FORTIS HEALTHCARE LIMITED
STATEMENT OF STANDALONE AND CONSOLIDATED FINANCIAL RESULTS

(Rupees In lacs)

Particulars	Consolidated				Standalone			
	Quarter ended			Year ended	Quarter ended			Year ended
	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
	Unaudited	Audited (Refer note 2)	Unaudited	Audited	Unaudited	Audited (Refer note 2)	Unaudited	Audited
1. Income from operations	115,661	112,343	112,116	457,371	16,843	15,199	16,609	64,512
2. Other income	5,761	3,607	3,299	16,600	3,822	4,091	4,675	16,920
3. Total income (1+2)	**121,422**	**115,950**	**115,415**	**473,971**	**20,665**	**19,290**	**21,284**	**81,432**
4. Expenses								
(a) Cost of material consumed	25,971	24,561	25,399	99,756	3,794	3,394	4,016	15,051
(b) Employee benefits expenses	23,673	23,327	22,425	90,541	4,427	4,566	4,830	19,015
(c) Finance costs	6,443	6,661	4,199	22,944	1,794	2,061	2,619	10,636
(d) Hospital service fee	9,567	9,248	15,400	50,508	3,515	3,310	3,458	13,604
(e) Professional charges to doctors	14,117	13,716	12,848	53,472	2,112	1,826	2,007	7,647
(f) Reversal of derivative gain (refer note 12)	-	-	-	-	-	-	-	5,636
(g) Net depreciation/ impairment & amortisation	5,899	6,301	4,756	22,218	687	750	621	2,662
(h) Other expenses	33,721	33,591	29,781	127,806	4,368	4,798	4,438	18,214
Total expenses	**119,391**	**117,405**	**114,808**	**467,245**	**20,697**	**20,705**	**21,989**	**92,465**
5. Net profit / (loss) from continuing operations before share in profit/ (loss) of associates and joint ventures (3-4)	**2,031**	**(1,455)**	**607**	**6,726**	**(32)**	**(1,415)**	**(705)**	**(11,033)**
6. Add : Share in profit /(loss) of associate companies and joint ventures (refer note 11)	1,512	410	2,206	48,606	-	-	-	-
7. Net profit / (loss) before exceptional items and tax (5+6)	**3,543**	**(1,045)**	**2,813**	**55,332**	**(32)**	**(1,415)**	**(705)**	**(11,033)**
8. Exceptional gain/ (loss) (refer note 8)	(57)	(77)	-	(164)	(57)	(90)	-	(373)
9. Profit / (loss) before tax from continuing operations (7-8)	**3,486**	**(1,122)**	**2,813**	**55,168**	**(89)**	**(1,505)**	**(705)**	**(11,406)**
10. Tax expense/ (credit)	1,225	2,630	287	7,240	15	(1,348)	-	(3,934)
11. Net profit / (loss) for the period from continuing operations (9-10)	**2,261**	**(3,752)**	**2,526**	**47,928**	**(104)**	**(157)**	**(705)**	**(7,472)**
12. Profit from discontinued operations before tax	-	-	-	-	-	-	-	-
13. Tax expense of discontinued operations	-	-	-	-	-	-	-	-
14. Net profit / (loss) for the period from discontinuing operations (12-13)	-	-	-	-	-	-	-	-

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Particulars	Consolidated				Standalone			
	Quarter ended			Year ended	Quarter ended			Year ended
	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
	Unaudited	Audited (Refer note 2)	Unaudited	Audited	Unaudited	Audited (Refer note 2)	Unaudited	Audited
15. Net profit / (loss) for the period (11+14)	**2,261**	**(3,752)**	**2,526**	**47,928**	**(104)**	**(157)**	**(705)**	**(7,472)**
16. Profit/ (loss) from continuing operations attributable to:								
Owners of the Company	529	(6,783)	1,618	42,166				
Non Controlling Interest	1,732	3,031	908	5,762				
17. Profit/ (loss) from discontinuing operations attributable to:								
Owners of the Company	-	-	-	-				
Non Controlling Interest	-	-	-	-				
18. Other Comprehensive Income/(loss) (including OCI relating to associates and joint venture (after tax)) ('OCI')	595	(470)	(1,711)	(2,734)	(9)	164	-	107
19. Total comprehensive Income/(Loss) (15+18)	**2,856**	**(4,222)**	**815**	**45,194**	**(113)**	**7**	**(705)**	**(7,365)**
20. Total comprehensive Income/(Loss) attributable to:								
Owners of the Company	1,141	(7,229)	(90)	39,456				
Non Controlling interest	1,715	3,007	905	5,738				
21. Paid-up equity share capital (Face Value Rupees 10 per Share)	51,852	51,773	46,320	51,773	51,852	51,773	46,320	51,773
22. Reserves				462,576				375,413
23. Earnings per equity share for continuing operations								
Basic earnings (loss) per share - In Rupees	0.10	(0.79)	0.35	8.87	(0.02)	(0.03)	(0.15)	(1.57)
Diluted earnings (loss) per share - In Rupees	0.10	(0.79)	0.18	8.87	(0.02)	(0.03)	(0.15)	(1.57)

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(Rupees In lacs)

Particulars	Consolidated				Standalone			
	Quarter ended			Year ended	Quarter ended			Year ended
	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
	Unaudited	Audited (Refer note 2)	Unaudited	Audited	Unaudited	Audited (Refer note 2)	Unaudited	Audited
24. Earnings per equity share for discontinued operations								
Basic earnings (loss) per share - In Rupees	-	-	-	-	-	-	-	-
Diluted earnings (loss) per share - In Rupees	-	-	-	-	-	-	-	-
25. Earnings per equity share from continuing and discontinued operations								
Basic earnings (loss) per share - In Rupees	0.10	(0.79)	0.35	8.87	(0.02)	(0.03)	(0.15)	(1.57)
Diluted earnings (loss) per share - In Rupees	0.10	(0.79)	0.18	8.87	(0.02)	(0.03)	(0.15)	(1.57)
26. Earnings before depreciation and amortization expense, finance costs, exceptional items, tax expenses and share in profit /(loss) of associate companies and joint ventures (EBITDA) (refer note 15)	14,373	11,507	9,562	51,888	2,449	1,396	2,535	2,265

Notes to the results

1. The above financial results for the quarter ended June 30, 2017 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on August 3, 2017 and August 4, 2017.

2. The figures for the quarter ended March 31, 2017 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2017 and the unaudited published year to date figures up to December 31, 2016, being the end of the third quarter of the financial year, which were subjected to a limited review.

3. The financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.

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4. **Segment Reporting**

Business segments:
The Group is primarily engaged in the business of healthcare services, which in the opinion of management is considered to be the only reportable business segment as per Ind AS 108 on 'Operating Segments' prescribed under Section 133 of the Companies Act, 2013. Healthcare services include various patient care services delivered through clinical establishment, medical services companies, pathology and radiology services etc.

Geographical segments:
The Group operates in the business segment explained above in two principal geographical areas, India and outside India. The geographical segments have been identified as secondary segment. The Group operates in two principal geographical segments, which contributes more than 10% of the Groups' revenue or segment assets. Outside India, Group now primarily operates in Dubai, Singapore and Mauritius.

Income from operations –by geographical segments

The following table shows the distribution of the Groups' consolidated revenues by geographical segment:

(Rupees In lacs)

Region	Quarter ended			Year ended
	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
India	113,730	110,590	110,168	447,788
Outside India	1,931	1,753	1,948	9,583
Total	**115,661**	**112,343**	**112,116**	**457,371**

5. Other income includes interest income, foreign exchange fluctuation gain (net), profit on sale of assets (net), fair value adjustments, dividend on investments, forward cover premium amortization (net) and miscellaneous income, etc. whichever is relevant for the period.

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

a) Delhi Development Authority ('DDA') had terminated the lease deeds and allotment letters relating to land parcels on which a hospital of EHIRCL exists. Consequent to termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. Both these matters are currently pending before High Court of Delhi, Supreme Court and Estate Officer. Based on the external legal counsel opinions, Management is confident that EHIRCL will be able to suitably defend the termination order and eviction proceedings and accordingly considers that no adjustments are required to the financial results.

b) Further, EHIRCL also has open tax demands of Rupees 10,070 lacs (after adjusting Rupees 12,899 lacs of an escrow account which was maintained out of sale consideration payable by the Company to the erstwhile promoters) for various assessment years. Further, as per the share purchase agreement, one third of any excess of these demands after adjusting the recovery from escrow account amounting to Rupees 3,357 lacs would be borne by the said erstwhile promoters and the rest by the Company, if any. During the year ended March 31, 2015, the Commissioner of Income Tax (Appeals) decided the case in favour of EHIRCL. Income Tax Department has filed an appeal before Income Tax Appellate Tribunal (ITAT), and the matter is currently pending at ITAT. Based on management assessment, Group believes that it has good chance of success in these cases.

c) In relation to the judgement of the Hon'ble High Court of Delhi relating to provision of free treatment/ beds to poor, Directorate of Health Services ('DHS'), Government of NCT of Delhi, appointed a Firm to calculate "unwarranted profits" arising to it due to non-compliance. During the year ended March 31, 2014, the Special Committee of DHS stated that before giving a hearing to the hospital, a formal intimation shall be given regarding the recoverable amount as per calculation of the appointed Firm, which as per their method of calculations amounts to Rupees 73,266 lacs for the period 1984-85 to 2011-12, seeking hospital's comments and inputs, if any. The company responded to said intimation explaining errors and objections to the calculations. During the year ended March 31, 2016, EHIRCL received notice from DHS to appear for a formal and final hearing raising demand of recoverable amount to Rupees 50,336 lacs for the period till FY 2006 -2007 in terms of above referred judgement, against which the Company again responded explaining errors and objections to the calculations. During the quarter ended June 30, 2016, DHS issued a demand notice dated June 9, 2016 directing EHIRCL to deposit Rupees 50,336 lacs within one month. EHIRCL challenged the demand notice by way of a writ petition in Hon'ble High Court of Delhi which vide order dated August 1, 2016 has set aside the demand of Rupees 50,336 lacs which was raised vide notice dated June 9, 2016 and disposed of the petition of EHIRCL. DHS agreed to grant hearing to EHIRCL on the reply submitted to it. Hearings held before DHS but no order has been passed till date. Based on its internal assessment and advice from its external legal counsel on the basis of the documents available, management believes that it is in compliance of conditions of free treatment and free beds to the poor and does not anticipate liability after proper hearing with DHS.

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

Navi Mumbai Municipal Corporation ('NMMC') has terminated the Hospital lease agreement with HHPL vide order dated 18 January, 2017 (Termination Order') for certain alleged contravention of the Hospital Lease agreement. NMMC has granted a period of one month to HHPL to hand over the possession of the hospital to NMMC and also directed HHPL not to admit any new patients. HHPL has filed Writ Petition before the Supreme Court of India challenging the Termination Order. The Writ Petition has been tagged with Special Leave Petition also filed by HHPL inter alia challenging the actions of State Government, City Industrial Development Corporation and NMMC which led to the passing of the said Termination Order. The Supreme Court of India in hearing held on 30 January, 2017 ordered "Status Quo' which is continuing. Based on the external legal counsel opinion, management is confident that HHPL is in compliance of conditions of Hospital Lease Agreement and accordingly considers that no adjustment is required to the financial results.

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8. Exceptional gain/ (loss) included in the above consolidated financial results include:

(Rupees In lacs)

Particulars	Quarter ended			Year ended
	30-Jun-17	31-Mar-17	30-Jun-16	31-Mar-17
a) Expenses on Composite Scheme of Arrangement and Amalgamation (Refer note 9)	(57)	(90)	-	(373)
b) Gain/ (Loss) on impairment of investment and assets held in subsidiary companies	-	-	-	196
c) Statutory Bonus (see note below)	-	13	-	13
Net exceptional gain/ (loss)	**(57)**	**(77)**	-	**(164)**

Note: Statutory bonus considered as an exceptional item represents the amounts (accrued)/ reversed towards incremental bonus payable to existing and deemed employees by the Group for the period from April 1, 2014 to December 31, 2015 due to enactment of The Payment of Bonus (Amendment) Act, 2015 with retrospective effect from April 1, 2014.

9. The Board of Directors of the Company at its meeting held on August 19, 2016 approved the proposal to demerge its diagnostic business, including that housed in its majority owned subsidiary SRL Limited ("SRL") into another majority owned subsidiary, Fortis Malar Hospitals Limited ("Fortis Malar") pursuant to a composite scheme of arrangement and amalgamation. The composite scheme also provides for the sale of its hospital business by Fortis Malar to the Company by way of a slump sale. The demerger shall be followed by SRL being merged with Fortis Malar as an integral part of the same composite scheme. On transfer of the diagnostic business to Fortis Malar and Fortis Malar issuing its equity shares to the shareholders of the Company, the diagnostic business (including SRL) will be demerged from the Company. The appointed date for the slump sale, demerger and merger under the composite scheme is January 1, 2017. The composite scheme of arrangement and amalgamation is subject to various judicial/regulatory and other required approvals and is therefore not considered as highly probable transaction. Pending such approvals, no effect of the proposed Scheme has been given in the Financial Results.

10. During the previous year ended March 31,2017, the Company completed acquisition of Control in Fortis Hospotel Limited ('FHTL') by way of acquiring 51% economic interest over equity through purchase of the compulsorily convertible debentures (CCDs) from Fortis Global Healthcare Infrastructure Pte Ltd (FGHIPL) and amendment to the Shareholders Agreement with Fortis Health Management Limited (FHML). FGHIPL and FHML are subsidiaries of RHT Health Trust (RHT) which is an associate of the Group. Subsequent to the acquisition of 51% economic interest in FHTL, the Company has obtained Control over FHTL and the consolidated financial results for the year ended March 31, 2017 includes financial results of FHTL for the post acquisition period starting October 13, 2016. As per requirement of Ind AS 103 "Business Combination', the Group has recorded goodwill on consolidation amounting to Rupees 23,376 lacs and fair value of net assets acquired amounting to Rupees 160,494 lacs as at the acquisition date.

11. Share in profit/ (loss) of associate companies and joint ventures for the year ended March 31,2017 includes the Group's share of profit (in full) of around Rupees 42,117 lacs on gain recognized by its associate (RHT) arising from the disposal of FHTL business to FHL and consequent fair valuation of RHT's residual interest in FHTL under Ind AS 110. The same has been accounted for in full by the Group under Ind AS 28 considering it to be a disposal of a business by RHT, and a business acquisition for the Group accounted under Ind AS 103.

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12. On completion of FHTL acquisition, the Company has reversed the derivative asset of Rupees 5,636 lacs in the previous year ended March 31, 2017, which was earlier recognized in the standalone financial results of the Company prepared under Ind AS in year ended March 31, 2016 and year ended 31 March, 2015.

13. During the previous year ended March 31, 2017, the Company allotted 18,070,650 equity shares to Standard Chartered (Mauritius) III Limited against USD 30 Million Foreign Currency Convertible Bonds (FCCB), on exercise of conversion option as per Offering Circular.

14. During the previous year ended March 31, 2017, the Company allotted 35,690,887 equity shares to International Finance Corporation against USD 55 Million FCCB, on exercise of conversion option as per FCCB Subscription Agreement.

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

16. The previous year/quarters' figures have been regrouped/ reclassified wherever necessary to correspond with the current quarters' classification/ disclosure. The consolidated financial results include financial results of FHTL from October 13, 2016, hence figures for the current quarter are not comparable with figures for the quarter ended June 30, 2016.

Date: August 4, 2017
Place: Gurgaon

Deloitte Haskins & Sells LLP Chartered Accountants

For and on behalf of the Board of Directors

Malvinder Mohan Singh
Executive Chairman

Fortis Healthcare Limited