employee benefits expense		
(a) Salaries, wages and bonus	13,213.00	12,817.77
(b) Gratuity expense (refer note 12)	243.84	204.16
(c) Compensated absences	95.87	86.73
(d) Contribution to provident and other funds (refer note 12)	653.91	634.66
(e) Staff welfare expenses	809.11	745.20
	15,015.73	14,488.52
5 (xxvi) Finance costs		
(a) Interest expense		
- on term loans	795.06	1,192.13
- on cash credit	141.13	243.04
- on lease liabilities	1,968.40	2,848.22
- on defined benefit plan and other long term benefits	136.14	111.74
- on excess income tax refund	256.23	-
- on other borrowings	407.93	294.93
(b) Other borrowing costs	456.27	431.50
	4,161.16	5,121.56

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

	Year ended March 31, 2026 (Rupees in lacs)	Year ended March 31, 2025 (Rupees in lacs) (Restated)
5 (xxvii) Depreciation and amortisation expense		
(a) Depreciation of property, plant and equipment	3,928.85	3,753.39
(b) Amortisation of intangible assets	276.40	449.41
(c) Amortisation of right of use assets	3,896.05	3,974.80
	8,101.30	8,177.60
5 (xxviii) Other expenses		
(a) Contractual manpower	862.73	1,009.77
(b) Power and fuel	1,812.71	1,917.78
(c) Housekeeping expenses including consumables	1,365.60	1,622.64
(d) Patient food and beverages	1,049.77	1,017.90
(e) Pathology laboratory expenses	3,927.94	3,916.03
(f) Radiology expenses	335.86	522.41
(g) Professional and consultation fees to doctors	31,976.71	29,267.12
(h) Hospital service fee expense (refer note 6, 7(i) and 10)	6,467.57	5,858.56
(i) Repairs and maintenance		
- Building	105.77	73.10
- Plant and machinery (including medical equipment)	3,254.58	3,052.05
- Others	235.99	327.89
(j) Rent [refer note 7(i)]	2,354.74	2,245.96
(k) Legal and professional fee [refer note (i) below]	1,241.68	1,186.10
(l) Travel and conveyance	346.55	380.15
(m) Rates and taxes	82.24	84.78
(n) Recruitment and trainings	36.06	36.81
(o) Printing and stationary	521.07	487.38
(p) Communication expenses	293.61	350.71
(q) Directors' sitting fees	0.24	0.82
(r) Insurance	163.64	150.89
(s) Marketing and business promotion	4,752.31	3,908.34
(t) Loss on sale of property, plant and equipment (net)	13.98	7.03
(u) Foreign exchange fluctuation loss (net)	2.51	8.03
(v) Bad debts and sundry balances written off	1,059.00	2,495.05
	<u>(1,059.00)</u>	<u>(2,495.05)</u>
(w) Allowance for doubtful receivables (refer note 5 (vi))	1,513.76	1,718.97
(x) Allowance for doubtful advances	41.57	42.91
(y) Miscellaneous expenses	99.19	83.89
	62,858.38	59,278.02
Note:		
(i) Auditors' remuneration comprises (inclusive of indirect taxes)		
(a) Fees as auditors	148.98	148.98
(b) Tax audit fee	104.43	11.80
(c) Certification and other services	2.07	2.07
(d) Out of pocket expenses	25.55	16.29
	281.03	179.14
5 (xxix) Exceptional items		
Expenses/(income):		
(a) Expenses/(Gain) on sale of Richmond Road hospital [refer note 17 (a)]	8.12	(2,350.45)
(b) Reversal of allowance for loan given to and interest receivable from Fortis C-Doc Healthcare Limited [refer note 17(b)]	-	(88.33)
(c) Allowance for investment in subsidiaries [Refer note 17(c)]	252.41	241.06
(d) Reversal of allowance for investment in subsidiaries [Refer note 17(e)]	(5,669.00)	-
(e) One time impact of new Labour Codes [refer note 17 (d)]	517.11	-
	(4,891.36)	(2,197.72)

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

6. Related party disclosures

Names of related parties and related party relationship

Ultimate Holding Company	IHH Healthcare Berhad
Intermediate Holding Company	(a) Integrated Healthcare Holdings Limited
	(b) Parkway Pantai Limited
	(c) Northern TK Venture Pte Ltd
Holding Company	Fortis Healthcare Limited ('FHL')
Subsidiary Companies - direct or indirect through investment in subsidiaries	(a) Fortis Malar Hospitals Limited ('FMHL')
	(b) Stellant Capital Advisory Services Private Limited ('SCASPL')
	(c) RHT Health Trust Manager Pte. Limited ('RHTTM')
	(d) Fortis Global Healthcare (Mauritius) Limited ('FGHML')
	(e) Fortis Healthcare Research Foundation (formerly known as Malar Star Medicare Limited) ('FHRF')
Fellow Subsidiaries (with whom transactions have been taken place)	(a) Hiranandani Healthcare Private Limited ('HHPL')
	(b) Fortis Hospotel Limited ('FHTL')
	(c) Agilus Diagnostics Limited ('ADL')
	(d) Escorts Heart Institute and Research Centre Limited ('EHIRCL')
	(e) International Hospital Limited ('IHL')
	(f) Fortis Health Management Limited ('FHML')
	(g) Hospitalia Eastern Private Limited ('HEPL')
	(h) Escorts Heart and Super Speciality Hospital Limited ('EHSSHL')
	(i) DDRC Agilus Pathlabs Limited ('DDRC')
	(j) Agilus Pathlabs Private Limited ('APPL')
Joint Ventures	(a) Fortis C-Doc Healthcare Limited ('C-Doc')
	(b) Fortis Cauvery, Partnership Firm
Key Managerial Personnel ('KMP') / Directors	(a) Dr. Narayani Shivkumar - Whole time Director
	(b) Mr. Ravi Rajagopal-Independent Director (ceased w.e.f. September 30, 2024)
	(c) Ms. Richa Singh Debgupta, Non-Independent Director
	(d) Mr. Anil Vinayak, Non-Independent Director
	(e) Ms. Shailaja Chandra-Additional Director (w.e.f. October 01, 2024 till June 27, 2025)
	(f) Ms. Srishty, Company Secretary (w.e.f. May 17, 2024 & ceased w.e.f. August 08, 2024)
	(g) Ms. Vinti Verma, Company Secretary (w.e.f. September 04, 2024)
	(h) Mr. Pradeep Kumar Malhotra, Chief Financial Officer
Enterprises owned or significantly controlled / influenced by subsidiary of holding/ultimate holding company/ enterprise having significant influence over ultimate holding company (with whom transactions have taken place)	Acibadem Teknoloji A.S.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Transactions taken place during the year and previous year are:

Particulars	(Rupees in lacs)	
	Year ended	Year ended
	March 31, 2026	March 31, 2025 (Restated)
Operating income (including income from medical services, management fees from hospitals and rental)		
Agilus Diagnostics Limited	29.30	29.27
Fortis Health Management Limited	-	10.79
Hospitalia Eastern Private Limited	20.98	-
Expense incurred by the Company on behalf of		
International Hospital Limited	11.83	24.32
Fortis Health Management Limited	19.65	22.20
Fortis Healthcare Limited	26.18	-
Hospitalia Eastern Private Limited	1.47	-
Expense incurred on behalf of the Company by		
Escorts Heart Institute and Research Centre Limited	-	1.15
International Hospital Limited	518.28	544.02
Escorts Heart and Super Speciality Hospital Limited	534.81	513.98
Fortis Health Management Limited	-	0.76
Hospitalia Eastern Private Limited	0.10	-
Fortis Hospotel Limited	57.42	-
Fortis Healthcare Limited	0.82	-
Interest income on loans from		
Fortis C-Doc Healthcare Limited	67.72	32.47
Interest expense on loan taken from		
Fortis Healthcare Limited	-	276.46
Agilus Diagnostics Limited	40.06	-
DDRC Agilus Pathlabs Limited	336.05	-
Agilus Pathlabs Private Limited	10.08	-
Hiranandani Healthcare Private Limited	14.14	-
Loans repaid		
Fortis Healthcare Limited	-	4,607.27
Loans taken		
Agilus Diagnostics Limited	3,500.00	-
DDRC Agilus Pathlabs Limited	18,000.00	-
Agilus Pathlabs Private Limited	500.00	-
Hiranandani Healthcare Private Limited	1,700.00	-
Dividend Income		

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(Rupees in lacs)		
Particulars	Year ended	Year ended
	March 31, 2026	March 31, 2025 (Restated)
Fortis Malar Hospitals Limited	-	4,994.77
Brand Fee		
Fortis Healthcare Limited	317.80	-
Consultation fees to doctors		
Fortis Hospotel Limited	9.24	104.20
Pathology laboratory expenses		
Agilus Diagnostics Limited	3,802.32	3,671.51
Escorts Heart Institute and Research Centre Limited	-	1.97
Intangible assets acquired		
Acibadem Teknoloji A.S.	-	214.74
Hospital service fee expense*		
Escorts Heart and Super Speciality Hospital Limited	7,029.65	6,522.84
International Hospital Limited	8,090.47	7,736.26
* Includes lease payment of Rupees 8,652.55 (previous year Rupees 8,400.54)		
Hospital services given to group employees of		
International Hospital Limited	4.41	15.65
Escorts Heart Institute and Research Centre Limited	11.54	7.19
Fortis Hospotel Limited	0.89	3.31
Hospitalia Eastern Private Limited	2.03	-
Hospital services taken for employees from		
Escorts Heart Institute and Research Centre Limited	15.59	3.08
Fortis Health Management Limited	3.82	0.13
Fortis Healthcare Limited	3.27	0.94
International Hospital Limited	8.82	15.96
Hospitalia Eastern Private Limited	1.19	-
Agilus Diagnostics Limited	8.85	-
Transfer of medical consumables from		
Escorts Heart Institute and Research Centre Limited	2.50	0.01
Fortis Healthcare Limited	6.11	5.42
Fortis Health Management Limited	-	0.41
Transfer of medical consumables to		
Agilus Diagnostics Limited	-	4.30
International Hospital Limited	-	139.09

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Particulars	(Rupees in lacs)	
	Year ended March 31, 2026	Year ended March 31, 2025 (Restated)
Fortis Healthcare Limited	-	2.61
Fortis Health Management Limited	-	0.75
Escorts Heart Institute and Research Centre Limited	-	2.07
Directors Sitting Fee		
Mr. Ravi Rajagopal	-	0.47
Ms. Shailaja Chandra	0.20	0.35
Transfer of employee liability from		
Fortis Healthcare Limited	1.44	12.08
Fortis Health Management Limited	31.34	0.36
Fortis Malar Hospitals Limited	-	3.23
Hospitalia Eastern Private Limited	0.98	1.43
International Hospital Limited	17.45	11.88
Escorts Heart Institute and Research Centre Limited	1.35	-
Transfer of employee liability to		
Fortis Healthcare Limited	0.82	0.49
International Hospital Limited	33.10	1.78
Escorts Heart Institute and Research Centre Limited	-	10.70
Fortis Health Management Limited	1.35	-
Fortis Hospotel Limited	0.57	0.66
Hospitalia Eastern Private Limited	1.40	5.00
Escorts Heart and Super Speciality Hospital Limited	0.30	-
Sale of Property, Plant and Equipment		
Fortis Healthcare Limited	-	9.23
Radiology Expenses		
International Hospital Limited	126.81	-
Rent Expenses		
International Hospital Limited	1.05	-
Advance for research		
Fortis Healthcare Research Foundation	8.87	-
Collection on behalf of the Company by		
Escorts Heart Institute and Research Centre Limited	0.78	0.48
Fortis Healthcare Limited	2.27	1.08
Fortis Health Management Limited	14.55	29.08
International Hospital Limited	77.52	56.58

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(Rupees in lacs)		
Particulars	Year ended	Year ended
	March 31, 2026	March 31, 2025 (Restated)
Collection by the Company on behalf of		
International Hospital Limited	65.88	61.16
Fortis Health Management Limited	173.77	194.98
Escorts Heart Institute and Research Centre Limited	0.97	-
Impairment of investment in subsidiary		
Stellant Capital Advisory Services Private Limited	252.41	241.06
Reversal of impairment of investment in subsidiary		
Escorts Heart Institute and Research Centre Limited	5,669.00	-
Allowance for Interest accrued on loans recoverable (reversed)		
Fortis C-Doc Healthcare Limited	-	88.33

(Rupees in lacs)		
Balance outstanding at the year end	As at	As at
	March 31, 2026	March 31, 2025 (Restated)
Investment in equity shares		
Stellant Capital Advisory Services Private Limited	10,047.75	10,047.75
Fortis Global Healthcare (Mauritius) Limited	2,946.71	2,946.71
Fortis Malar Hospitals Limited	0.01	0.01
Fortis C-Doc Healthcare Limited	622.85	622.85
Investment in preference shares		
Escorts Heart Institute and Research Centre Limited	35,669.00	35,669.00
Fortis C-Doc Healthcare Limited	1,300.00	1,300.00
Provision against investment in equity shares & preference shares		
Stellant Capital Advisory Services Private Limited	7,244.34	6,991.93
Fortis Global Healthcare (Mauritius) Limited	2,946.71	2,946.71
Escorts Heart Institute and Research Centre Limited	-	5,669.00
Fortis C-Doc Healthcare Limited	1,922.85	1,922.85
Borrowings		
Agilus Diagnostics Limited	3,500.00	-
DDRC Agilus Pathlabs Limited	18,000.00	-
Agilus Pathlabs Private Limited	500.00	-
Hiranandani Healthcare Private Limited	1,700.00	-
Interest Accrued		
Agilus Diagnostics Limited	33.67	-
DDRC Agilus Pathlabs Limited	277.80	-
Agilus Pathlabs Private Limited	7.93	-

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Balance outstanding at the year end	(Rupees in lacs)	
	As at	As at
	March 31, 2026	March 31, 2025 (Restated)
Hiranandani Healthcare Private Limited	12.33	-
Trade receivables		
Fortis Health Management Limited	5.53	3.48
Escorts Heart Institute and Research Centre Limited	194.76	217.07
International Hospital Limited	273.07	3.43
Fortis Cauvery	13.25	13.25
Fortis Healthcare Limited	-	17.02
Hospitalia Eastern Private Limited	101.45	111.61
Fortis Hospotel Limited	62.97	4.83
Hiranandani Healthcare Private Limited	2.54	-
Trade payables		
Agilus Diagnostics Limited	989.93	807.42
Fortis Healthcare Limited	330.52	116.38
Escorts Heart and Super Speciality Hospital Limited	14,895.60	10,728.86
International Hospital Limited	2,709.32	4,529.53
Hiranandani Healthcare Private Limited	-	5.18
Hospitalia Eastern Private Limited	5.90	31.91
Fortis Hospotel Limited	94.65	-
Other financial liabilities		
Amount payable to		
International Hospital Limited	2,563.83	35,466.42
Fortis Hospotel Limited	214.41	38,209.46
Capital Creditors		
Acibadem Teknoloji A.S	40.06	40.06
Other receivables		
Hospitalia Eastern Private Limited	102.06	102.06
Fortis Healthcare Research Foundation	8.87	-
Provision for doubtful receivable		
Fortis Cauvery	13.25	13.25
Technology renewal fund payable		
International Hospital Limited	581.25	506.25
Escorts Heart and Super Speciality Hospital Limited	150.86	133.86

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Notes:

- 1) All transactions with these related parties are priced on an arm's length basis and are to be settled in cash with in credit period from the reporting date. None of the balances are secured.
- 2) As per the HMSA arrangement with the clinical establishment companies, the Company pays Hospital service fee consideration to the clinical establishment companies, as an when due. As per terms of the HMSA, in the event of any delay in payment of the Service Fee, an interest at a rate of State Bank of India base rate plus 2% per annum (on a compounded monthly basis) shall be payable by Company to clinical establishment companies. The Company and clinical establishment companies have agreed that no interest would be charged/demanded for the delay in the payments on amounts under HMSA for the financial year 2024-25 and 2025-26. Consequently, the Company has not recognised interest liability on the delayed payment of the service fees/technology renewal fund during the year ended March 31, 2025 and March 31, 2026.

7. Leases

As a lessee

- (i) The Company leases various assets including land & buildings and medical equipment. Information about leases for which the Company is a lessee is presented below:

(Rupees in lacs)

Right-of-use assets	Land & Buildings	Medical equipment	Total
Gross Block			
As at April 01, 2024 (Restated, refer note 22 and 23)	49,725.18	142.71	49,867.89
Additions	-	1,108.26	1,108.26
Deletion	2,433.91	-	2,433.91
As at March 31, 2025 (Restated, refer note 22 and 23)	47,291.27	1,250.97	48,542.24
Additions	914.87	-	914.87
Deletion	-	-	-
As at March 31, 2026	48,206.14	1,250.97	49,457.11
Accumulated amortization and impairment			
As at April 01, 2024 (Restated, refer note 22 and 23)	35,024.12	141.83	35,165.95
Charge during the year	3,863.07	111.73	3,974.80
Deletion	659.51	-	659.51
As at March 31, 2025 (Restated, refer note 22 and 23)	38,227.68	253.56	38,481.24
Charge during the year	3,730.01	166.04	3,896.05
Deletion	-	-	-
As at March 31, 2026	41,957.69	419.60	42,377.29
Carrying value as at March 31, 2025 (Restated, refer note 22 and 23)	9,063.59	997.41	10,061.00
Carrying value as at March 31, 2026	6,248.45	831.37	7079.82

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Lease liabilities	(Rupees in lacs)	
	As at March 31, 2026	As at March 31, 2025 (Restated)
Maturity analysis - contractual undiscounted cash flows		
Less than one year	9,938.68	9,475.27
One to five years	4,864.84	13,770.52
More than five years	-	129.82
Total undiscounted lease liabilities	14,803.52	23,375.61

	(Rupees in lacs)	
Lease Liabilities included in the Balance Sheet	As at March 31, 2026	As at March 31, 2025 (Restated)
Current	8,894.01	7,585.76
Non-current	4,452.55	12,559.31

	(Rupees in lacs)	
Amounts recognised in Statement of Profit and Loss	Year ended March 31, 2026	Year ended March 31, 2025 (Restated)
Interest on lease liabilities	1,968.40	2,848.22
Variable lease payment not included in the measurement of lease liabilities	6,467.57	5,858.56
Short-term leases	2,354.74	2,245.96

	(Rupees in lacs)	
Amounts recognised in Statement of Cash Flows	Year ended March 31, 2026	Year ended March 31, 2025 (Restated)
Cash outflow for interest expenses on lease liabilities	1,968.40	2,848.22
Cash outflow for lease liabilities paid	7,713.37	6,795.66

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 were as follows:

	(Rupees in lacs)	
Variable Lease payment	Year ended March 31, 2026	Year ended March 31, 2025 (Restated)
Lease with lease payment based on sales	6,467.57	5,858.56
Estimated annual impact on rent of a 1% increase in sales	64.67	58.59

(ii) As a lessor

a. Assets given on operating lease

The Company has sub- leased some portion of hospital premises carrying value of which included in leasehold land (refer note above) & freehold land/buildings (refer note 5 (i)(a)). In all the cases, the agreements are further renewable at the option of the Company. The total lease payment received/receivable in respect of the above leases recognised in statement of profit and loss for the year are Rupees 142.95 lacs (March 31, 2025: Rupees 240.99 lacs).

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

8) Borrowings

(i) Secured Loans

Non-current borrowings

(Rupees in lacs)

Particulars	As at March 31, 2026		As at March 31, 2025 (Restated)	
	Non-Current	Current Maturities	Non-Current	Current Maturities
Term loan from Banks	4,734.02	-	9,452.12	1,516.25
Vehicle Loans	29.75	19.92	40.32	24.18
Total	4,763.77	19.92	9,492.44	1,540.43

Current borrowings:

(Rupees in lacs)

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated)
Bank overdraft	-	1,589.42
Working capital demand loan	-	42.95
Total	-	1,632.37

Bank	March 31, 2026	March 31, 2025	Security	Payment terms
Term Loan:				
The Hongkong and Shanghai Banking Corporation Limited("HSBC") (capex loan)	-	355.07	The credit facility was secured against the exclusive charge cumulatively on certain immovable fixed assets of (IHL) (Noida and Faridabad), (FHTL) (Gurugram), and (HEPL) (Mall Road, Ludhiana) with minimum assets cover of 1.25x. During the current year, the facility has become unsecured.	Repayable in equal quarterly installments starting from September, 2025 till June, 2029
Axis Bank (Term loan)	4,734.02	5,359.95	ECLGS Term Loan facility from Axis Bank Limited secured by second pari-passu charge over all the existing and future current assets of the Company and second pari-passu charge over movable fixed assets of the Company both present and future, excluding vehicles and medical equipment exclusively financed by other lenders.	Repayable in equal monthly repayments starting from October 2025 till September 2028. Next monthly installment is due in April 2027
ICICI Bank (Term Loan)	-	5,253.35	The credit facility was secured against the first pari-passu charge on all moveable fixed and current assets of Company and exclusive charge on immovable fixed assets of the Company (Ludhiana	Repayable in structured quarterly instalments starting from September, 2025 till June 2029 During the current year, the credit facility has been fully prepaid.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Bank	March 31, 2026	March 31, 2025	Security	Payment terms
Term Loan:				
			hospital, Chandigarh Road, - Land & Building).	
Total (A)	4,734.02	10,968.37		
Vehicle Loan:				
ICICI Bank	49.67	64.50	Secured against hypothecation of the vehicle financed	Repayable in equated monthly instalments over 4 years.
Total (B)	49.67	64.50		
Grand Total (A+B)	4,783.69	11,032.87		

Bank	March 31, 2026	March 31, 2025	Security	Payment terms
Bank Overdraft:#				
HSBC Bank	-	1,589.42	The credit facility was secured against the first pari-passu over moveable fixed assets of the Company both present and future except the machinery, vehicles specifically financed by other bank / Financial institutions and first pari-passu charge on current assets of the Company both present and future.	Repayable on demand
Total	-	1,589.42		
Overdraft / Working Capital Demand Loan #				
ICICI Bank	-	42.95	The credit facility was secured against the first pari-passu over moveable fixed assets of the Company both present and future except the machinery, vehicles specifically financed by other bank / Financial institutions and first pari-passu charge on current assets of the Company both present and future.	Repayable on demand
Total	-	42.95		

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

The Company has filed necessary statements with banks or financial institutions which are in agreement with the books of accounts.

Notes:

- Term Loans carry an interest rate from 7.00% p.a. to 7.60% p.a. (previous year 8.60% p.a. to 8.90%)
- Vehicle Loans carry an interest rate from 7.80% p.a. to 9.10% p.a. (previous year 7.50% p.a. to 9.10%)
- Overdraft / Working Capital Demand Loans carry an interest rate from 8.40% p.a. to 9.40% in the previous year.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

ii. Unsecured Loans

Non-current borrowings

Particulars	Note	(Rupees in lacs)			
		As at March 31, 2026		As at March 31, 2025 (Restated)	
		Non-Current	Current Maturities	Non-Current	Current Maturities
Term loan from Banks	(a)	34,552.52	6,910.20	-	-
Loan from Subsidiaries Companies	(b)	23,700.00	-	-	-
Total		58,252.52	6,910.20	-	-

(a) Terms of unsecured non-current borrowings are as below:

Bank	March 31, 2026	March 31, 2025	Payment terms
HSBC (Capex loan)	2,426.67	-	Repayable in structured quarterly instalments from September 2025 till June 2029. Next installment due in June 2026.
HSBC (Term Loan)	39,036.05	-	Repayable in quarterly installment from September 2026 till March 2031
Total (A)	41,462.72	-	

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

Notes:

- Term Loan carry an interest rate from 7.00% p.a. to 7.60% p.a. (previous year 8.60% p.a. to 8.90%)
- Vehicle Loan carry an interest rate from 7.80% p.a. to 9.10% p.a. (previous year 7.50% p.a. to 9.10%)
- Overdraft / Working Capital Demand Loan carry an interest rate from 8.40% p.a. to 9.40% in the previous year

(b) Loan from Subsidiaries Companies

- i. During the year, the Company has availed unsecured loan form its fellow subsidiary company, Agilus Diagnostics Limited of Rupees 3,500.00 lacs with rate of interest of 7.15% p.a. which is repayable on or before December 23, 2030. Interest is payable on quarterly basis.
- ii. During the year, the Company has availed unsecured loan form its fellow subsidiary company, DDRC Agilus Pathlabs Limited of Rupees 18,000.00 lacs with rate of interest of 7.15% p.a. which is repayable on or before December 18, 2030. Interest is payable on quarterly basis.
- iii. During the year, the Company has availed unsecured loan form its fellow subsidiary company, Agilus Pathlabs Private Limited of Rupees 500.00 lacs with rate of interest of 7.15% p.a. which is repayable on or before December 19, 2030. Interest is payable on quarterly basis.
- iv. During the year, the Company has availed unsecured loan form its fellow subsidiary company, Hiranandani Healthcare Private Limited of Rupees 1,700.00 lacs with rate of interest of 7.15% p.a. which is repayable on or before December 22, 2030. Interest is payable on quarterly basis.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

9) Commitments:

Particulars	(Rupees in lacs)	
	As at March 31, 2026	As at March 31, 2025 (Restated)
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Property, plant and equipment [net of capital advances as at March 31, 2026 of Rupees. 25.40 lacs (as at March 31, 2025 Rupees 28.01 lacs)].	1,623.90	1,147.52
- Intangible assets	36.77	38.42

- (a) For commitments related to lease arrangements, refer note 7.
- (b) The Company 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 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.
- (c) There were no amounts which were required to be transferred to 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 and International Hospital Limited 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.

11 a) Contingent liabilities to the extent not provided for:

- A. Claims against the Company, disputed by the Company, not acknowledged as debt [In addition, refer claims assessed as contingent liability described in Note 11(b) below. Also refer note 20 and 21]

Particulars	(Rupees in lacs)	
	As at March 31, 2026*	As at March 31, 2025* (Restated)
Income tax	44,779.70	22,442.24
Medical related	5,663.96	5,415.01
Value added tax and sales tax related matters	502.00	502.00
Land and property related matters	35.59	35.59
Luxury tax	316.34	398.51
Others	1,118.62	1,119.15
Grand Total	52,416.21	29,912.50

*Reflect litigation existing as at balance sheet date.

On February 28, 2019, a judgment of the Supreme Court of India interpreting certain statutory defined contribution obligations of employees and employers (the "India Defined Contribution Obligation") altered historical understandings of such obligations, extending them to cover additional portions of the employee's income to measure obligations under employees Provident Fund Act, 1952. There are numerous interpretative issues relating to this judgement as to how the liability should be calculated, including the period of assessment, the application with respect to certain current and former employees and whether interest and penalties may be assessed. As such, the Company has been legally advised not to consider that there is any probable obligations for periods prior to date of aforesaid judgment.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

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. The company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

11 b) Claims assessed as contingent liabilities and not provided for, unless otherwise stated:

Civil Suit filed by a Party ("Plaintiff") before the District Court, Delhi in February 2018 against various entities including the Holding Company (together "the defendants") has been dismissed due to non-prosecution on 24 November 2023. It was filed against the Holding Company/ its diagnostic subsidiary & other entities seeking declaration that it has implied ownership of brands "Fortis", "SRL" and "La-Femme" and for restraining the defendants from alienating, encumbering, taking adverse action w.r.t. the same. Further, in the year 2018, the Holding Company had received four notices from the abovenamed Plaintiff claiming (i) Rupees 1,800.00 Lacs as per notices dated May 30, 2018 and June 1, 2018 (ii) Rupees 21,582.00 Lacs as per notice dated June 4, 2018; and (iii) Rupees 1,962 Lacs as per notice dated June 4, 2018. All these notices were responded to by the Company denying any liability whatsoever. The Learned District Court had passed an ex-parte order that any transaction done in favour of a third- party affecting interest of the Plaintiff shall be subject to orders passed in the civil suit. With the dismissal of the suit, the ex-parte order stands vacated.

It is relevant to mention that in an auction held on December 21, 2024 by the Auctioneer appointed by Hon'ble Delhi High Court, Holding Company was declared as the successful bidder at a bid price of INR 200 Crores which has been paid. The Learned Joint Registrar- Delhi High Court vide order dated April 21, 2025 has issued a "Certificate of Sale" in favour of Holding Company declaring it as the owner of the 'Fortis' brand and trademarks with all the attendant rights and liabilities thereof.

A Third Party who had applied for being substituted in place of the Plaintiff, had approached the Hon'ble Delhi High Court for seeking certain interim reliefs against the Holding Company under the provisions of The Arbitration and Conciliation Act, 1996 and had also filed a claim for damages and injunctive reliefs against the Holding Company before International Chamber of Commerce (ICC). The Holding Company had 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 were withdrawn by Third Party on February 24, 2020. Further, arbitration before ICC had also been withdrawn by Third Party on February 23, 2020 and the same was closed by ICC on February 28, 2020. The Holding Company filed an application for perjury against the Third Party and other entities which is pending before the Delhi High Court. During the year ended March 31, 2022, signatories of Third Party to the Term Sheet dated December 6, 2017 ('Term Sheet') had also filed a duly affirmed affidavit before Delhi High Court stating that Term Sheet was neither signed on behalf of the Holding Company before them nor did it ever come in force.

During the year ended March 31, 2022, another Party, claiming to be an assignee of the above named Third Party filed a case against 28 named defendants, including the Holding Company and its ultimate parent Company IHH, and 21 non-party defendants, including the Company in the United States District Court, District of New Jersey, USA. Notice of the case was never served on the Holding Company under the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters. In December 2021, a notice of this case was served to IHH which was subsequently disclosed by it to Bursa Stock Exchange, Malaysia. Company learnt that the case had been filed for alleged violation of, inter-alia, the U.S. Racketeer, Influenced and Corrupt Organizations Act, copyright infringement, tortious interference with contracts, etc. and Party had claimed damages in excess of USD 6.5 billion against all the defendants. Company also made disclosure about this case to stock exchange. Vide order dated September 7, 2022, case has been dismissed by United States District Court, New Jersey on grounds of forum non convenience. During the year ended March 31, 2023 another Party, claiming to be an assignee of the Third Party initiated arbitration proceedings wherein an ex-parte Interim Award was passed which was subsequently terminated by the Learned Arbitrator. Neither any notice nor any statement of claim has been received by the Holding Company or the Company of the arbitration proceedings. Company will seek legal advice and pray for dismissal of this arbitration proceedings, as and when served. The Holding Company filed a Civil Suit against the said third party and others inter alia challenging their locus and seeking permanent injunction against their actions, before the Hon'ble High Court of Delhi. Vide order dated December 19, 2025 Hon'ble High Court of Delhi has passed a decree of permanent injunction against the defendants as prayed for by the Holding Company and disposed of the Civil Suit

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

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

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

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

12. Employee Benefits Plan:

Defined Contribution Plan

The Company's contribution towards its Provident Fund Scheme and Employee State Insurance Scheme are defined contribution retirement plans for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited with regional Provident Fund Commissioner which is recognised by the Income Tax authorities.

The Company has recognised Rupees 653.40 lacs (previous year Rupees 634.66 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

Gratuity

The Company has a defined benefit gratuity plan, as per which every employee who has completed five years or more of service gets a gratuity on departure at 15 days wages for each completed year of service. Vesting occurs upon completion of 5 years of service for regular employees and 1 year for fixed term employees.

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.

Expense recognised in Statement of Profit and Loss is as follows: (Rupees in lacs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025 (Restated)
	Gratuity (Unfunded)	Gratuity (Unfunded)
Employee benefits expense / Exceptional item		
Current service cost	243.84	204.16
Net interest cost	104.05	86.46
Past service cost	384.67	-
Total amount recognised in the statement of profit and loss	732.56	290.62

(Rupees in lacs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025 (Restated)
	Gratuity (Unfunded)	Gratuity (Unfunded)
Net actuarial loss/(gain) due to experience adjustment	(56.74)	39.14
Return on plan assets (greater)/less than discount rate	-	-
Actuarial loss recognized in OCI	(56.74)	39.14

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Balance sheet

Particulars	(Rupees in lacs)	
	As at March 31, 2026	As at March 31, 2025 (Restated)
	Gratuity (Unfunded)	Gratuity (Unfunded)
Details of provision for gratuity as at year-end		
Present value of defined benefit obligation	(2,020.98)	(1,491.28)
Net asset/ (liability)	(2,020.98)	(1,491.28)
Non-current	(1,852.55)	(1390.12)
Current	(168.43)	(101.16)

Changes in present value of the defined benefit obligation are as follows:

Particulars	(Rupees in lacs)	
	As at March 31, 2026	As at March 31, 2025 (Restated)
	Gratuity (Unfunded)	Gratuity (Unfunded)
Present value of obligation at the beginning	1,491.28	1,284.62
Current service cost	243.84	204.16
Interest cost	104.05	86.46
Past service cost	384.67	-
Amount recognised during the year to other comprehensive income	(56.74)	39.14
Benefits paid	(147.20)	(101.79)
Liability assumed/ deleted on transfer of employees	1.08	(21.31)
Present value of obligation at the end	2,020.98	1,491.28

The Principal assumptions used in determining gratuity and compensated absences obligation for the Company's plan is shown below:

- (i) In case of following locations (Bannerghatta Road and Cunningham Road):

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated)
	(Unfunded)	(Unfunded)
Rate for discounting liabilities (p.a)	6.75%	6.50%
Expected rate of return on plan assets (p.a)	-	-
Expected rate of salary increase (p.a)	8.00%	8.00%
Mortality table used	Indian Assured Lives	Indian Assured Lives
	Mortality (2006 -08) (modified) Ult.	Mortality (2006 -08) (modified) Ult.
Age up to 30 years	10.00%-30.00%	10.00%-30.00%
Age 31 to 40 years	5.00%-25.00%	5.00%-25.00%
Age 41 to 50 years	3.00%-15.00%	3.00%-15.00%
Age above 50 years	1.00%-10.00%	1.00%-10.00%

- (ii) In case of other locations:

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated)
	(Unfunded)	(Unfunded)
Rate for discounting liabilities (p.a.)	6.75%	6.50%
Expected rate of return on plan assets (p.a.)	-	-
Expected rate of salary increase (p.a.)	7.50%	7.50%
Mortality table used	Indian Assured Lives	Indian Assured Lives
	Mortality (2006 -08) (modified) Ult.	Mortality (2006 -08) (modified) Ult.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Particulars	As at March 31, 2026	As at March 31, 2025 (Restated)
	(Unfunded)	(Unfunded)
Age up to 30 years	18.00%	18.00%
Age 31 to 44 years	6.00%	6.00%
Age above 44 years	2.00%	2.00%

Notes:

- a) The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- b) Significant actuarial assumption for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rate. The sensitivity analyses below have been determined by the actuary based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

(Rupees in lacs)

Particulars	Year ended March 31, 2026		Year ended March 31, 2025 (Restated)	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 0.50%	(88.19)	95.13	(67.72)	73.11
Change in salary escalation rate by 1%	194.18	(170.19)	148.90	(130.33)
Change in withdrawal rate by 5%	(79.88)	89.14	(72.29)	80.39

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

- c) **Expected benefit payments for the future**

(Rupees in lacs)

Year ended March 31, 2027	Year ended March 31, 2028	Year ended March 31, 2029	Year ended March 31, 2030	Year ended March 31, 2031	Year ended March 31, 2032 to year ended March 31, 2036
173.54	157.00	211.36	224.31	251.59	1,614.80

- d) Weighted average duration of defined benefit obligation is 9 Years (Previous year: 9 Years)

13. Financial Instruments

i) Capital Management

For the purpose of Company's capital management, capital (total equity) includes issued equity capital, convertible preference shares, securities premium and all other equity reserves attributable to equity holders of the Company. 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(xvii),5(xviii) and 7 offset by cash and cash equivalent) 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. Amongst other things, the company's objective for capital management is to ensure that it maintains stable capital management by monitoring the financial covenants attached to the interest-bearing loans and borrowings. The gearing ratio is as follows:

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Gearing ratio

Particulars	(Rupees in lacs)	
	As at March 31, 2026	As at March 31, 2025 (Restated)
Debt*	83,675.37	32,821.57
Less: Cash and cash equivalents [refer note 5(xiii)]	(3,428.12)	(195.05)
Net debt	80,247.25	32,626.52
Total equity	15,098.07	(2,100.97)
Net debt to equity ratio#	531.51%	(1,552.93)%

* Debt is defined as long-term and short-term borrowings (including interest accrued, lease liability).

Net debt to equity ratio in the previous year is negative due to accumulated losses pertaining to previous years. The Company is generating positive operating cash flows and profits for the last three years and has strong future cash flow projections to fund its operations. Basis generation of profits, total equity is now positive. The lease liabilities are majorly with related parties which will be paid in due course of time. Also, the Company has continued financial and operational support from its Holding Company.

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 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. During the current year, the Company has limited exposure towards foreign currency risk. It earns approx. 10% of its revenue in foreign currency from international patients. Also, capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. However, the exposure towards foreign currency fluctuation is partly hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

Market Risk

The Company's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates.

a) Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars	Currency	(Rupees in lacs)			
		As at March 31, 2026		As at March 31, 2025 (Restated)	
		Foreign Currency in lacs	Equivalent Rupees in lacs	Foreign Currency in lacs	Equivalent Rupees in lacs
Import trade payables including capital creditors	USD	1.19	112.07	0.06	5.82
Trade receivables	USD	4.64	437.55	3.09	264.61
Cash in hand	USD	0.08	7.12	0.14	12.04

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

b) Foreign currency sensitivity analysis

The Company is mainly exposed to fluctuations in USD currency.

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupees 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. This analysis assumes that all other variables, in particular interest rate to remain same. A positive number below indicates an increase in profit or equity where the Rupees. strengthens 5% against the relevant currency. For a 5% weakening of the Rupees against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rupees in lacs)		
If increase by 5%	Currency impact USD	
Particulars	As at March 31, 2026	As at March 31, 2025 (Restated)
Impact on profit or loss for the year [(increase)/ decrease]	(16.63)	(13.54)
Impact on total equity as at the end of the reporting period	(12.44)	(10.13)

(Rupees in lacs)		
If decrease by 5%	Currency impact USD	
Particulars	As at March 31, 2026	As at March 31, 2025 (Restated)
Impact on profit or loss for the year [(increase)/ decrease]	16.63	13.54
Impact on total equity as at the end of the reporting period	12.44	10.13

Foreign exchange derivative

The Company uses derivative for hedging financial risks that arise from its commercial business activities. The Company's Corporate Treasury team manages its foreign currency risk by hedging transactions that are expected to occur within 12 months for hedges of significant forecasted purchases and capital expenditures. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. All identified exposures are managed as per the policy duly approved by the Board of Directors.

c) Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows 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 analysis 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.

(Rupees in lacs)		
If increase by 50 basis point	Profit/ (loss)	
Particulars	As at March 31, 2026	As at March 31, 2025 (Restated)
Impact on profit or loss for the year	(58.22)	(63.33)
Impact on total equity as at the end of the reporting period	(43.57)	(47.39)

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(Rupees in lacs)		
If decrease by 50 basis point	Profit/ (loss)	
Particulars	As at March 31, 2026	As at March 31, 2025 (Restated)
Impact on profit or loss for the year	58.22	63.33
Impact on total equity as at the end of the reporting period	43.57	47.39

Other price risks

The Company's investments are in the 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 financial statements for carrying amount and maximum credit risk exposure for trade receivables.

Expected credit loss on financial assets other than trade receivables:

The 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. The Company creates loss allowance wherever there is an indication that credit risk has increased significantly. Other the credit impaired financial assets as mentioned below, based on historical experience, the Company does not expect any significant risk of default.

The Company does not have any significant concentration of exposures to specific markets.

Reconciliation of loss allowance measured at life-time expected credit losses for credit impaired financial assets other than trade receivables:

(Rupees in lacs)		
Particulars of loss allowance	As at March 31, 2026	As at March 31, 2025 (Restated)
Balance at the beginning of the year	45,708.82	45,747.23
Recognition / (Reversal) of loss allowance	35.86	(38.41)
Balance at the end of the year	45,744.68	45,708.82

Cash and cash equivalents and other bank balances

The Company held cash and cash equivalents and other bank balances of Rupees 3,454.45 lacs at March 31, 2026 (March 31, 2025: Rupees 2,192.59 lacs). The cash and cash equivalents and other bank balances are held with bank and financial institution counterparties, which have high credit ratings assigned by credit-rating agencies.

The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note given below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

As at March 31, 2026

Particulars	(Rupees in lacs)	
	Sanctioned limit	Undrawn limit
HSBC Bank (term loan)	43,675.00	964.00
Axis Bank (term loan)	8,300.00	-
HSBC Bank (WCDL/overdraft facility)	8,000.00	8,000.00
Axis Bank (WCDL/overdraft facility)	2,500.00	2,500.00
ICICI Bank (WCDL/overdraft facility)	1,500.00	1,500.00

As at March 31, 2025*(Restated)

Particulars	(Rupees in lacs)	
	Sanctioned limit	Undrawn limit
HSBC Bank (term loan)	6,500.00	2,800.00
Axis Bank (term loan)	8,331.25	-
ICICI Bank (term loan)	13,875.02	-
HSBC Bank (WCDL/overdraft facility)	8,000.00	5,534.08
Axis Bank (WCDL/overdraft facility)	2,500.00	2,499.93
ICICI Bank (WCDL/overdraft facility)	1,500.00	1,435.98

*Including loan transferred/allocated pursuant to composite scheme of arrangement (refer note no. 23).

Liquidity 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	(Rupees in lacs)			
	Within 1 year	> 1 year	Total	Carrying amount
As at March 31, 2026				
Borrowings (including interest)	11,801.75	74,769.01	86,570.76	70,328.80
Lease liabilities	9,938.68	4,864.84	14,803.52	13,346.56
Trade payables	30,689.80	-	30,689.80	30,689.80
Other financial liabilities	6,452.59	-	6,452.59	6,452.59
Total	58,882.82	79,633.85	138,516.67	120,817.75

Particulars	(Rupees in lacs)			
	Within 1 year	> 1 year	Total	Carrying amount
As at March 31, 2025 (Restated refer note 22 and 23)				
Borrowings (including interest)	4,130.13	10,844.53	14,974.66	12,676.50
Lease liabilities	9,475.27	13,900.34	23,375.61	20,145.07
Trade payables	27,117.22	-	27,117.22	27,117.22
Other financial liabilities	78,558.23	-	78,558.23	78,558.23
Total	119,280.85	24,744.87	144,025.72	138,497.02

The Company has availed credit facility from multiple banks, both on secured and unsecured basis that contains a loan covenant. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. Borrowings from HSBC, ICICI and Axis Bank will become repayable on demand if the holding company EBIDTA (on consolidated basis) to loan ratio exceeds 4. Under the agreement, the covenant is monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

14. Fair value measurement

March 31, 2026

(Rupees in lacs)

Particulars	Note	Carrying value*			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Financial assets					
Other financial assets - non-current	(b)	-	778.83	778.83	778.83
Trade receivables – current (net)	(a)	-	16,483.47	16,483.47	16,483.47
Cash and bank balances	(a)	-	3,554.45	3,554.45	3,554.45
Other financial assets – current	(a)	-	890.88	890.88	890.88
Total		-	21,707.63	21,707.63	21,707.63
Financial Liabilities					
Borrowings-Non-current	(c)	-	63,016.29	63,016.29	63,016.29
Lease liabilities -Non-current	(d)	-	4,452.55	4,452.55	4,452.55
Lease liabilities -current	(d)	-	8,894.01	8,894.01	8,894.01
Borrowings – current	(a)	-	6,930.12	6,930.12	6,930.12
Trade payables – current	(a)	-	30,689.80	30,689.80	30,689.80
Other financial liabilities- current	(a) and (c)	-	6,834.98	6,834.98	6,834.98
Total		-	120,817.75	120,817.75	120,817.75

March 31, 2025 (Restated)

(Rupees in lacs)

Particulars	Note	Carrying value*			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Financial assets					
Other financial assets - non-current	(b)	-	761.25	761.25	761.25
Trade receivables – current (net)	(a)	-	14,090.90	14,090.90	14,090.90
Cash and bank balances	(a)	-	2,192.59	2,192.59	2,192.59
Other financial assets – current	(a)	-	744.89	744.89	744.89
Total		-	17,789.63	17,789.63	17,789.63
Financial Liabilities					
Borrowings-Non-current	(c)	-	9,492.44	9,492.44	9,492.44
Lease liabilities -Non-current	(d)	-	12,559.31	12,559.31	12,559.31
Lease liabilities -current	(d)	-	7,585.76	7,585.76	7,585.76
Borrowings – current	(a)	-	3,172.80	3,172.80	3,172.80
Trade payables – current	(a)	-	27,117.22	27,117.22	27,117.22
Other financial liabilities- current	(a) and (c)	-	78,569.49	78,569.49	78,569.49

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

March 31, 2025 (Restated)

(Rupees in lacs)

Particulars	Note	Carrying value*			Fair value
		Fair value through profit and loss (FVTPL)	Amortized cost	Total	
Total		-	138,497.02	138,497.02	138,497.02

The following methods / assumptions were used to estimate the fair values:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short-term maturities of these instruments.
- (b) Fair valuation of non-current financial assets has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value. Further, rate of interest on loans to subsidiaries is reset at regular intervals to reflect the market rate of interest. Accordingly, the carrying value of such loans approximates fair value.
- (c) The Company's borrowings (except vehicle loans, non convertible debentures and loans from holding company and fellow subsidiaries) have been primarily 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) Fair value measurement of lease liabilities is not required to be disclosed.
- (e) The valuation model considered the present value of the expected future payments, discounted using a risk adjusted discount rate.

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, 2026 and March 31, 2025.

*excludes investment in subsidiaries, joint ventures and associate of Rupees 38,472.42 lacs (Previous year Rupees 33,055.83 lacs) which are shown at carrying value (net of impairment) in balance sheet as per Ind AS 27 "Separate Financial Statements".

Financial Instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

15. Earnings per share

Particulars	Unit	For the year ended March 31, 2026	For the year ended March 31, 2025 (Restated)
Profit as per statement of profit and loss	Rupees in lacs	17,156.58	12,951.25
Earning used in calculation of basic earnings per share	Rupees in lacs	17,156.58	12,951.25
Weighted average number of equity shares in calculating Basic EPS	Numbers	79,987,576	79,987,576
Weighted average number of equity shares in calculating Diluted EPS	Numbers	79,987,576	79,987,576
Basic earnings per share	Rupees	21.45	16.19
Diluted earnings per share	Rupees	21.45	16.19

16. 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

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basis of information available with the Company:

Particulars	(Rupees in lacs)	
	March 31, 2026	March 31, 2025 (Restated)
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*	1,248.73	1,714.72
-Interest due on above	-	13.97
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	851.00	4,384.66
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	13.97	13.97
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

*Including payable to micro enterprises and small enterprises of Rupees 47.33 Lacs (Rupees 219.88 Lacs) included in other financial liabilities [refer note 5(xviii)]

17. Exceptional Items

- (a) The Company entered into Business Transfer Arrangement (BTA) with Vikram Aura Private Limited (VAPL) on December 12, 2024. Pursuant to the BTA, the entire business operations of the Richmond Road hospital have been transferred to VAPL as a going concern on a slump sale basis for a purchase consideration of Rupees 2,275.31 lacs. The Company has recognized a gain on divestment of business operations of Richmond Road Hospital amounting to Rupees 2,350.45 lacs. The gain includes de-recognition of right of use asset and lease liability outstanding in books for the underlying building of Rupees 1,135.97 lacs.

Following assets and liabilities were transferred as part of the transaction:

Particulars	(Rupees in lacs)
	As at December 12, 2024 (Amount as on disposal date)
Assets:	
Non-current assets:	
Property, plant and equipment	1,004.66
Capital work in progress	2.45
Right-of-use assets	1,680.94
Total (A)	2,688.05
Current assets:	
Inventory	76.60
Trade receivables	142.42
Cash and cash equivalents	11.45
Other financial assets	58.63

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Other current assets	88.94
Total (B)	378.04
Total assets (C = A + B)	3,066.09
Liabilities:	
Current liabilities	
Trade payables	231.19
Lease liabilities	2,816.91
Other financial liabilities	21.78
Provisions	61.40
Other current liabilities	9.95
Total liabilities (D)	3,141.23
Net assets transferred (E = C - D)	(75.14)
Consideration received (F)	2,275.31
Gain on slump sale transaction (G = E -F)	2,350.45

Further, during the year, loss amounting to Rupees 8.12 lacs has been recognised on account of final working capital adjustments.

- (b) In earlier years loan of Rupees. 1,300.00 lacs had been converted in 0.01% optionally redeemable convertible preference share. As at April 01, 2024, interest accrued of Rupees 88.33 lacs was outstanding. During the previous year, the Company had recovered Rupees 88.33 lacs towards accrued interest from Fortis C-Doc Healthcare Limited and accordingly the provision in relation to the outstanding interest had been reversed.
- (c) The Company has an investment aggregating to Rupees 10,047.75 lacs in Stellant Capital Advisory Services Private Limited, which is a wholly owned subsidiary. In the financial year ended March 31, 2019, and subsequent years, the Management based on its impairment test on investment had made a provision on the investment held as the subsidiary's net assets realizable value is lesser than the investment. Considering the recoverability of the investment, the Company had recorded an impairment loss of Rupees 6,750.87 lacs in the earlier years. As at March 31, 2025, the carrying amount of investment was Rupees 3,055.82 lacs (As at March 31, 2024 - Rupees 3,296.88 lacs).

During the current year, the Company has recorded a further impairment loss of Rupees 252.41 lacs (Previous year of Rupees 241.06 lacs) on account of decline in net assets realizable value.

- (d) Effective November 21, 2025, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes'. Under Ind AS 19, changes to employee benefit plans arising from legislative amendments constitute a plan amendment, requiring recognition of past service cost immediately in the statement of profit and loss.

The New Labour Codes have resulted in one time increase in provision for employee benefit of the Company. The estimated incremental impact of the same amounting to Rupees 517.11 lacs has been recognised and presented as 'One time impact of new Labour Codes' under 'Exceptional Item' for the year ended March 31, 2026. The Company continues to monitor for any clarifications from the Government on other aspects of the New Labour Codes and would provide appropriate accounting effect in the relevant period on the basis of such developments as needed.

- (e) The Company has an investment aggregating to Rupees 35,669.00 lacs in Escorts Heart Institute and Research Centre Limited. In the earlier years the Management based on its impairment test on investment had made a provision on the investment held as the subsidiary's equity value is lesser than the investment. Considering the recoverability of the investment, the Company had recorded an impairment loss of Rupees 5,669.00 lacs in earlier years. As at March 31, 2025, the carrying amount of investment was Rupees 30,000.00

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During the current year, the Company has reversed impairment loss of Rupees 5,669.00 lacs (Previous year - Nil) on account of increase in its equity value based on value-in-use calculations which use 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.

Particulars	March 31, 2026 (p.a.)
Discount rate (post tax)	11.82 %
Terminal value growth rate	4.00 %
Compound average net sales growth rate	6.79 %

The discount rate is a post-tax measure estimated based on the historical industry's average weighted-average cost of capital.

Management believes that any reasonable possible change in any of these assumption would not impact reversal of impairment loss.

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

Sales by market- Revenue from external customers by location of customers

The following table shows the distribution of the Company's revenues by geographical market:

Particulars	(Rupees in lacs)	
	Year ended March 31, 2026	Year ended March 31, 2025 (Restated refer note 22 and 23)
India	135,912.03	128,246.85
Outside India	-	-
Total	135,912.03	128,246.85

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	(Rupees in lacs)	
	As at March 31, 2026	As at March 31, 2025 (Restated refer note 22 and 23)
India	80,761.28	79,989.23
Outside India	-	-
Total	80,761.28	79,989.23

19. 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 past three years towards Corporate Social Responsibility (CSR). In the absence of average net profit calculated under section 198 of the Companies Act, 2013 during the immediately preceding three years there is no obligation to spend on CSR activities under section 135 of Companies Act, 2013. The calculation of CSR obligations and expenditures under section 135 of the Companies Act, 2013 read with rule issued thereafter for the previous year, have been determined based on the audited financial statements of the Company for the relevant past periods, as had been approved by board and shareholders of the company.

20. Investigation initiated by the erstwhile Audit and Risk Management Committee of the Holding Company:

A. Background

- (i) As disclosed in the financial statements for the years ended March 31, 2018, March 31, 2019 and March 31, 2020, during the year ended March 31 2018, there were reports in the media and enquiries from, inter alia, the stock exchanges received by the Company about certain inter- corporate loans given by a wholly owned subsidiary of the Company. The erstwhile Audit and Risk Management Committee of the Company decided to carry out an independent investigation through an external legal firm on this matter. The terms of reference of the investigation, *inter alia*, comprised: (i) ICDs amounting to a total of Rupees 49,414.00 lacs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 1, 2017; (ii) the assignment of these ICDs to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party ; (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on December 31, 2017; (iv) investments made in certain overseas funds by the overseas subsidiaries of the Holding Company (i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited) ; (v) certain other transactions involving acquisition of Fortis Healthstaff Limited ("Fortis Healthstaff") from an erstwhile promoter group company, and subsequent repayment of loan by said subsidiary to the erstwhile promoter group company. The investigation report was submitted to the re-constituted Board in June 2018.

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

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

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

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

B. Additional procedures/enquiries by the reconstituted Board

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

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which were potentially improper. However, all of the amounts identified in the Additional Procedures/Enquiries had been previously provided for or expensed in the financial statements of FHL or its subsidiaries. There are no other improper transactions identified by the Additional Procedures/Enquiries or the management which had not been expensed or provided.

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

C. Key findings during the investigation by the external legal firm and during the Additional Procedures/Enquiries by independent experts in relation to Company is as below:-

- i. The Company had placed secured Short-term investments in the nature of Inter Corporate Deposits (ICDs) with three companies ('borrowers') aggregating to Rupees 49,414.00 lacs on July 1, 2017 for a term of 90 days. Further, the Company 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 Holding Company was reduced to 0.77%. In terms of agreements dated September 30, 2017, Company assigned the outstanding ICDs to a third party. Such assignment was subsequently terminated on January 5, 2018. On February 28, 2018, these ICDs were secured by way of a duly registered charge on the present and future assets of the Borrowers. ICDs aggregating to Rupees 44,502.62 lacs including interest accrued thereon of Rupees 4,259.62 lacs calculated up to March 31, 2018 remained outstanding. In view of the uncertainty in realisability of the security and/or collection of the amounts, the outstanding amount was fully provided during the year ended March 31, 2018.

The Investigation Report indicated that the placement of the ICDs, including the method of such placement, their subsequent assignment and the cancellation of such assignment were done without following the normal treasury operations and treasury mandate; and without specific authorization by the Board of Company. (Also refer note 21 on SEBI Order).

As per the Additional Procedures/Enquiries by independent experts, the borrowers were potentially linked to the erstwhile promoters and also potentially linked to each other. The Company has filed a civil suit on August 26, 2019 for recovery of Rupees 52,019.00 lacs before Hon'ble Delhi High Court against the Borrowers and few other entities which is pending adjudication. Further, in the complaint filed with the Economic Offence Wing, New Delhi (EOW) in November 2020 for certain other matters as mentioned subsequently, reference has been made of certain queries being put by the Serious Fraud Investigation Office ('SFIO') in relation to this transaction, and the Holding Company having responded thereto. A First Information Report (FIR) was registered by EOW in July 2021 w.r.t. the above complaint. The investigation is underway.

- ii. The Company had placed secured Short-term investments in the nature of Inter Corporate Deposits (ICDs) with three companies ('borrowers') aggregating to Rupees 49,414.00 lacs on July 1, 2017 for a term of 90 days. Further, the Company 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 Holding Company was reduced to 0.77%. In terms of agreements dated September 30, 2017, Company assigned the outstanding ICDs to a third party. Such assignment was subsequently terminated on January 5, 2018. On February 28, 2018, these ICDs were secured by way of a duly registered charge on the present and future assets of the Borrowers. ICDs aggregating to Rupees 44,502.62 lacs including interest accrued thereon of Rupees 4,259.62 lacs calculated up to March 31, 2018 remained outstanding. In view of the uncertainty in realisability of the security and/or collection of the amounts, the outstanding amount was fully provided during the year ended March 31, 2018.

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- iii. The Company had advanced moneys to an entity towards acquisition of property in Mumbai in financial year 2013-14 which did not materialize. Of the total advance of Rupees 10,000.00 lacs, balance of Rupees 2,375.00 lacs was outstanding to be received back. Post-dated cheques received from the entity were dishonored, and the Company initiated legal proceedings in this regard. The Company had accrued for the interest amounting to Rupees 174 lacs up to March 31, 2018 on the advance for the purpose of including the same in the legal claim on the entity. However, in line with applicable accounting norms, interest thereon for the period subsequent to March 31, 2018 was not accrued considering the uncertainties around ultimate realization of the amounts.

In view of the facts stated above and the uncertainty in the ultimate recovery of the aforesaid balances, the Company had recorded provisions aggregating to Rupees 2,549.00 lacs towards the amounts due, including interest, in the year ended March 31, 2018

One of the directors of the entity, post summoning in the legal proceedings initiated by the Holding Company has settled disputes for himself and the entity by paying Rupees 2,300.00 lacs during the year ended March 31, 2020 towards full and final settlement.

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

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

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

- v. During the year ended March 31, 2018, the Company, purchased further 51% equity interest in Fortis Emergency Services Limited (FESL) at an aggregate consideration of Rupees 0.25 lacs from erstwhile promoter group company. Subsequently, the Company advanced a loan to FESL, which was used to repay the outstanding unsecured loan amount of Rupees 215.00 lacs to an erstwhile promoter group company. Certain documents suggest that the loan repayment by FESL and some other payments to the erstwhile promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs /vendor advance to the Company / Holding Company. Further, FESL was not in a position to repay loan to the erstwhile promoter group company. The Company also could not directly takeover the loan, as the Company (holding 49%) could not have taken over the burden of the entire debt of FESL. Therefore, this transaction was in a way to help the erstwhile promoter group company(51% shareholders) to avoid making payment for its share, and place the Company in a situation where it would find it hard to recover from its own now wholly owned subsidiary Further, the said loan advanced by the Company to FESL was impaired in the books of account of the Company due to anticipated chances of non-recovery.

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

- vi. During the financial year 2014-15, Company acquired 100% stake in Birdie & Birdie Realtors Pvt Ltd. (“Birdie”) from certain persons related to the erstwhile promoters, wherein Rupees 12,275.00 lacs were paid towards ICDs at a rate of interest of 14% per annum and Rupees 7,725.00 lacs were paid for the shares acquired. The total enterprise value of Birdie was projected at Rupees 20,000.00 lacs based on the valuation report of land and building by an independent valuer. However, the equity valuation of Rupees 7,725.00 lacs was arrived based on a land and building valuation report by another valuer of Rupees 23,700.00 lacs and on assumption that the Land has to be sold in 6-8 months, which

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in reality did not happen. Also, the “subject property photographs” used in the mentioned two valuation reports were identical. Also, the ICDs of Rupees 12,275.00 lacs were utilized to repay/replace the then existing debts including that of erstwhile promoters and person/entities related/known to the erstwhile promoters. It is possible that the erstwhile promoters acted in order to make excess money to repay the loans availed by Birdie from them, persons related to them and entities related/known to them. Further, out of total goodwill generated on consolidation amounting to Rupees 10,661.00 lacs, goodwill to the extent of Rupees 9,430.00 lacs was impaired in earlier years to bring the investment value in line with the market value of the property.

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

- vii. The Holding Company through its overseas subsidiaries [i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited] made investments in Global Dynamic Opportunity Fund, an overseas fund. It was observed in the earlier investigation that there were significant fluctuations in the NAV of the investments during a short span of time. Further, in the internal correspondence within the Company, investments in the overseas funds have been referred to as related party transactions. During year ended March 31, 2018, investments held in the Global Dynamic Opportunity Fund were sold at a discount of 10%. As at March 31, 2018, the carrying value of the investments in the overseas fund were recorded at the net recoverable values based on subsequent realisation. The consequential foreseeable loss of Rupees 5,510.00 lacs (between the previously recorded carrying value of the investment and the amount subsequently realised) was considered in the Consolidated Financial statements of Holding Company for the year ended March 31, 2018.

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

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

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

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

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

21. Matters in relation to Regulatory Authorities:

- (a) In the above backdrop, during financial year 2017-18 the Holding Company received a communication from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Holding Company. In the said letter, SEBI required the Holding Company under section 11C (3) of the SEBI Act, 1992 to furnish certain information and documents relating to the short-term investments of Rupees 47,300.00 lacs reported in the media. SEBI had appointed forensic auditors to conduct a forensic audit, of collating information from the Holding Company and certain of its subsidiaries including the Company. The Holding Company / its subsidiaries including the Company furnished requisite information and documents requested by SEBI.

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

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

The Holding Company and the Company had filed necessary applications in this regard including an application with the Recovery Officer, SEBI, under Section 28A of the Securities and Exchange Board of India Act 1992, for the recovery of the amounts owed by the erstwhile promoters and various other entities to the Holding Company and the Company. SEBI vide its letter dated June 14, 2019 stated that provisions of Section 28A of SEBI Act, 1992 cannot be invoked at this stage hence, the Holding Company and the Company may take necessary steps to comply with SEBI’s direction. Accordingly, the Company has filed a civil suit for recovery of Rupees 52,019.00 lacs before Hon’ble Delhi High Court against the parties, named in the orders passed by SEBI.

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

By an order dated November 12, 2020, SEBI revoked its Interim orders read with Confirmatory Order qua Best Healthcare Pvt. Ltd., Fern Healthcare Pvt. Ltd. and Modland Wears Pvt. Ltd. and directed that the ongoing proceedings against them be substituted with adjudication proceedings. The order expressly clarified that the Holding Company and Company were at liberty to pursue remedies under law, as deemed appropriate by them, against the abovementioned entities in respect of their role in the diversion of funds. A Show-Cause Notice (SCN-1) was issued by SEBI to various entities including the Holding Company and Company on November 20, 2020. In the SCN-1, it was *inter-alia* alleged that the consolidated financials of the Holding Company at the relevant period were untrue and misleading for the shareholders of the Holding Company and the Holding Company had circumvented certain provisions of the SEBI Act, Securities Contracts (Regulation) Act, 1956, and certain SEBI regulations. In response, a joint representation/reply was filed by the Holding Company and Company on December 28, 2020 praying for quashing of the SCN-1 by *inter alia* reiterating that the Holding Company and Company, were in fact victims of the schemes of the erstwhile Promoters (Malvinder Mohan Singh and Shivinder Mohan Singh) and justice, equity and fairness demands that the victim ought not be punished for the offences of the wrongdoers. All acts impugned in the

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SCN-1 relate to the period when the erstwhile Promoters controlled the affairs of Holding Company and Company and the erstwhile Promoters are no longer involved in the affairs of the Holding Company and Company. The erstwhile Promoters were responsible for financial misrepresentation and not the Holding Company and Company. Post resignation of the erstwhile Promoters in February 2018, the Board of Directors of the Holding Company, solely comprising independent Directors looked after its welfare. The new promoters of the Holding Company (i.e. NTK Venture Pte. Ltd.) assumed control of the Holding Company pursuant to a preferential allotment which was approved by the Competition Commission of India and SEBI which approved the open offer that had got triggered pursuant to such preferential allotment. Any adverse orders against the Holding Company and Company would harm their existing shareholders, employees and creditors. The Holding Company and Company have taken substantial legal actions against the erstwhile Promoters and significant steps to recover the diverted amounts. SEBI passed an order dated April 19, 2022 w.r.t SCN -1 directing the Holding Company & Company to pursue the measures taken to recover the amount of Rupees 39,712.00 lacs (approx.) along with the interest from erstwhile Promoters; & Audit Committee to regularly monitor the progress of such measures and report the same to Board of Directors at regular intervals., SEBI had imposed a penalty of Rs 100 lacs and Rs 50.00 lacs on Holding Company and Company respectively. The Holding Company and Company filed an appeal against the order dated April 19, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai. On August 25, 2022, SEBI filed its affidavit in reply in the matter. Thereafter, the Holding Company and Company filed a rejoinder to SEBI's reply. The Holding Company and Company deposited Rupees 50.00 lacs and Rupees 25.00 lacs respectively with Hon'ble Securities Appellate Tribunal, Mumbai. On deposit of 50% of the penalty amount, recovery of total penalty amount, in respect of the Company & FHsL, was stayed. Appeal is pending adjudication.

On April 09, 2021, SEBI issued another Show cause notice (SCN-2) to various notices including Escorts Heart Institute and Research Centre Limited ("EHIRCL"). In the said SCN-2, with respect to EHIRCL, it was alleged that Rupees 56,700 lacs was lent by the Holding Company to EHIRCL in 2011, which was subsequently transferred by EHIRCL to Lowe Infra and Wellness Private Limited ("Lowe") in multiple transactions for the purchase of a land parcel. This land parcel, which was allegedly indirectly to be acquired by the Holding Company through its subsidiary EHIRCL and another entity Lowe, was then transferred to RHC Holdings Private Limited ("RHC Holdings"). It was stated in the said SCN-2 that a structured rotation of funds was carried out to portray that the loan extended by EHIRCL for the purchase of land had been paid back with interest in the year 2011. It is alleged that the Holding Company was actually paid back by RHC Holding over a period of four years ending on July 31, 2015. In this respect, the Holding Company and the Company funds were allegedly routed through various layers in order to camouflage the transactions, and to circumvent legal provisions with respect to related party transactions.

In the SCN-2, EHIRCL had been clubbed along with the other notices, and had been painted with the same brush as the other notices in alleging that certain notices, including EHIRCL, were part of a fraudulent and deceptive device wherein they acted in fraudulent manner which led to the misuse and/or diversion of funds from a listed company i.e. FHL, amounting to approximately Rupees 39,712.00 lacs for the ultimate benefit of RHC Holdings and the erstwhile promoters. Thereby, it is alleged, that EHIRCL has aided and abetted the routing of funds from the Holding Company, ultimately to RHC Holdings, for the benefit of the promoter entities.

SEBI w.r.t SCN-2 passed an order dated May 18, 2022 imposing penalty against several erstwhile promoters entities and certain individuals. Based on the aforesaid allegations and actions taken by the Company against the erstwhile promoters and related entities, it had also imposed a penalty of Rs 100.00 lacs on EHIRCL. EHIRCL filed an appeal against the order dated May 18, 2022 before Hon'ble Securities Appellate Tribunal, Mumbai. SEBI filed its response to which EHIRCL filed a rejoinder. EHIRCL deposited Rupees 50.00 lacs with Hon'ble Securities Appellate Tribunal, Mumbai and operation of SEBI Order dated May 18, 2022 was stayed. Appeal is pending adjudication

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

- (b) During year ended March 31, 2018, the Registrar of Companies (ROC) under section 206(1) of the Companies Act, 2013, *inter alia*, had also sought information in relation to the Holding Company. All requisite information in this regard was duly shared by the Holding Company with the ROC.
- (c) The Serious Fraud Investigation Office (SFIO) of the Ministry of Corporate Affairs, under section 217(1)(a) of the Companies Act, 2013, *inter alia*, initiated an investigation and is seeking information in relation to the Holding Company, its subsidiaries, joint ventures and associates. The Holding Company is submitting requisite information

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in this regard with SFIO, as requested from time to time. The outcome of the SFIO investigation cannot be ascertained as of now keeping in view the present stage of the investigation.

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

Based on management's analysis, a provision has been made and recognised in the year ended March 31, 2021 by Holding Company for any contingency that may arise from the aforesaid issues. The Holding Company being a parent entity for the Company, has undertaken that it will reimburse such penalty/fine which it shall finally pay, if required after exhausting available legal remedies. This is not to be regarded as admission in any manner whatsoever by the Holding Company of any of the violations, as alleged by any of the authorities or otherwise, against it. Further, as per the management and in consultation with external legal counsel it is believed that the likelihood of additional impact, if any, is low and is not expected to be material.

22. The Hon'ble National Company Law Tribunal, Delhi bench, vide Order dated January 05, 2026 and The Hon'ble National Company Law Tribunal, Chandigarh bench, vide Order dated January 15, 2026, sanctioned the scheme of merger by absorption of Fortis Emergency Services Limited (FESL), Birdie & Birdie Realtors Private Limited (Birdie), Fortis Health Management (East) Limited (FHME) and Fortis Cancer Care Limited (FCCL) with the Company ("Scheme"). The certified copy of the Order was received on February 05, 2026. and filed with Registrar of Companies, Delhi on March 01, 2026. The Scheme is applicable from the Appointed Date i.e. April 01, 2022. Accordingly, due effect of the Scheme has been incorporated from the Appointed Date.

From the Appointed Date, Fortis Emergency Services Limited, Birdie & Birdie Realtors Private Limited, Fortis Health Management (East) Limited and Fortis Cancer Care Limited has been merged into the company. The transaction has been accounted for using the common control method under Ind AS 103 – Business Combinations, with all identified assets and liabilities recorded at their carrying values. Accordingly, the business combination has been reflected in the books of account from the beginning of FY 2022–23, i.e., April 01, 2022 (appointed date).

- (i) Pursuant to the Scheme, the following assets and liabilities were transferred to the Company as on April 01, 2022 (appointed date).

(Rupees in lacs)

Particulars	Amount	Amount	Amount	Amount	Amount
	FESL	FHME	Birdie	FCCL	Total
ASSETS:					
NON CURRENT ASSETS					
Property, plant and equipment	24.33	-	-	-	24.33
Other intangible Assets	0.27		-	-	0.27
Non-current tax assets	24.12	30.96	111.03	-	166.11
Other Non Current Assets	735.85	-	-	-	735.85
CURRENT ASSETS					
Trade Receivables	25.73	-	-	-	25.73
Cash and cash equivalents	10.60	3.67	14.29	4.72	33.28
Bank balances other than Cash and cash equivalents	73.70	-	-	-	73.70
Other Financial Assets	10.56	-	-	-	10.56
Other Current Assets	1.17	-	0.08	0.02	1.27
TOTAL ASSETS (A)	906.33	34.63	125.40	4.74	1,071.10
Liabilities assumed					
NON CURRENT LIABILITIES					
Provisions	6.44	-	-	-	6.44

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Particulars	Amount	Amount	Amount	Amount	Amount
	FESL	FHMEL	Birdie	FCCL	Total
CURRENT LIABILITIES					
Trade Payables	3.02	53.80	1.47	0.80	59.09
Other Financial Liabilities	132.07	-	-	-	132.07
Provisions	108.91	-	-	-	108.91
Other Current Liabilities	0.04	0.10	1.44	0.31	1.89
TOTAL LIABILITIES (B)	250.48	53.90	2.91	1.11	308.40
Net Identifiable Assets (C= A-B)	655.85	(19.27)	122.49	3.63	762.70
Cancellation of investments. Loans payable and receivable (D) [refer note (iii) below]	-	-	-	-	79.36
Net Impact on other equity on account of scheme of merger by absorption (E=C-D)	-	-	-	-	683.34

- (ii) The following assets and liabilities were transferred to the Company as on April 01, 2024 (i.e. the earliest period presented)

(Rupees in lacs)

Particulars	Amount	Amount	Amount	Amount	Amount
	FESL	FHMEL	Birdie	FCCL	Total
ASSETS:					
NON CURRENT ASSETS					
Property, plant and equipment	14.11	-	-	-	14.11
Other intangible Assets	0.27	-	-	-	0.27
Other Financial Assets	73.70	-	-	-	73.70
Non-current tax assets	17.98	-	0.46	-	18.44
Other Non Current Assets	64.42	-	-	-	64.42
CURRENT ASSETS					
Trade Receivables	23.93	-	-	-	23.93
Cash and cash equivalents	4.86	23.59	6.09	2.74	37.28
Other Financial Assets	16.10	-	-	-	16.10
Other Current Assets	-	-	-	-	-
TOTAL ASSETS (A)	215.37	23.59	6.55	2.74	248.25
Liabilities assumed					
CURRENT LIABILITIES					
Trade Payables	0.38	43.45	1.28	0.43	45.54
Other Financial Liabilities	77.52	8.11	-	-	85.63
Provisions	105.01	-	-	-	105.01
Other Current Liabilities	4.98	0.65	1.23	1.97	8.83
TOTAL LIABILITIES (B)	187.89	52.21	2.51	2.40	245.01
Net Identifiable Assets (C= A-B)	27.48	(28.62)	4.04	0.34	3.24

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- (iii) Pursuant to the scheme, Inter-corporate loan, non-cumulative redeemable preference shares, payable, receivable, investment, equity share capital and transaction between FHsL, Fortis Emergency Services Limited, Birdie & Birdie Realtors Private Limited, Fortis Health Management (East) Limited and Fortis Cancer Care Limited in relation to transferred stands cancelled at the appointed date.

23. The healthcare business operates inter alia within two categories of entities within the Fortis Group i.e. operations entities and establishment entities. In order to consolidate the operations entities and establishment entities such that both operations and establishment of a hospital are housed in same entity, the Board of Directors of the Company consented to the demerger of certain healthcare operations from the operations entities into the establishment entities, which was also subsequently approved by the shareholders of the Company.

The Hon'ble National Company Law Tribunal, Delhi bench, vide Order dated 09th May, 2025 and The Hon'ble National Company Law Tribunal, Chandigarh bench, vide Order dated 30th July, 2025, sanctioned the Scheme of Arrangement amongst the Company(FHsL), International Hospital Limited ('IHL') and Fortis Hospotel Limited ('FHTL') and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Companies Act, 2013 ('the Scheme') for demerger of the Kalyan Undertaking, Amritsar Undertaking, Faridabad Undertaking, Kolkata (Anandpur) Undertaking, FHKI Undertaking, Noida Undertaking and Mulund Undertaking of FHsL into IHL, and FMRI Gurgaon Undertaking of FHsL into FHTL and the certified copy of the Order was received on 11th August, 2025. The certified copy of aforesaid Order was filed with Registrar of Companies, Haryana on 01st September, 2025. The Scheme is effective from the Appointed Date i.e. 1 April, 2023 and accordingly, due effect of the Scheme has been incorporated in these financial statements.

- i. Pursuant to scheme, the following assets and liabilities have been transferred to the following Companies as at April 01, 2023.

Particulars	<i>(Rupees in Lacs)</i>	
	International Hospital Limited Amount	Fortis Hospotel Limited Amount
ASSETS:		
NON CURRENT ASSETS		
Property, plant and equipment	21,518.47	6,553.99
Capital work-in-progress	746.05	15.76
Right-of-use of assets	35.23	-
Goodwill	24,191.35	-
Intangible Assets	240.44	56.61
Other Financial Assets	299.67	13.67
Deferred tax assets (net)	692.32	5,893.01
Other Non Current Assets	225.92	28.02
Total Non Current Assets (A)	47,949.45	12,561.06
CURRENT ASSETS		
Inventories	1,480.03	687.33
Trade Receivables	14,680.70	5,236.17
Cash and cash equivalents	179.56	84.99
Bank balances	18.64	0.27
Other Financial Assets	44,137.40	45,777.53
Other Current Assets	821.81	716.56
Total Current Assets (B)	61,318.14	52,502.85
TOTAL ASSETS (A+B)	109,267.59	65,063.91
<u>EQUITY AND LIABILITIES</u>		
Other equity	40,500.80	(50,737.99)
Total Equity (A)	40,500.80	(50,737.99)

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Particulars	International Hospital Limited	Fortis Hospotel Limited
NON CURRENT LIABILITIES		
Borrowings	8,342.16	50,411.12
Lease liabilities	34.45	-
Other Financial Liabilities	0.75	23,258.94
Provisions	2,503.86	771.05
Total Non-current liabilities (B)	10,881.22	74,441.11
CURRENT LIABILITIES		
Borrowings	4,432.01	938.63
Lease liabilities	6.91	-
Trade Payables	38,839.15	36,956.96
Other Financial Liabilities	11,282.70	1,264.59
Provisions	392.72	240.64
Other Current Liabilities	2,932.08	1,959.97
Total current liabilities (C)	57,885.57	41,360.79
TOTAL LIABILITIES (B+C)	68,766.79	115,801.90
Total equity and liabilities (A+B+C)	109,267.59	65,063.91

- ii. The following assets and liabilities have been transferred to the following Companies as at April 01, 2024 (i.e. the earliest period presented)

(Rupees in Lacs)

Particulars	International Hospital Limited	Fortis Hospotel Limited
	Amount	Amount
ASSETS:		
NON CURRENT ASSETS		
Property, plant and equipment	27,968.75	8,193.75
Capital work-in-progress	671.16	126.62
Right-of-use of assets	1,422.44	-
Goodwill	24,191.35	-
Intangible Assets	387.50	225.10
Intangible assets under development	42.00	-
Other Financial Assets	162.06	13.67
Deferred tax assets (net)	692.31	5,893.01
Non-current tax assets	4,646.47	1,018.99
Other Non Current Assets	325.39	-
Total Non Current Assets (A)	60,509.43	15,471.14
CURRENT ASSETS		
Inventories	1,766.78	776.05
Trade Receivables	17,124.29	5,148.67
Cash and cash equivalents	179.96	171.12
Bank balances	7.12	0.27
Other Financial Assets	30,202.69	46,903.28
Other Current Assets	669.93	264.32

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Particulars	International Hospital Limited	Fortis Hospotel Limited
Total Current Assets (B)	49,950.77	53,263.71
TOTAL ASSETS (A+B)	110,460.20	68,734.85
<u>EQUITY AND LIABILITIES</u>		
Other equity	53,391.74	(56,399.11)
Total Equity (A)	53,391.74	(56,399.11)
NON CURRENT LIABILITIES		
Borrowings	12,091.97	51,563.84
Lease liabilities	1,354.26	-
Other Financial Liabilities	-	28,015.03
Provisions	2,765.71	933.99
Total Non-current liabilities (B)	16,211.94	80,512.86
CURRENT LIABILITIES		
Borrowings	3,678.11	844.37
Lease liabilities	217.48	-
Trade Payables	30,482.12	39,705.26
Other Financial Liabilities	3,152.87	1,918.35
Provisions	518.51	301.11
Other Current Liabilities	2,807.43	1,852.00
Total current liabilities (C)	40,856.52	44,621.09
TOTAL LIABILITIES (B+C)	57,068.46	125,133.95
Total equity and liabilities (A+B+C)	110,460.20	68,734.85

- iii. The Company had entered into separate Hospital and Medical Service Agreement (HMSA) with IHL and FHTL wherein these companies provide and maintain the clinical establishments along with other service like out-patient diagnostics and radio diagnostics to the Company (together known as Clinical establishments). Pursuant to composite scheme of arrangement, the HMSA has been cancelled for Kalyan Undertaking, Amritsar Undertaking, Faridabad Undertaking, Kolkata (Anandpur) Undertaking, FHKI Undertaking, Noida Undertaking, Mulund Undertaking and FMRI Gurgaon Undertaking w.e.f. April 01, 2023 resulting resulted in net gain Rupees 25,050.79 lacs on derecognition of right to use assets and lease liabilities.
- iv. In accordance with the scheme approved by NCLT, the Company has given effect to the Scheme from the retrospective appointed date specified therein i.e. 1 April 2023 which overrides the relevant requirement of Ind AS 103 (according to which the scheme would have been accounted for from 30 July 2025 which is the date of acquisition as per the aforesaid standard). Taking effect of the same, the revenue from operation was lower by Rupees 288,085.02 lacs and Rupees 109,687.24 lacs, the profit before tax was lower by Rupees 21,235.45 lacs and Rupees 9,917.50, profit after tax was lower by Rupees 36,464.19 lacs and Rupees 8,274.71 lacs for the year ended 31 March 2025 and 31 March 2026 respectively and total assets was lower by Rupees 181,271.12 as at the March 31, 2025. Consequently, the earnings per share (EPS) was lower by Rupees 26.55 per share and Rupees 16.54 per share respectively for the year ended 31 March 2025 and 31 March 2026.
- v. Pursuant to the composite scheme of arrangement:
- a. The borrowing availed by the Company from the appointed date till the effective date shall be considered to be availed on behalf of the Company, IHL and FHTL and liabilities discharge by the Company from the appointed date till the effective date shall be considered to be discharged by the Company, IHL and FHTL.

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- b. The intra-company receivables/payable transferred from the Company at the appointed date pursuant to the composite scheme of arrangement, shall be considered as inter-company receivables/payables from/to IHL and FHTL at the appointed date.
- c. Inter-company balances and transactions between the Company and IHL / FHTL in relation to the undertakings transferred and IHL/FHTL as appearing in the books of accounts of IHL / FHTL/ FHSL stands cancelled at the appointed date.
- d. Non-convertible debentures of Rs. 48,624.14 lacs (along with interest accrued of Rs. 23,510.58 lacs as at April 01, 2023) issued by the Company to FHTL stands cancelled at the appointed date.

24. Ratio Analysis and its elements

Sr.	Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025 (Restated)	% change	Reason for variance
1	Current Ratio (in times)	Total current assets	Total current liabilities	0.37	0.16	135.35	Has increased from previous year due to repayment of amount payable to related party
2	Debt-Equity Ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	5.52	(15.62)	(135.32)	Has changed from previous year due to increase in profitability resulting into positive equity
3	Debt Service Coverage Ratio (in times)	Earning for Debt Service = Net loss after taxes + Non-cash operating expenses + Finance costs + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments of borrowings	1.70	1.30	29.82	Has increased from previous year due to increase in profitability
4	Return on Equity Ratio (in %)*	Profit/(loss) for the year less Preference dividend (if any)	Average total equity	264.01%	Cannot be computed	NA	
5	Inventory turnover Ratio (in times)	Cost of goods sold	Average Inventory	19.36	19.13	1.21	
6	Trade Receivables Turnover Ratio (in times)	Revenue from operations (excluding liabilities no longer required written back)	Average trade receivable	8.94	10.62	(15.89)	
7	Trade Payables Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	1.09	1.04	4.28	
8	Net Capital Turnover Ratio (in times)	Revenue from operations (excluding liabilities no longer required written back)	Working capital (i.e. Total current assets less Total current liabilities)	(3.50)	(1.28)	173.49	Has increased from previous year due to repayment of amount payable to related party
9	Net Profit Ratio (in %)	Net profit/(loss)	Revenue from operations	12.57%	10.12%	24.15	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Sr.	Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025 (Restated)	% change	Reason for variance
			(excluding liabilities no longer required written back)				
10	Return on Capital Employed (in %)	Profit/(Loss) before tax and finance costs	Capital employed = Tangible Net worth + Total Debts + Lease liabilities + Deferred tax liabilities	31.70%	241.25%	(86.75)	Has decreased from previous year due to increase in borrowings
11	Return on Investments #(in %)	Income generated from invested funds	Average Invested funds	Cannot be computed	Cannot be computed		

* In view of opening equity, the average equity is negative for current year and previous year. Accordingly, Return on Equity ratio has not been given.

The Company has not earned any income on investment made, hence return on investment has not been given.

25. Other Statutory Information

- (i) The Company does not have any charges or satisfaction which are yet to be registered with ROC beyond the statutory period.
- (ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries,
- (iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vi) The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- (vii) The Company has following transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

FORTIS HOSPITALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

Name of the Company	Reason for continuous transactions	Nature of transaction	Balance outstanding as at March 31, 2026 [Payable/(advance)]	Balance outstanding as at March 31, 2025 [Payable/(advance)] (Restated)	Transactions in FY 25-26	Transactions in FY 24-25 (Restated)
Overseas Medical Services (India) Private Limited	Business requirement	Purchase of material / services	101.76	101.76	-	-
Thotwaves Innovations Private Limited	Business requirement	Purchase of material / services	(0.40)	(0.40)	-	-
Green Park Hotels and Resorts Ltd	Business requirement	Purchase of material/services	-	4.64	-	17.26
Hassan Hotels Private Limited	Business requirement	Purchase of material/services	-	-	0.03	1.45
Koncept Automobiles Private Limited.	Business requirement	Purchase of material/services	-	-	-	21.17
Child Health Imprints India Private Limited	Business requirement	Purchase of material/services	0.84	0.84	-	-
Mmmo Organics Private Limited	Business requirement	Purchase of material/services	0.35	0.35	-	-
Lumenis India Private Limited	Business requirement	Purchase of material/services	2.24	2.24	-	-
Philips Software Centre Private Limited	Business requirement	Purchase of material/services	(0.12)	0.03	0.15	-

(viii) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act.

(ix) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and the Group (as defined in the regulations made by the Reserve Bank of India) does not have any CIC.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors
Fortis Hospitals Limited

Rakesh Dewan
Partner
Membership Number: 092212

Richa Singh Debgupta
Director
DIN: 08891397
Place: Kolkata

Anil Vinayak
Director
DIN:02407380
Place: Gurugram

Place: Gurugram
Date: May 15, 2026

Vinti Verma
Company Secretary
Membership No.: ACS 44528

Place: Gurugram
Date: May 15,2026

Pradeep Kumar Malhotra
Chief Financial Officer

Place: Gurugram