FORTIS HEALTHCARE LIMITED
STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2015

Part I

(₹ In lacs)

Particulars	Consolidated				Standalone			
	Quarter ended			Year ended	Quarter ended			Year ended
	30-Jun-15	31-Mar-15	30-Jun-14	31-Mar-15	30-Jun-15	31-Mar-15	30-Jun-14	31-Mar-15
	(Unaudited)	(Audited) (Refer note 2)	(Unaudited)	(Audited)	(Unaudited)	(Audited) (Refer note 2)	(Unaudited)	(Audited)
1. Income from operations	103,984	104,946	100,940	408,863	15,036	15,145	14,784	59,578
2. Other operating income	945	1,427	1,127	5,150	385	287	328	1,486
3. Total income	**104,929**	**106,373**	**102,067**	**414,013**	**15,421**	**15,432**	**15,112**	**61,064**
4. Expenditure								
(a) Cost of material consumed	24,205	23,577	24,623	94,933	3,834	3,577	3,984	14,730
(b) Employees benefit expenses	20,229	20,169	21,473	84,207	4,211	4,340	4,544	18,245
(c) Other expenditure	55,443	58,491	53,495	221,495	11,186	11,185	10,730	42,957
Total	**99,877**	**102,237**	**99,591**	**400,635**	**19,231**	**19,102**	**19,258**	**75,932**
5. Profit (+)/ Loss (-) from operations before other income, finance costs, depreciation and amortisation (3-4)	**5,052**	**4,136**	**2,476**	**13,378**	**(3,810)**	**(3,670)**	**(4,146)**	**(14,868)**
6. Other income	3,204	3,507	2,484	9,874	4,188	5,482	5,622	21,791
7. Exceptional gain (refer note 6)	8,725	-	191	33	-	-	265	265
8. Profit from operations before finance costs, depreciation and amortisation (5+6+7) (EBITDA)	**16,981**	**7,643**	**5,151**	**23,285**	**378**	**1,812**	**1,741**	**7,188**
9. Net depreciation/ impairment & amortisation expenses	5,465	6,097	6,392	26,279	576	622	899	2,713
10. Profit (+)/ Loss (-) from operations before finance costs (8-9)	**11,516**	**1,546**	**(1,241)**	**(2,994)**	**(198)**	**1,190**	**842**	**4,475**
11. Finance costs	3,182	3,730	3,901	15,334	1,472	1,863	2,058	8,063
12. Profit (+)/ Loss (-) from operations before tax (10-11) (including profit attributable to discontinuing operations, refer note 7)	**8,334**	**(2,184)**	**(5,142)**	**(18,328)**	**(1,670)**	**(673)**	**(1,216)**	**(3,588)**
13. Tax expense	841	398	436	626	-	-	-	(197)
14. Net Profit (+)/ Loss (-) from ordinary activities after tax (12-13)	**7,493**	**(2,582)**	**(5,578)**	**(18,954)**	**(1,670)**	**(673)**	**(1,216)**	**(3,391)**
15. Less : Minority interest in profit	586	541	487	1,374	-	-	-	-
16. Add : Share in profit of associate companies	1,821	1,370	1,485	5,958	-	-	-	-
17. Net profit (+)/ Loss (-) after taxes, minority interest and share of profit of associates (14-15+16)	**8,728**	**(1,753)**	**(4,580)**	**(14,370)**	**(1,670)**	**(673)**	**(1,216)**	**(3,391)**
18. Paid-up equity share capital (Face Value ₹10 per Share)	46,288	46,281	46,279	46,281	46,288	46,281	46,279	46,281
19. Reserves excluding revaluation reserves				358,482				321,671
20.Earnings per share (excluding exceptional items) :- Basic	0.00	(0.38)	(1.03)	(3.11)	(0.36)	(0.15)	(0.32)	(0.79)
:- Diluted	0.00	(0.38)	(1.03)	(3.11)	(0.36)	(0.15)	(0.32)	(0.79)
Part II								
A. Particulars of Shareholding								
1. Public shareholding - No of shares	132,730,746	132,651,466	132,634,166	132,651,466	132,730,746	132,651,466	132,634,166	132,651,466
- Percentage of shareholding	28.67%	28.66%	28.66%	28.66%	28.67%	28.66%	28.66%	28.66%

2. Promoters and promoter group shareholding								
a) Pledged/ encumbered - No of shares	231,827,864	246,853,635	272,530,150	246,853,635	231,827,864	246,853,635	272,530,150	246,853,635
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	70.22%	74.77%	82.55%	74.77%	70.22%	74.77%	82.55%	74.77%
- Percentage of shares (as a % of the total share capital of the company)	50.08%	53.34%	58.89%	53.34%	50.08%	53.34%	58.89%	53.34%
b) Non-encumbered - No of shares	98,326,184	83,300,313	57,623,798	83,300,313	98,326,184	83,300,313	57,623,798	83,300,313
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	29.78%	25.23%	17.45%	25.23%	29.78%	25.23%	17.45%	25.23%
- Percentage of shares (as a % of the total share capital of the company)	21.24%	18.00%	12.45%	18.00%	21.24%	18.00%	12.45%	18.00%

B. Investor complaints	
Pending at the beginning of the quarter	Nil
Received during the quarter	7
Disposed off during the quarter	7
Remaining unsolved at the end of the quarter	Nil

Notes to the results

1. The above unaudited financial results for the quarter ended June 30, 2015 have been reviewed by the Audit and Risk Management Committee and approved by the Board of Directors at their respective meetings held on August 5, 2015 and August 6, 2015. These unaudited financial results for the quarter ended June 30, 2015 were subjected to a limited review by the auditors of the Company.

2. The figures for the quarter ended March 31, 2015 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2015 and the unaudited published year to date figures up to December 31, 2014, being the end of the third quarter of the financial year 2014-2015, which was subjected to a limited review.

3. **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 Accounting Standard 17 on 'Segment Reporting' issued by The Institute of Chartered Accountants of India as notified under section 133 of the Companies Act, 2013 read together with para 7 of the Companies (Accounts) Rules, 2014. 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, geographical segments being classified as secondary segment. In India, its home country, the group focuses largely on healthcare services. Additionally, the group's operations 'Outside India' are now mostly focusing on South East Asia and Middle East. The group now primarily operates in Dubai and Mauritius.

   Revenue from operations –by geographical markets

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

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(₹ in lacs)

Region	Quarter ended			Year ended
	30-Jun-15	31-Mar-15	30-Jun-14	31-Mar-15
India	102,767	101,725	96,421	392,968
Outside India*	2,162	4,648	5,646	21,045
Total	**104,929**	**106,373**	**102,067**	**414,013**

* Includes revenue relating to discontinuing operations (see note 7 below).

4. Other income includes interest income, foreign exchange fluctuation gain, profit on sale of assets, profit on sale of investments, forward cover premium amortization and miscellaneous income, whichever is relevant for the period.

5. A) In case of one of the subsidiary ("Escorts Heart Institute and Research Centre Limited"), 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 hospital of one of the subsidiary company exists. Consequent to termination DDA issued show cause notice and initiated eviction proceedings against the subsidiary company. Both these matters are currently pending in various courts of law. Based on the experts' opinions, management is confident that subsidiary company will be able to suitably defend the termination order and eviction proceedings and accordingly considers that no adjustments are required to the financial result.

b) Further, the subsidiary company also has open tax demands of ₹ 7,728 lacs (after adjusting ₹ 3,864 lacs for which the Company has a legal right to claim from erstwhile promoters and ₹ 11,376 lacs of an escrow account which was maintained out of sale consideration payable by the Company to the erstwhile promoters) for relevant assessment years. During the previous year, the Commissioner of Income Tax (Appeals) decided the case in favour of the subsidiary company.

c) In relation to the order of honorable High Court of Delhi relating to provision of free treatment/ beds to poor, Directorate of Health Services, Government of NCT of Delhi, (DHS) appointed a firm to calculate "unwarranted profits" arising to it due to non-compliance. The special committee of DHS stated that before giving a formal 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 ₹ 73,266 lacs, seeking hospital's comments and inputs if any. The company has responded to such intimation explaining errors and objections to the calculations and is awaiting a formal hearing in the matter with the DHS. Based on its internal assessment and advice from its counsels on the basis of the documents available, management of the group believes that it is in compliance of conditions of free treatment and free beds to the poor and does not anticipate any liability after proper hearing with DHS. No notice of hearing has since been received till date.

B) One of the subsidiary, ("Hiranandani Healthcare Private Limited"), had received an Order from Navi Mumbai Municipal Corporation (NMMC) under Bombay Nursing Home Registration Act, 1949, for certain alleged contravention of the provisions of the Act and to cancel the registration of the Hospital and immediately cease its operations. The subsidiary filed writ petition with Bombay High Court (HC) that it is ultra vires and contrary to principles of Natural Justice HC stayed the order and restrained NMMC from taking any steps to interfere or obstruct the functioning. Despite above order, NMMC had again issued another Order to submit original certificate of registration of the subsidiary. The subsidiary had filed civil application in the Writ Petition seeking leave of HC to amend the Writ Petition to include grounds of challenging the new Order as well which were pending before the HC.

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Subsequently on July 3, 2015, NMMC communicated to the subsidiary that it has cancelled its earlier order of cancellation of the hospital registration. On that basis, the subsidiary has withdrawn its petition with the HC. The HC has also disposed off the petition vide order dated July 13, 2015.

6. Exceptional items included in the above consolidated financial results includes:

(₹ in lacs)

Particulars	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended June 30, 2014	Year ended March 31, 2015
a) Gain on sale of investment in Radlink-Asia Pte Limited ("Radlink") [Refer note 7 (a)]	7,844	-	-	-
b) Gain on sale of investment in Fortis Healthcare Singapore Pte Limited ("FHS") [Refer note 7 (b)]	881	-	-	-
c) Gain on sale of net assets related to Mohali clinical establishment to Escorts Heart and Super Speciality Hospital Limited, one of the subsidiaries of Religare Health Trust ("RHT")	-	-	191	191
d) Loss on dissolution of partnership firm Fortis Cauvery	-	-	-	(158)
Net exceptional items	**8,725**	**-**	**191**	**33**

In continuance of Group's strategy of Asset light model, during the quarter ended June 30, 2014, the Company has entered into an agreement with Escorts Heart and Super Specialty Hospital Limited ("EHSSHL"), a subsidiary of RHT, for transfer of net assets relating to the Mohali Clinical Establishment (in Punjab) to EHSSHL. Such transaction has resulted in net gain of ₹ 191 lacs (net of unrealised gain of ₹ 74 lacs pertaining to the Company's share in RHT) and ₹ 265 lacs in the consolidated and standalone results respectively and has been included as an exceptional item during the quarter ended June 30, 2014.

During the previous year, one of the subsidiary of the Company, Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited) entered into a Memorandum of Understanding (MOU) to dissolve the partnership firm, of which subsidiary Company was a partner. Accordingly, the subsidiary company's share of loss arising due to this has been shown as an exceptional item during the previous year.

7. a) Discontinuing of operations relating to Radlink-Asia Pte Limited, Singapore ("Radlink")

During the previous year, Fortis Healthcare International Pte Limited (FHIPL), a wholly owned subsidiary of the Company announced its decision to divest its 100% shareholding in Radlink.

The transaction was completed during the current quarter on May 12, 2015 post approvals by the shareholders of Radlink and other regulatory authorities. The investment was sold to Fullerton Healthcare Group Pte. Limited for a consideration of SGD 111 million. Accordingly, assets and liabilities of Radlink do not form part of the consolidated assets and liabilities of the Company w.e.f. May 12, 2015. Such deconsolidation resulted in a net gain of ₹ 7,844 lacs and is included as an exceptional item in the current quarter.

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The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial results are as follows:

(₹ In lacs)

Particulars	**Quarter ended**			**Year ended**
	June 30, 2015	**March 31, 2015**	**June 30, 2014**	**March 31, 2015**
Total revenue	1,062	2,973	3,677	13,546
Total expenditure	934	2,699	2,849	11,449
Profit before tax	**128**	**274**	**828**	**2,097**
Tax expenses	27	172	-	172
Profit after tax	**101**	**102**	**828**	**1,925**

b) Discontinuing of operations relating to Fortis Healthcare Singapore Pte Limited ('FHS')

During the previous year, Fortis Healthcare International Pte Limited (FHIPL), a wholly owned subsidiary of the Company announced its decision to divest 100% shareholding in FHS which holds and operates Fortis Surgical Hospital to Concord Medical Services (International) Pte Limited for SGD 55 million.

The transaction was concluded in current quarter on April, 7 2015. Accordingly, assets and liabilities of FHS do not form part of the consolidated assets and liabilities of the Company w.e.f. April 7, 2015. Such deconsolidation resulted in a net gain of ₹ 881 lacs and is included as an exceptional item in the current quarter.

The revenue and expenses in respect of the activities attributable to above discontinuing operations included in the consolidated financial results are as follows:

(₹ In lacs)

Particulars	**Quarter ended**			**Year ended**
	June 30, 2015	**March 31, 2015**	**June 30, 2014**	**March 31, 2015**
Total Income	-	879	1,196	4,072
Total expenditure	-	3,161	3,401	13,303
Profit before tax	-	**(2,282)**	**(2,205)**	**(9,231)**
Tax expenses	-	-	-	-
Profit after tax	-	**(2,282)**	**(2,205)**	**(9,231)**

8. During the current quarter, as per the agreed issue terms, the Company has redeemed on due date the outstanding USD 100 million 5% Foreign Currency Convertible Bonds (FCCBs) listed on the Luxembourg stock exchange.

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9. As permitted, the Group has elected to present earnings before interest, tax, depreciation/ impairment and amortisation (EBITDA) as a separate line item in its financial statements and as required by clause 41 to the listing agreement to use the classifications as per financial statement, the Group has shown the EBITDA as a separate line item in the above financial results. In its measurement, the Group does not include depreciation/impairment and amortisation expenses, finance costs and tax expenses.

10. The previous periods'/ year figures have been regrouped and recasted, wherever considered necessary.

Date: August 6, 2015
Place: Gurgaon

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For and on behalf of the Board of Directors

Malvinder Mohan Singh
Executive Chairman