Fortis Healthcare Limited
Support Office:
Tower A, Unitech Business Park,
Block - F, South City 1, Sector - 41,
Gurgaon, Haryana - 122001 (India)
Tel : 0124 492 1021
Fax : 0124 492 1041
Ambulance : 105010
E-mail : secretarial@fortishealthcare.com
Website : www.fortishealthcare.com

September 28, 2016

The National Stock Exchange of India Ltd.
Corporate Communications Department
"Exchange Plaza", 5th Floor,
Bandra-Kurla Complex, Bandra (East),
Mumbai – 400051

BSE Limited
Corporate Services Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

Scrip Symbol: FORTIS

Scrip Code:532843

Dear Sir,

Sub: Submission of details regarding the voting results of Annual General Meeting as per the format prescribed under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the captioned subject, please find enclosed the results of the Annual General Meeting held on September 27, 2016 in the prescribed format along with Scrutinizer's report as 'Annexure 1'.

This is for your information and records.

For Fortis Healthcare Limited

Fortis Healthcare Limited New Delhi

Rahul Ranjan
Company Secretary

RE-DEDICATING OURSELVES TO UNCOMPROMISING HEALTHCARE

ANNUAL REPORT
(2015-16)

I swear to fulfil, to the best of my ability and judgment, this covenant…

• I will **respect** the hard-won scientific gains of those physicians in whose steps I walk

• I will apply, for the **benefit** of the sick, all measures which are required

• I will remember that **warmth**, sympathy, and understanding may outweigh the surgeon's knife or the chemist's drug

• I will not fail to call in my colleagues when the **skills** of another are needed for a patient's recovery

• I will respect the **privacy** of my patients, for their problems are not disclosed to me that the world may know

• I will remember that I do not **treat** a fever chart, a cancerous growth, but a sick human being

• I will **prevent** disease whenever I can, for prevention is preferable to cure

• I will remember that I remain a member of **society**, with special obligations to all my fellow human beings

• If I do not violate this **oath**, may I enjoy life and art, respected while I live and be remembered with affection thereafter

For more information, visit www.fortishealthcare.com

Fortis

THE MAN WHO GAVE US OUR VISION

Late Dr Parvinder Singh
Founder Chairman, Fortis Healthcare Limited

TO CREATE A WORLD-CLASS INTEGRATED HEALTHCARE DELIVERY SYSTEM, ENTAILING THE FINEST MEDICAL SKILLS COMBINED WITH COMPASSIONATE PATIENT CARE

Content

FORTIS MEMORIAL RESEARCH INSTITUTE, GURGAON

Company Information

Board of Directors

EXECUTIVE DIRECTOR

Mr Malvinder Mohan Singh
Executive Chairman

NON-EXECUTIVE DIRECTORS

Dr Brian William Tempest
Mr Harpal Singh
Ms Joji Sekhon Gill
Ms Lynette Joy Hepburn Brown
Mr Pradeep Ratilal Raniga
Dr Preetinder Singh Joshi
Mr Ravi Umesh Mehrotra
Mr Shivinder Mohan Singh
Ms Shradha Suri Marwah
Mr Sunil Godhwani

Chief Executive Officer

Mr Bhavdeep Singh

Chief Financial Officer

Mr Gagandeep Singh Bedi

Company Secretary and Compliance Officer

Mr Rahul Ranjan

Auditors

M/s Deloitte Haskins & Sells LLP
Chartered Accountants, New Delhi

Registered Office

Fortis Healthcare Limited
CIN: L85110DL1996PLC076704

Escorts Heart Institute and Research Centre
Okhla Road, New Delhi – 110 025
Tel: +91-11-4713 5000/2682 5000
Fax: +91-11-26825013
Website: www.fortishealthcare.com

Registrar and Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32 Gachibowli,
Financial District, Nanakramguda
Hyderabad – 500 008
Tel.: 040 – 67162222
Website: www.karvycomputershare.com

Message from the Executive Chairman

Malvinder Mohan Singh
Executive Chairman

Dear Shareholders,

It gives me immense pleasure to once again communicate with you through our annual report for 2015-16, and I warmly acknowledge the strong association that we have enjoyed over the years.

At the outset, I would like to thank our Vice Chairman, Mr Shivinder Mohan Singh, for his outstanding contribution to the development of our organisation, over a span of about 15 years. I fully respect and support his decision to relinquish his executive responsibilities at Fortis in order to pursue his inner calling, to offer Sewa at Beas.

I would also like to formally welcome back, into Fortis, Mr Bhavdeep Singh, who took on the reins of the organisation as CEO during the year. His vast international experience in leadership positions with global organisations, coupled with his past experience and understanding of our organisation, are an asset to Fortis, as it continues to strengthen its market position as a leader in India's healthcare landscape.

Impact on Society

A healthcare enterprise like ours has a deep and lasting impact on the quality of the life of the citizens of its country and their well-being. It is an established fact that a healthy population is able to contribute substantially in enhancing the domestic economy and the country's wealth. I believe we play a substantial and central role in keeping our population healthy, especially against the backdrop of the onslaught of the dual burden of disease and huge gaps in the demand and supply of healthcare. We are privileged to serve and alleviate the sufferings of over 25 lakh patients from across the country, who come to our hospitals annually, for medical treatment. In this way, we contribute, in a significant manner, to build a stronger and healthier India.

Differentiators for Fortis

I would like you to know that we continue to tread the path set forth by our vision i.e. to bring a world-class integrated healthcare delivery system, entailing the finest medical skills combined with compassionate patient care. These elements are the fundamental differentiators for Fortis. Therefore, exceptional clinical care, patient centric delivery, affordability and access to healthcare remain our touchstones and it is with this spirit that we are expanding our medical offerings.

Whilst we continue to strengthen our comprehensive offerings across a very wide spectrum of medical specialties, we are also addressing some of the critical medical needs of our country by strengthening medical programmes focusing on Oncology, Mother & Child Health, and Organ Transplantation. We are also supporting the introduction of precision technologies and treatment options, including minimally invasive techniques and Robotics. Patient comfort, ease and speed in healing, with better predictability of outcomes are paramount to this endeavour, and you would be pleased to know, that we are leading the charge to create positive impact in this vitally important domain.

Measuring Clinical Outcomes - Demonstrating and Delivering Value Based Healthcare

Our patients are central to this theme and we believe that the best way forward is to consistently demonstrate how well we are able to meet the complex and interrelated needs of each individual patient. We try to ensure that every patient receives the best clinical treatment and derives true medical value over the complete course of care that leads

We are privileged to serve and alleviate the sufferings of over 25 lakh patients from across the country, who come to our hospitals annually, for medical treatment. In this way, we contribute, in a significant manner, to build a stronger and healthier India.

to healing. We work towards outcomes that are both predictable and positive. This is made possible through sustained, team-based efforts that deliver medically integrated services and follow standard clinical pathways and practices.

Noteworthy in assessing the quality and effectiveness of our medical interventions is our move to measure and publish the medical outcomes, at our hospitals. We are the first in Asia to have adopted world leading indicators set by International Consortium for Health Outcomes Measurement (ICHOM), at the Fortis Escorts Heart Institute (FEHI). The initial focus is on cardiac diseases and the ICHOM Coronary Artery Disease Data Set being monitored at FEHI covers clinical quality, the incidence of post-operative complications (kidney failure, heart attack, wound infections) in patients undergoing a Coronary Artery Bypass Graft (CABG) and Percutaneous Coronary Intervention (PCI). We are happy that our data clearly shows that FEHI stands alongside the best hospitals in the world and in many cases ahead of them, in the quality of its medical outcomes for cardiac cases.

We are now working to extend this endeavor to our other hospitals as well as other medical specialties i.e. the Fortis Memorial Research Institute and Fortis hospitals at Mohali, Mulund and Bengaluru for Coronary Artery Disease (CAD); Fortis also aims to post outcomes for Kidney Transplant.

I believe this is a significant step in patient empowerment and a huge move to strengthen the bond of trust between our hospitals and patients. It further reinforces the measures we are taking to enhance clinical care through evidence based protocols that also provide patients a clear view of the medical options available and the quality of results being achieved, so they can make informed treatment choices.

Strategy and Growth

We continue to deepen our India centric strategy by expanding capacity at our existing facilities, strengthening our clinical programmes across therapies, thereby making them more comprehensive by broadening our medical offerings.

Clearly, there are opportunities to create additional value. Some hospitals in our portfolio are at their peak and operate consistently at high occupancies. Such hospitals have earned the right to grow and we are planning to add bed capacity through internal expansion i.e. by building additional

infrastructure at existing locations and also by mobilising existing warm shells. This will enable us to add 400-500 new beds every year, for the foreseeable future.

Our asset light arrangement with the Religare Health Trust (RHT), created in October 2012, further enhances the benefits that accrue to Fortis from this model. This is because the expansion in both cases can be funded by the RHT.

Additionally, Fortis is taking the lead to also explore and actively seek Operations & Management (O&M) contracts to expand its brand presence in India. With this, Fortis is seized of the immense possibilities of yet another growth platform that can help us to develop upon our asset light strategy. Fortis has been an early pioneer in this space and is leading the way for the sector.

Medical Value Travel

Comparing various developing countries of the world, India is well-positioned as a preferred destination for medical tourism due to the presence of world class hospitals and medical professionals. Further, superior quality healthcare, excellent clinical outcomes that can be compared with global benchmarks coupled with low treatment costs in comparison to other countries, is benefiting Indian medical tourism which has, in turn, enhanced the prospects of the

Indian healthcare market. As we continue to publish the data on our strong clinical outcomes, we will generate further confidence among international patients and more of them will look to India as a preferred destination for medical treatment. India has the potential to become the healthcare hub to the world and its prospects for growth could rival the excellent results that we have seen for the Indian IT industry.

Organ Transplant

This is an area we are extremely passionate about as it has the potential to bring hope to millions of lives staring a bleak prognosis as a result of organ failure. The hope lies in the positive contribution that Medical science has been able to make in this space with commendable results, that allow individuals with even the most trying conditions, an alternate route to life. However, organ donations, following brain death, have been abysmally low in our country. Fortis has joined hands with notable organisations like the Mohan Foundation and NOTTO to educate people and change public perceptions surrounding organ donation. We believe this is one of the most significant contributions we can make in our journey to bring about positive social change that can alleviate human suffering and heal those who have the tiniest sliver of hope. I applaud the ceaseless efforts of our transplant teams and surgeons to create a strong culture for transplant programmes to take root. Fortis has taken a strong position to heighten awareness related to organ donation and its nation-wide campaign has led to large numbers of citizens volunteering to become organ donors.

I am enthused by the over 100 heart transplants that have already taken place at our Fortis Malar Hospital, in Chennai, which positions it as the premier centre for heart transplant, not only in India but all of Asia. This makes me believe that the best is yet to follow, in what is described as a game changer.

Technological Initiatives

There are many synergies that can be generated through the deployment of new technologies particularly for our sizable network, and Fortis is keenly studying and deploying them to standardise the quality of service delivery, control cost and enhance patient engagement. We continue to stay abreast of the new developments and are leveraging, wherever possible, Digital Health Knowledge Resources,

Electronic Medical Records, Mobile Healthcare Solutions, and Hospital Information Systems to create further value in the business by adding services that enhance patient convenience and unlock system efficiencies.

We are also using tele-medicine to expand our reach exponentially. Our E-ICU brand 'Critinext' replicates a high order intensive care environment at a remote hospital enabling us to offer 24x7 patient surveillance through a central e-hub. At present, over 400 beds in 12 cities are being served via this arrangement.

Diagnostics

Over the last few years, Pathology has gained prominence as the preferred line of diagnosis for the majority of diseases. Reliable diagnosis enables evidence-based treatment, thereby offering the best treatment options to patients. The Company's diagnostic business, SRL, continues to be a leader in diagnostics, having the largest network of 314 labs with a pan-India footprint. SRL is a mass market player and is present in all segments of pathology testing, which includes screening, diagnostic, predictive, preventive and monitoring tests. SRL reaches out to over 60,000 doctors and, at an average, conducts over 125,000 tests per day. Focus on indices of efficiency, bringing in of integrated platforms, decentralisation of tests on the basis of customer demand are the future focus areas for the Company which hold great promise. The Board of the Company has decided to assess and evaluate a demerger of the diagnostics business of the Company in addition to other options that may be available to unlock and monetise value inherent in this business.

Social Consciousness

A healthcare organisation must have a soul and its reason for existence must be based on public good. Fortis believes that apart from business, we must make a worthwhile contribution to society. We have, therefore, organised ourselves through the Fortis Charitable Foundation (FCF) to render service to society and meet our social obligations. Even as our initial area of focus is towards curative healthcare, our long term objective is to deliver programmes in the area of preventive healthcare and improve the overall quality of life for our stakeholders and the society.

FCF has 5 primary programmes

UMEED (A Child Centric Program); AANCHAL (Women's Health and Well-Being); SEWA (A Disaster Relief Initiative); CHHAYA (Supporting Charitable Medical Infrastructure); SAVERA (Awareness, Communication & Publications) and SPECIAL LIVES (A programme catering to special situations that demand a response). Just as a small example, in 2015-16, under UMEED alone, we supported 1178 children with Congenital Heart Defects, providing them surgical and other treatment options, which afforded them the right to a healthy and productive life. There are many more such meaningful initiatives that have brought a cheer to the disadvantaged and our endeavour is to continue to extend our reach.

The healthcare opportunity and building shareholder value

The Indian healthcare market is expected to grow at a CAGR of ~16% from US $ 100 Billion in 2015 to reach US $ 280 Billion by 2020 (Source: IBEF). This would reflect in India's spend on healthcare which is expected to increase from 4% of GDP currently to approximately 5% of GDP by 2020. The growth in population, increase in lifestyle related diseases, rising purchasing power of the middle class and higher awareness of chronic illnesses along with a huge opportunity in medical value travel will be the key growth drivers for the sector.

As the Indian economy grows, there will be an associated increase in the purchasing power of people and there will be a demand for more value based healthcare. With increasing insurance penetration, healthcare will become more affordable for people. We will focus on expanding our clinical programmes and build more comprehensive facilities so that we are able to serve the people better while generating a higher return on investment for our shareholders.

I would like to thank the Board, our management team, members of our clinical and non-clinical staff and our shareholders for their constant support.

With my best wishes and warm regards,

Malvinder Mohan Singh
Executive Chairman

Board of Directors

Dr Brian William Tempest
Chairperson of the Audit and Risk Management Committee

Harpal Singh

Joji Sekhon Gill
Chairperson of the Nomination and Remuneration Committee

Lynette Joy Hepburn Brown

Malvinder Mohan Singh
Executive Chairman

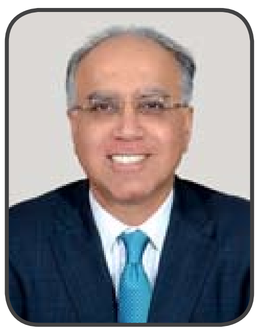
Pradeep Ratilal Raniga

Dr Preetinder Singh Joshi

Ravi Umesh Mehrotra

Shivinder Mohan Singh

Shradha Suri Marwah
Chairperson of the Corporate Social Responsibility Committee



Sunil Godhwani
Chairperson of the Stakeholder Relationship Committee

Message from the Chief Executive Officer

Bhavdeep Singh
Chief Executive Officer

Dear Shareholders,

It has been a little under a year since I have come back to Fortis Healthcare. However, to be very candid, it feels like I never left. I have been enthused by the passion and dedication in our people to live our motto of "saving and enriching lives" while also watching them go out of the way to ensure the well-being of our patients. I am equally excited by the possibilities that the future holds at this very interesting juncture in our journey.

Before going any further, I would like to start by thanking Mr Shivinder Mohan Singh, our Executive Vice Chairman, who made a decision to pursue a different path in life and stepped down from active business. While he continues to serve on the Fortis Board, he is no longer involved with the Company on a day to day basis. As we all know, it is rare to witness a person at the height of professional and personal success, to attend to an inner calling and devote themselves to selfless 'Sewa'. This takes courage, conviction and faith in one's larger purpose, and Shivinder has done just that. His contribution in building Fortis into the brand it is today has been enormous, and I take this opportunity to wish him much success and happiness in his journey.

The year gone by has been quite noteworthy. We continue to see ongoing progress in our business on multiple fronts as the healthcare landscape continues to change and evolve. The demand for healthcare continues to grow and we are starting to see that while hospitals continue to grow and evolve, there are some obvious changes and shifts that are taking place.

With that said, we operate approximately 4,000 beds and continue to invest in our medical programmes, in our clinicians and the very latest technology. As you might be aware, Fortis started in 2001 in Mohali where 60%-70% of our business was in Cardiac Sciences. With the emergence of other important specialities which have grown, Cardiac Sciences (while it continues to be strong), has come down to about 25%-30% of our total business. So today, we have a robust and de-risked portfolio in which we also have a very sizable Orthopaedic business and a large Oncology business, which is growing at a fast pace. More than 1.5 million individuals are diagnosed with cancer every year, and I believe we are well-positioned to support the country in its battle against cancer. In addition, the neuro-sciences segment continues to grow as well. So, we are investing in technology and in broadening the required clinical talent to drive this forward. On that note, it is worth mentioning that we have recently brought three or four very-very significant clinicians and some of the top practitioners in the country, and they continue to enhance our clinical operation. However, as mentioned above, there are some changes and the one that is apparent and obvious is that the secondary and tertiary markets continue to grow. We see that with our hospitals and we see it with our competition.

If you look at the year's performance for the overall healthcare and pathology businesses, both have done well and our numbers continue to grow as well. I think we are extremely well-positioned, and continue to be very-very optimistic about our growth prospects. As we look ahead, we feel very confident that the organisation will continue on a strong growth trajectory for the foreseeable future. As we think about our growth, a strong point of validation has been the feedback we are getting from our patients. We take great pride in the fact that Fortis is doing the right thing and the brand continues to get stronger.

In looking back at last year, a new area of focus has been organ donation. While we have been active in the

We are extremely well positioned, and continue to be very-very optimistic about our growth prospects. A strong point of validation has been the feedback we are getting from our patients. We take great pride in the fact that Fortis is doing the right thing and the brand continues to get stronger.

transplant space for many years now, over this past year, we have come out with a very strong position on organ donation. As a large healthcare provider, it is our responsibility to take a leading position and accept responsibility for this type of initiative. And that is exactly what we have done. As such, over the past few months, we have put the spotlight on organ transplants. As we continue to build our expertise in this space, our clinicians have notched many successes and we have been able to considerably strengthen our foothold in this clinical speciality. We have made some good strides in the organ donation space, especially in deceased donor heart transplants. This speaks volumes about the skills and expertise of our clinicians and the dedication and contribution of all those who have supported this effort.

On the topic of transplants, the Fortis Centre for Heart Failure & Transplant at Fortis Malar Hospital, Chennai, has done over 100 heart transplants, making it India's largest cardiac transplant centre. At the same time, Fortis Mulund, Mumbai, created history by conducting the city's first heart transplant in four decades and has followed it up with an impressive run-up to perform more than 20 such cases, in a short span. The Fortis Escorts Heart Institute in New Delhi has also conducted its second heart transplant.

With our "Focus on India" strategy, we have done well. The inauguration of the La Femme unit in Bengaluru was a step in that direction. We will continue to strengthen our organisation and concentrate on building capacity and specialisation across the organisation.

These are significant times as they underscore the depth of our capability across medical specialties as well as geographic regions. As we move ahead, we will partner with our clinicians to further widen our clinical scope and take a leadership position across the various facets of medicine. Clinical Excellence and Patient Care are the two crucial pillars on which the entire edifice of our organisation stands. While our clinicians and nurses continue to do a great job in delivering clinical excellence, the rest of the organisation is focused on delivering exceptional patient care services. It is the combination of these two activities that will make us a great healthcare organisation.

As the healthcare industry has continued to mature, it has been a constant challenge to illustrate the value proposition in healthcare prior to the service being experienced or consumed. Hard data on clinical outcomes measured against best global benchmarks can provide an answer to demonstrate the robustness, predictability and repeatability of our procedures to patients. In light of that,

we are now publishing data on clinical outcomes from the Fortis Escorts Heart Institute for major Cardiology procedures (based on global norms specified by the International Consortium for Health Outcomes Measurement - ICHOM). The Cardiology data sets are being extended to various Fortis hospitals and new medical specialities are also being brought under the ambit of this programme. As you may be aware, this makes Fortis the first hospital chain in India and one of the first in Asia to adopt and publish its medical outcomes for public guidance and scrutiny alongside data for our international peer set, to enable a fair comparison.

In parallel, we have taken significant steps that take our organisation closer to the needs of a patient by creating "One Fortis" through the implementation of Project F1, an organisation wide ERP initiative. Project F1 is an Oracle based ERP system that unifies the business critical functions of Finance, Supply Chain and Human Resources, to improve efficiencies.

Additionally, we have implemented several measures to improve effectiveness. We announced the new organisational structure in December 2015, further empowering the operating part of our business closest to the patient. The number of regions were optimised from five to three and the Corporate Office was rechristened as the Support Office, to reflect its new orientation. The regions have been further empowered and the focus is now closer to the action. We are striving for greater speed and agility in decision making, to respond quickly to the expectations of our patients.

As part of the community, we have a definite role to play in its improvement. With the spirit of hygiene and cleanliness, our hospitals are participating enthusiastically in the 'Swachh Fortis' effort to clean the surroundings outside our hospitals. This was an initiative that got its start at Fortis Noida when the team cleaned up the outside of their hospital. From there, the effort has gone viral with every other hospital joining the 'Swachh Fortis' initiative.

As I bring this to a close, this is a journey we have committed to, and with each passing day we must become stronger and better at it.

I would like to thank all of you for your constant support and look forward to your continued engagement with the Company.

Best regards,

Bhavdeep Singh
Chief Executive Officer

Board of Directors - SRL

Archana Shiroor

Dr Brian William Tempest

Harpal Singh

Malvinder Mohan Singh

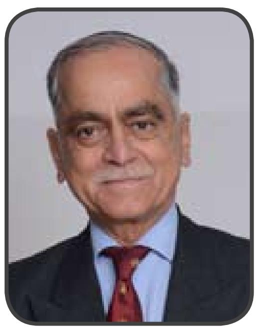
Praneet Singh

Dr Preetinder Singh Joshi

Shivinder Mohan Singh

Srinivas Chidambaram

Sunil Godhwani



Lt Gen Tejinder Singh Shergill

Message from the Chief Executive Officer - SRL

Sanjeev Vashishta
Chief Executive Officer - SRL

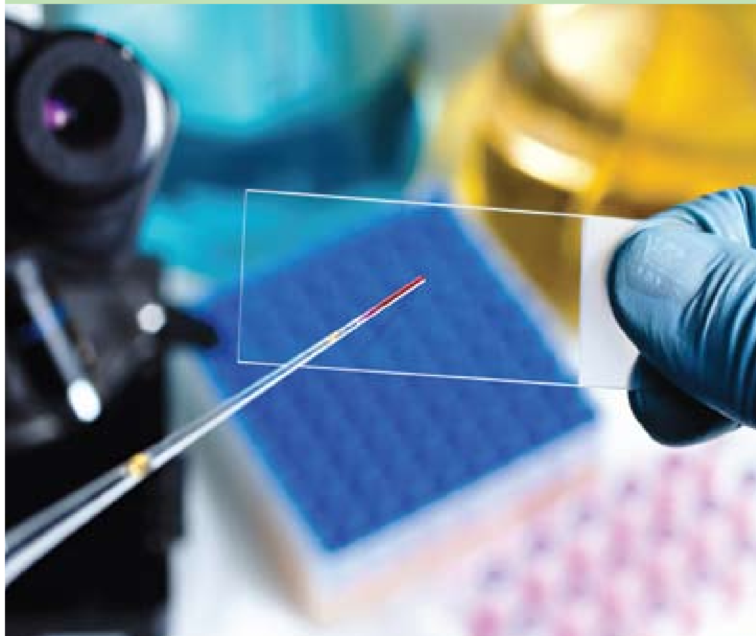
The Diagnostic arena is dynamic and ever changing, necessitating the need for the discerning service providers to always be on their toes and introduce new technologies, platforms and tests which are meaningful for the Indian population.

Having carefully analysed the Diagnostics Sector and having correlated the data available from various suppliers of Raw Materials (reagents, consumables etc.) with the number of tests carried out on the IVD and Imaging side, a reassessment of the potential of the opportunity is clear. First, around the size of the Dx Market, which is now understood to be close to US $ 6 Billion as opposed to US $ 3 Billion estimated until a year back, through studies conducted by various agencies. The second, is about the Market Share held by the organised Players in the Diagnostics arena. The size of the Organised Market is now thought to be around 20% of the total Diagnostics market and not under 10% as believed earlier.

The newly compiled statistics accentuate the importance of Diagnostics in the overall Healthcare System, and also throw light on some important aspects such as increasing dependence of clinicians on accurate diagnostics, relatively easy access of funding to the new service providers as well as availability of equipment on reagent rental basis, resulting into low capex and therefore attractive ROI's. Further, there are no entry barriers to start a Diagnostics Lab in India. All these factors contribute immensely towards making Diagnostics an attractive Industry. This has led to increasing competition, whether from already established players in the organised market, individually owned labs offering personalised customer centric services, or the newer start-up ventures focussing only on specific areas of diagnostics such as new-born screening, HLA or Genomics.

Given the fact that Accurate Diagnosis is the key to prescribing the right treatment, choosing a reliable Diagnostics laboratory is becoming increasingly critical to patient care. Your Company - SRL, is India's largest Company in the Diagnostics arena in terms of Revenues, Reach (network of Labs and Collection Points) and also Volumes (number of tests). It is our endeavour to provide superior quality Tests and Services to our esteemed customers using state-of-the-art technology and platforms. We also reach out proactively to our customers including the doctors and clients in India and beyond, and share with them the latest developments on the Diagnostics front. A very able team of Pathologists, Scientists and Sales/ Marketing Professionals work relentlessly towards creating awareness of new technologies and tests to help physicians take well informed decisions in the best interest of their patients. Thanks to our R&D team and our 'speciality specific mentors', every month we add new tests to our existing repertoire of approximately 3800 routine, specialised and super-specialised diagnostic tests. We also work extensively towards improving the methods and meaningful platforms for testing. Most often, these platforms match the best available globally. Our sustained efforts in maintaining quality, developing in-house assays, assimilating cutting-edge technologies for advanced diagnostic tests at an affordable price while increasing outreach, have been appreciated by our customers and associates.

From the customer perspective, whether it be the doctor, patient or the walk–in customer, the need of the hour is to be seen as a provider who assures accurate diagnostic

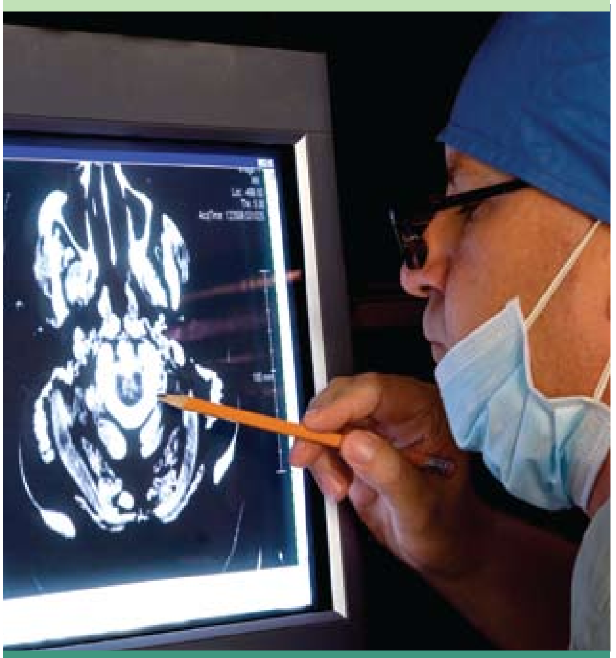


Thanks to our R&D team and our 'speciality specific mentors', every month we add new tests to our existing repertoire of approximately 3800 routine, specialised and super-specialised diagnostic tests. We also work extensively towards improving the methods and meaningful platforms for testing. Most often these platforms match the best available globally.

results at an affordable price coupled with convenience. In order to ensure the above, the SRL teams at their end follow all the processes and Standard Operating Protocols (SOPs) religiously. Our teams are therefore given proper orientation and are adequately trained to upgrade their skills so they can adopt the requisite Systems and SOPs. At SRL, we keep pace with the changes happening globally and our Research & Innovation Team continues to challenge the status quo.

Customers today are aware, well-informed and well-connected. Information is readily accessible through internet on smart-phones, tablets and PCs. Rapid gains in the field of IT, Informatics and Biomedical Technology coupled with growing customer expectations and popularisation of social media, have led to paradigm shifts in the way that healthcare is perceived and practiced. This has created immense opportunities for us to provide a quality service to our customers for disease diagnosis and management that goes beyond their expectations, generating delight. SRL IT has done significant work around data mining and reminder services as well as the MySRL mobile app which has been revamped with enhanced features enabling the customers to take a more active role in managing their own well-being and health. Customers can now 'Book a Test' and make online payments through their devices. The team has also successfully integrated its in-house lab management software, CLIMS, with the UP Government's Hospital Information System (HIS) to enable seamless test requisition and reporting services, for the doctors and patients.

SRL feels privileged at having been awarded the contract for the Comprehensive National Nutrition Survey being conducted by UNICEF and the Ministry of Health and Family Welfare for which we were selected on account of our unparalleled credentials with regard to reach and quality. The study requires the SRL teams to collect 50,000 samples from children in every State, across India, covering even the most far flung and inaccessible hamlets in the country. Being a leader in the diagnostic services industry, we are cognisant of the fact that the Research and Innovations in our laboratories need to translate into superior quality results for patients, at affordable prices, with increased customer satisfaction. At the same time, we are absolutely convinced that the new age customers will not compromise on the quality of services that they pay for, as long as they see



value in it. Our continuing endeavour remains to constantly challenge ourselves with a better test menu, competitive pricing and improvement in turnaround time. This year, we have added many new customised and comprehensive solutions to our existing test menu of approximately 3800 routine, specialised and super-specialised diagnostic tests. These new additions launched as the "Total" series of tests like BOH Total/ Thrombocheck Total etc. offer a complete product line to address the requirement of clinicians at a competitive price. Moreover, many tests such as Gene-expert/ Hormones/ Vitamin D etc. have been decentralised and are therefore carried out from our multiple Labs, for improved turnaround time and hence better customer experience.

Strict monitoring of defined standards on accuracy, turnaround time and efficiency, ensure that they fall within defined matrices. The installation of integrated platforms, are among the steps taken towards enhancing efficiency, an ongoing journey.

SRL is privileged to have many large Hospitals in the Private Sector as well as under Public Private Partnership, as our esteemed and largest Customers. SRL runs Labs inside more than 100 Hospitals and Team SRL engages closely with its customers with the common intent of enhancing patient care and ensuring that higher standards of delivery are met. Hospital clients form a significant portion of our client base and this allows SRL to continuously look at its menu and bring in novel tests, especially in the realm of Critical Care, in addition to the core speciality tests in Oncology, GI Pathology, Nephropathology and Cardiology, among others. We are committed to developing a centre of excellence for HLA typing which will provide a comprehensive diagnostic solution for the growing number of transplants in the country. This multipronged strategy to continuously improve efficiency, understand and address the needs of our customers and associates has been widely appreciated.

I take this opportunity to thank all the stakeholders, investors, private equity partners, our vendors, technical partners, business associates, owners of collection centres, direct clients, our partners for whom we run labs and customers for reposing their faith in the Company. I must place on record the hard work put in by every employee of our Company, and my thanks go out to each of them. I also take this opportunity to thank all the Board members for their continuing guidance and support at every step.

Finally, with a deep sense of gratitude and satisfaction, I would like to acknowledge that we have come a long way as an organisation. In this journey, we have developed some core strengths in People, Technology, and Doctor Relationships, while obtaining Academic and Technical Excellence. I assure you that we will continue to work hard

with the same zeal, enthusiasm and dedication to take your Company to the next level.

Sanjeev Vashishta
Chief Executive Officer - SRL

AWARDS AND ACCOLADES

Mr Malvinder Mohan Singh, Executive Chairman, Fortis Healthcare, was honoured with the 'Entrepreneur of the Year' award at the APEA 2016

Mr Malvinder Mohan Singh, Executive Chairman, Fortis Healthcare, was honoured with the 'Entrepreneur of the Year' award at the Asia Pacific Entrepreneurship Awards (APEA) 2016. Gen. V. K. Singh, Minister of State for External Affairs, Government of India, presented a trophy honouring him at an event in New Delhi.

Dr Ashok Seth, Chairman, Fortis Escorts Heart Institute, New Delhi, became the first Indian doctor to be invited by the USFDA Medical Panel in Washington

Dr Ashok Seth, Chairman, Fortis Escorts Heart Institute, New Delhi, became the first Indian doctor to be invited by the US Food & Drug Administration's Medical Panel in Washington to present his clinical observations on the use of the Bioabsorbable Stents. During the year, the Honourable President of India conferred upon him, the prestigious 'Padma Bhushan' award, for his outstanding contribution to Cardiac Sciences. Dr Seth's Alma Mater, the Aligarh Muslim University also honoured him with a Doctorate of Science (DSc).

Fortis Hospital, Mohali and the Fortis Hiranandani Hospital, Vashi, were awarded the top spot at the 16th CII National Awards for Excellence in Energy Management

Fortis Hospital, Mohali and Fortis Hiranandani Hospital, Vashi, were jointly awarded the top spot at the 16th CII National Awards for Excellence in Energy Management, while Fortis Hospital, Anandapur, Kolkata, was named the Runner-up. The awards were announced at the Energy Efficiency Summit - 2015, held at Hyderabad.

Fortis Healthcare received Golden Globe Tigers Award in the 'Best Patient Safety Initiative' category

Fortis Healthcare received the prestigious Golden Globe Tigers Award in the 'Best Patient Safety Initiative' category for successfully adopting and implementing the World Health Organisation's Surgical Safety Checklist (SSCL) for patient safety and risk minimisation, in the operating room.

Fortis Healthcare received the Corporate Live Wire Innovation & Excellence 2015 Award

Fortis Healthcare received the Corporate Live Wire Innovation & Excellence 2015 Award in the Healthcare Delivery category. The Innovation & Excellence Awards, instituted by Corporate Live Wire, a news and information dissemination agency based in Birmingham, United Kingdom, feted Fortis for having identified "Innovation" as one of its core values and for striving to further it by continuously improving and innovating to exceed expectations.

Fortis Hospital, Shalimar Bagh, New Delhi, won the Best Poster Presentation award at CAHOCON 2015

Fortis Hospital, Shalimar Bagh, New Delhi, won the first prize in the Best Poster Presentation award category at the National Conference of Consortium of Accredited Healthcare Organisations (CAHOCON 2015). The poster was titled "Band-Aid: Patient Support Groups - The Next Frontier." The submission was selected as the best amongst 65 entries.

AWARDS AND ACCOLADES

Fortis Escorts Heart Institute's e-ICU initiative, Critinext, won the prestigious "Asia Healthcare Excellence Award"

Fortis Escorts Heart Institute's e-ICU initiative, Critinext, won the prestigious "Asia Healthcare Excellence Award" held at Singapore, in the "Innovation in Quality of Service Delivery" category.

Fortis C-DOC, won the Best Hospital in India for Diabetes Care

Fortis C-DOC, Centre for Diabetes, Endocrinology & Allied Multi Specialities won the Best Hospital in India for Diabetes Care for the second time in a row at the CIMS Healthcare Excellence Awards 2015.

Fortis Escorts Heart Institute, New Delhi, won the ICICI Lombard and CNBC India Healthcare TV 18 Awards 2014-15

Fortis Escorts Heart Institute, New Delhi, won the ICICI Lombard and CNBC India Healthcare TV 18 Awards 2014-15, for the Best Single Speciality Hospital in Cardiology, for the third year in succession.

Fortis Hospital, Mulund and Bengaluru, won the AHPI Award for Nursing Excellence

The Nursing Teams at Fortis Hospital, Mulund, and Fortis Hospital, Bannerghatta Road, Bengaluru, won the coveted Association of Healthcare Providers of India (AHPI) Award for Nursing Excellence.

Fortis Hiranandani, Vashi, won two Quality Excellence awards for 'Best Healthcare Services' and 'Dedicated Service'

Fortis Hiranandani, Vashi, won two Quality Excellence awards for 'Best Healthcare Services' and 'Dedicated Service' at the 5th CMO Asia World Quality Congress, held in Mumbai. The hospital won the latter recognition for the Fortis Operating System.

Fortis Hospital, Noida, and Fortis Hospital, Anandapur, were recognised as Centres of Excellence in Emergency Medicine

Fortis Hospital, Noida, and Fortis Hospital, Anandapur, were recognised as Centres of Excellence in Emergency Medicine by the Society for Emergency Medicine, India, at the 17th Emergency Medicine National Conference (EMCON) 2015, held in Hyderabad.

Fortis won three awards at the 5th Asia Best CSR Practices Awards 2015

In recognition for its Corporate Social Responsibility (CSR) efforts, Fortis won three awards at the 5th Asia Best CSR Practices Awards 2015. Fortis won the awards in the categories of Concern for Health, Women's Empowerment and Community Project of the Year.

Operations Review

Financial Performance

For the Financial Year 2015-16, the Company recorded an audited consolidated revenue from continuing operations of ₹ 4,265 Crore, a growth of 8% over the previous year's revenue of ₹ 3,966 Crore. The consolidated FY2016 revenue from continuing operations includes a revenue of ₹ 4,213 Crore from the India Hospitals and Diagnostics business, and ₹ 52 Crore from the International business. The Company's operating EBITDAC i.e. excluding other income, exceptional items and before absorbing costs related to the Business Trust (RHT) from continued operations, stood at ₹ 674 Crore, representing a margin of 15.8% compared to 14.5% in the previous year. Revenue of our India business stood at ₹ 4,213 Crore, contributing 98.9% to the overall consolidated revenue from continuing operations. The operating EBITDAC for the India business stood at ₹ 692 Crore, representing a margin of 16.4% compared to ₹ 606 Crore (a margin of 15.4%) in FY2015. Net profit for the year from continuing operations stood at ₹ (26) Crore compared to ₹ (119) Crore in the previous year. Including the revenue from the discontinued operations i.e. RadLink Asia, Singapore, the overall revenue of the Company stood at ₹ 4,276 Crore compared to ₹ 4,140 Crore in FY2015. Consolidated profit after tax for the year was at ₹ (25) Crore compared to ₹ (144) Crore in FY2015.

India Hospital Business

The India Hospital business witnessed a steady performance with an FY16 revenue of ₹ 3,449 Crore compared to ₹ 3,207 Crore in the previous year, representing a growth of 8%. The Operating EBITDAC before the impact of the costs related to the Business Trust stood at ₹ 508 Crore, representing a margin of 14.7% as compared to 14.3% in FY2015.

International patient revenues for the hospital business during the year stood at ₹ 343 Crore representing 10% of overall hospital business revenue, a growth of 8% compared to FY15.

The growth in the India Hospital business was primarily due to improvement in the operating metrics across various hospitals in the network. For the year 2016, the Average Revenue Per Occupied Bed (ARPOB) stood at ₹ 1.37 Crore compared to ₹ 1.26 Crore in FY15, a growth of 9%. Average Occupancy across the Fortis network stood at 72% compared to 70% during the previous year. Average Length of Stay (ALOS) reduced to 3.56 days in FY16 from 3.64 days in FY15.

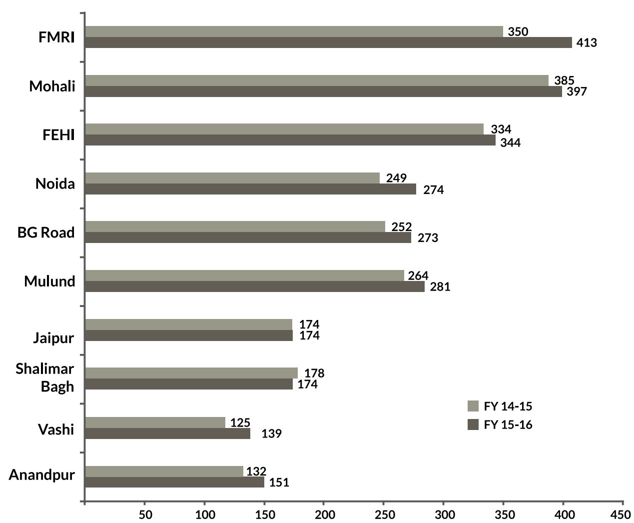
The Company's key facilities continued to perform well both in terms of revenue and operating profit. These included FMRI, Fortis BG Road, Fortis Noida, Fortis Vashi, Fortis Anandapur, Fortis Ludhiana and Fortis CH Road. Amongst the newer facilities, FMRI Gurgaon, the Company's flagship facility launched in May 2013, became the largest revenue contributor across the Fortis network recording a growth of 18% in revenues to reach ₹ 413 Crore for the year. FMRI in a short span of time has become the highest ARPOB generating facility in the network of Fortis multi-speciality hospitals. Fortis continues to launch new medical programmes and dedicated super speciality centres across its various facilities. For instance, FEHI witnessed the launch of two new specialities - Gastroenterology and Orthopaedics. In September 2015, the Company launched La Femme, Bengaluru, a 70 bed comprehensive and distinctive boutique hospital for women offering a holistic range of medical services.

The Fortis network currently has 4 JCI accredited hospitals and 18 NABH accredited hospitals.

India Diagnostic Operations - SRL Ltd

For the Financial Year 2015-16, SRL Ltd. reported net revenue of ₹ 764 Crore (net of inter-company sales) compared to

Key Hospital-wise revenue performance (in ₹ Crores)



₹ 722 Crore reported during the Financial Year 2014-15. The Company continues to witness noteworthy improvement in its operating performance with an EBITDA for the year at ₹ 184 Crore, representing a margin of 24.1% as compared to ₹ 147 Crore (margin of 20.4%) reported during the previous financial year. The business undertook a total of over 14.5 million accessions for Pathology and Radiology during the year, a growth of 6% over FY15. The Company performed approximately 32.7 million tests during FY16 compared to 30.4 million tests conducted during FY15.

During the year, the Company continued on its path of network rationalisation wherein it further exited non-accretive laboratory practices and collection points. SRL opened 66 new laboratories while exiting 15 laboratories. It also expanded its reach by adding approximately 650 collection points (net addition) and released nine new tests during FY16. SRL reached out to over 60,000 doctors and, on average, conducted over 125,000 tests every single day of the year during FY16.

The Lab Medicine or the Pathology business contributed 88% to the total revenue and grew 14% over the previous year. The contribution of the Imaging business to the total revenue declined to 8% during the year from 13% in FY15, primarily due to network rationalisation. Clinical Trial, Wellness and the International segment revenues contributed 4% to overall revenue.

As on March 31, 2016, SRL's network comprised 314 laboratories (including 4 Reference Labs and 108 Labs in Hospitals) and over 7200 collection points. SRL is present in more than 600 cities and towns, covering all major districts of India and offers a service portfolio of over 3,800 tests.

Hospitals

To enhance efficiency and provide greater focus to the operations of the Company, the hospitals were organised into three regions, each headed by a COO – Region NCR, Region North & East and Region South & West.

The notable hospitals in Region NCR include Fortis Memorial Research Institute; Fortis Escorts Heart Institute; Fortis Hospital, Noida and Fortis Rajan Dhall Hospital, Vasant Kunj, among others.

Fortis Memorial Research Institute, Gurgaon

Fortis Memorial Research Institute, Gurgaon (FMRI), the flagship hospital of Fortis Healthcare, was launched in May 2013. In a short span, the hospital has become synonymous with clinical excellence and compassionate patient care in the region.

During the year, FMRI became the hospital in the Fortis network to start a robotic surgery programme with the acquisition of the latest Da Vinci Robot. In a significant achievement, the Kidney Transplant and the Bone Marrow Transplant programmes crossed the 100th procedure milestone. In addition, the hospital did a successful year-long study on Stool Transplant as an effective alternate therapy for Ulcerative Colitis patients.

FMRI was at the helm of the organ donation programme with three green corridors being created during the year to transport organs from FMRI to other hospitals in Delhi NCR. FMRI participated in four deceased donor transplants, including Haryana's first heart transplant. In addition, the first summit in India on Donation after Circulatory Death (DCD) was organised at FMRI. The event was attended by eminent physicians from India and abroad. Close to 50 Transplant Coordinators from across India undertook a specialised week-long training at FMRI to learn how to deal with brain death cases leading to more organ donations.

The hospital launched three specialised patient support groups, namely Umang for breast cancer patients, Sankalp for Kidney Transplant patients and Jashn for Bone Marrow and Paediatric Cancer patients. It also teamed up with Sambandh, an NGO, to spread awareness on the COTPA guidelines on discouraging use of tobacco products.

In these many different ways FMRI is making an impact and changing the paradigm for healthcare delivery in the country.

Fortis Escorts Heart Institute, New Delhi

The Fortis Escorts Heart Institute, New Delhi, has set benchmarks in Cardiac Care with path breaking work over the past 25 years. Today, it is recognised the world over as a world-class centre, providing the latest technology in Cardiac Bypass Surgery, Interventional Cardiology, Non-invasive Cardiology, Paediatric Cardiology and Paediatric Cardiac Surgery. In 2015, a path-breaking research led by Fortis Escorts Heart Institute demonstrated the superiority of Everolimus eluting stents over Paclitaxel eluting stents, in Diabetics, putting to rest a decade old medical controversy. Code named 'TUXEDO India', the study was the largest single blind randomised clinical trial carried out on 1830 subjects over three years. The trial's success placed India and Fortis firmly on the global map for clinical research. The Institute also became the first corporate facility to be recognised for its high ethical standards in research.

The hospital is backed by the most advanced laboratories performing a complete range of investigative tests in the field of Nuclear Medicine, Radiology, Biochemistry, Haematology, Transfusion Medicine and Microbiology. Critinext, an E-ICU model, is Asia's first tele-ICU, providing 'Intensive Care Beyond Boundaries.' It is a fusion of critical care skills, technology and innovation providing compassionate 24x7 intensive care addressing Critical Care staff shortages in distant areas. It enables doctors to remotely manage critically ill patients, on site, instead of transferring them to metros.

Fortis Escorts Heart Institute continued to uphold its glorious tradition of breaking new frontiers with several landmark surgeries. The Institute introduced the Life Vest – the first USFDA approved medical vest with functions of the Implantable Cardioverter Defibrillator (ICD). A composite graft replacement of the total aortic valve was performed. Extending its medical services in pursuit of excellence, Fortis Escorts added a substantial programme in Liver & Digestive Diseases, with the launch of the Fortis Escorts Liver & Digestive Diseases Institute. A new Department of Paediatric Foetal Cardiology was also launched.

In 2015, the Fortis Escorts Heart Institute was named 'the Best Single Specialty Hospital – Cardiology', at the ICICI Lombard & CNBC TV18 India Healthcare Awards. The Week magazine recognised the hospital as 'the Best Private Cardiac Care Hospital of the year'. The Times of India-All India Critical Care Hospital Ranking Survey 2016 rated the hospital as 'the second best in the country in Cardiac Sciences'. The hospital also won the 'Golden Globe Award for Innovation in Quality Service Delivery'. Dr Ashok Seth, Chairman – Fortis Escorts Heart Institute, was honoured with the coveted 'Padma Bhushan', for his contributions to the field of Cardiology.

Fortis Hospital, Noida

Fortis Hospital, Noida is located in a populous satellite suburb of Delhi that is a part of the National Capital Region (NCR). This tertiary care hospital runs a successful Liver Transplant and Kidney Transplant programme. It was one of the first facilities in Uttar Pradesh to carry out liver and bone marrow transplants. The hospital conducted 128 liver and 63 kidney transplants in the last one year. In view of the importance of its transplant programme, a full-fledged transplant block is being set up. Fortis Hospital, Noida also has an active joint replacements programme, with 637 joint replacements having being done during the last year itself.

The hospital received the Green OT certification, underscoring its sustainable and environment friendly approach to healthcare. In line with its commitment to patient care, Fortis Hospital, Noida acquired one of the fastest and most powerful CT scanners and state-of-the-art MRI equipment.

The hospital was recognised as the Comprehensive Neurosciences Service Provider Company of the Year by Frost & Sullivan in 2015. The Society for Emergency Medicine, India, named Fortis Noida as a Centre of Excellence. The hospital also won the gold medal at the National Energy Conservation Awards, 2015.

With these achievements Fortis Noida, is today recognised for its superior delivery of healthcare services in the NCR.

Fortis Flt Lt Rajan Dhall Hospital, Vasant Kunj

Fortis Flt. Lt. Rajan Dhall Hospital, spread over a sprawling campus in South Delhi, provides world-class integrated healthcare services to a large number of patients from various parts of the world. The NABH accredited hospital offers a fine blend of medical skills and compassionate care across all major specialities. In line with its core competencies, the hospital conducted several activities this year to improve awareness and increase visibility. Various camps and activities were undertaken to increase the footfall.

During the year, the hospital witnessed a significant increase in Cardiac procedures, including Interventional Radiology based catheterisation laboratory procedures. A healthy demand for Orthopaedics, Renal care, Pulmonology, Oncology and Gynaecology services was observed.

Fortis Escorts Hospital, Dehradun

This Fortis facility started operations in 2012 under a Public Private Partnership arrangement, in collaboration with the Government of Uttarakhand. The facility is equipped with Tertiary Care capabilities and caters to over 40,000 patients every year from not only the State but also from adjoining areas, notably the Saharanpur, Meerut, Bijnor and Najibabad areas of Western Uttar Pradesh, and Paonta and Nahan in Himachal Pradesh, amongst others.

The hospital has 50 beds, 17 ICU beds, one Catheterisation Lab and one Cardiac Operation Theatre. All non-invasive cardiac tests are conducted in the OPD. The hospital is also equipped to undertake paediatric surgeries. In 2015, 551 Percutaneous Transluminal Coronary Angioplasties (PTCAs) and 217 Cardiothoracic and Vascular Surgery (CTVS) procedures were conducted at the hospital.

Fortis OP Jindal Hospital & Research Centre, Raigarh

Fortis OP Jindal Hospital & Research Centre, Raigarh, Chhattisgarh, is a 75-bed, state-of-the-art, Tertiary Care hospital providing depth of expertise across the complete spectrum of advanced medical and surgical care. The hospital is dedicated to provide competitive, accessible and affordable healthcare services to the residents of the tier II city, Raigarh and adjoining areas.

The hospital has an emphasis on Cardiac Sciences, Spine & Neuro Sciences, Joint Replacement & Trauma, Intensive Care and Maternal & Child Health. The hospital has many firsts to its credit in the region, such as the first Coronary Artery Bypass Graft (CABG) surgery, the first Valve Replacement, the first hospital to conduct Cardiac Interventions such as CAG, PTCA, PPI, BMV and PDA amongst others. The hospital also has an e-ICU, a novel approach directed at clinical excellence.

Fortis Escorts Heart Centre, Raipur

Fortis Escorts Heart Centre, Raipur, is a joint venture with the Government of Chhattisgarh. The Unit has been setup with a vision to provide world class cardiac speciality care in the State. Fortis Escorts Heart Centre, Raipur, came into operation in 2002 and quickly became a focal point of healthcare for the residents of the city. Presently, the hospital is a leading Cardiac Care centre in Central India having a glorious history spanning over 13 years.

Fortis Escorts Heart Centre, Raipur, is a 40-bed super speciality centre. It has a full-fledged Cardiac Care Unit, Cardiac Catheterization Lab, CTVS OT and Wards, for providing specialised Cardiac Care. Diagnostic tests such as Echocardiography, TMT, ECG, Pulmonary Function Test, Holter Monitoring, Peripheral Doppler Studies, Coronary and Peripheral Angiographies are routinely carried out at the hospital. So are high-end procedures such as Coronary, Carotid, Renal and Peripheral Angioplasties, Pacemaker Implantations, Balloon Valvuloplasties and Cardiac Surgeries.

Region North & East comprises Fortis Hospital, Mohali; Fortis Escorts Hospital, Amritsar; Fortis Hospital, Ludhiana; Fortis Escorts Hospital, Jaipur and Fortis Hospital, Anandapur among others.

Fortis Hospital, Mohali

The first hospital of Fortis Healthcare Ltd, Fortis Hospital, Mohali, continues to flourish and lead the path of medical excellence through highly successful programmes in Cardiac Sciences, Orthopaedics & Joint Replacement, Vascular Surgery, Transplants, Critical Care, Neurosciences and Endocrinology.

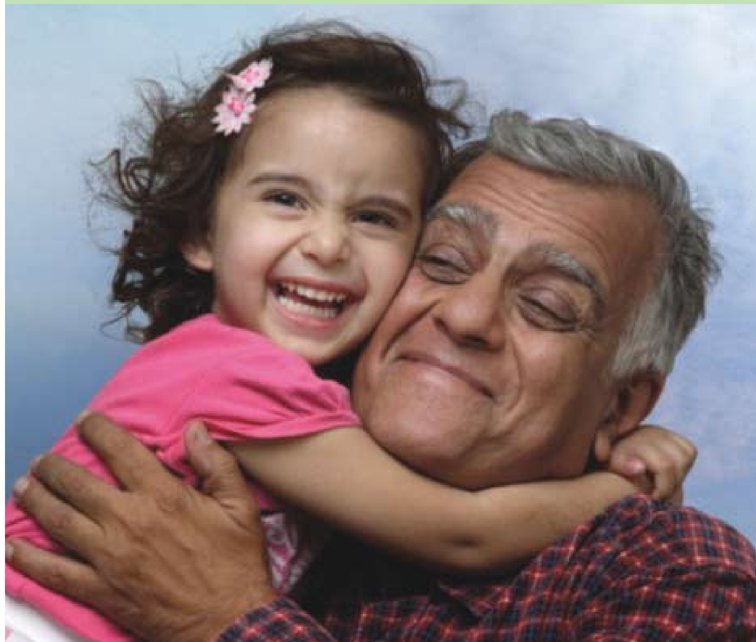
In July 2014, the hospital added the Fortis Cancer Institute to its fold, offering the latest and most technologically advanced comprehensive cancer treatment in the region. The facility houses the largest Radiotherapy ensemble, capable of delivering Image Guided Radiation Therapy (IGRT), Intensity Modulated Radiation Therapy (IMRT) and Stereotactic Radiation Therapy, targeting tumours more precisely than conventional radiology. These therapies have fewer side effects and help to improve the patient's quality of life, post-treatment.

Over the past few years, the hospital has become the preferred destination for Liver Transplant for patients from Pakistan and adjoining countries. Along with its geographical advantage, the facility is also the first choice for patients due to its world-class clinical expertise, state-of-the-art Critical Care facilities and convenient post-operation stay arrangements.

In 2015-16, Fortis Hospital, Mohali, won several recognitions. The hospital was ranked second in the Tricity area by The Week - A. C. Neilsen Survey, 2015, and was rated the best in the country, in Bariatrics, by the Times of India's All India Lifestyle Hospital & Clinic Ranking Survey 2015. Several other specialities, notably Dermatology, Diabetology and Orthopaedics, were also ranked amongst the top 5 in the Northern Region. Fortis Mohali, won the 16th CII Energy Conservation Award, the National Energy Conservation Award for Best Hospital Building in India and the Association of Healthcare Providers of India (AHPI) Award for Green Hospital, underscoring its continued commitment to the environmental cause.

Fortis Escorts Hospital, Amritsar

This National Accreditation Board for Hospitals & Healthcare Providers (NABH) accredited facility is located in a populous city that attracts a large number of national and international tourists. The hospital has four major operation theatres, two cardiac operation theatres and two cardiac catheterisation labs. This multi-speciality



hospital has strong capabilities in Cardiac Sciences, Urology, Neurosciences, Paediatrics, Internal Medicine and Gynaecology, among others. Taking a lead in academics, the hospital during the year, successfully launched the Post Graduate Diploma course in Critical Care, after the faculty received recognition from the Indian Society of Critical Care Medicine (ISCCM).

Fortis Hospital, Amritsar, is one of the few hospitals in the country to offer e-ICU facilities. This multi-tasking portal and workstation leverages technology to enhance the reach for patients in remote ICUs from the e-ICU hub. Next generation technology enables an intensivist to monitor and interact with patients in several distant ICUs and hold discussions with the care teams.

During the year, the facility conducted several programmes to enhance awareness. Fire Safety and Basic Life Support (BLS) training was imparted throughout the year. The hospital organised several interactive Continuing Medical Education (CME) sessions for the clinical and paramedical staff.

This year, Fortis Amritsar, commissioned a 128 slice CT Scan Machine and upgraded its X-Ray machine. A Mother & Child programme, supported by a fully equipped Neonatal ICU (NICU) was also launched. Some exceptional surgeries were performed at Fortis Amritsar, highlighting its outstanding clinical capabilities. Doctors successfully implanted a pacemaker in a day-old infant. Another patient's eyesight was preserved after the removal of a large brain tumour.

Fortis Hospital, Ludhiana

Fortis Hospital, Ludhiana, a state-of-the-art 260-bed Greenfield hospital, was launched, in January 2014 to address the growing need for specialised and quality medical care in the city. Fortis Hospital, Ludhiana, has set up Centres of Excellence in various specialities including Cardiac Sciences, Orthopaedics, Oncology, Mother & Child Health, Renal Sciences, Neurosciences, Critical Care, Emergency & Trauma and Gastroenterology to name a few.

Fortis Ludhiana boasts of an array of well-equipped super-speciality departments and is progressing towards excellence, supported by its unprecedented infrastructure, the finest team of experienced healthcare professionals and an unflinching commitment to the Fortis vision. The hospital received NABH accreditation within 21 months of its launch, reflecting its commitment to quality and clinical excellence. Fortis Ludhiana touched the EBITDAC break-even in just two years, which is the fastest in the network.

In view of the growing incidence of cancer in the region, Fortis Ludhiana has set up a Centre of Excellence in Oncology, offering medical, surgical and radiation therapy. A team of specialists, a dedicated Day-Care ward for medical Chemotherapy patients and 24x7 Critical Care services for cancer patients are available. The facility has the latest Intensity Modulated Radiation Therapy (IMRT), 3 DRT for targeting tumours more precisely whilst sparing the normal tissues. The expertise at Fortis Ludhiana spans Gynae-Onco, Uro-Onco, Haemato-Onco, Neuro-Onco and Breast-Onco besides capabilities to treat Endocrine, Liver, Head & Neck and Oral cancers.

Fortis Hospital, Ludhiana, has been recognised by the Sports Authority of India for Arthroscopy & Sports Medicine. The hospital has commenced stitch-less Joint Replacement surgery since March 2015. This new technique gives 75% more strength than sutures.

Our expertise in Cardiac Science encompasses diagnosis, prevention, treatment, surgical care and rehabilitation. The facility is fully equipped to perform percutaneous valve surgeries, complex Aortic aneurysm interventions and minimally invasive cardiac operations.

In a little over two years, the hospital has performed more than 987 Total Knee Replacements (TKRs), 458 Percutaneous Transluminal Coronary Angioplasties (PTCAs), 130 Coronary Artery Bypass Grafts (CABGs) and has conducted more than 740 deliveries. Fortis Ludhiana

extended its high quality medical facilities by opening a Med Centre on Ferozepur Road, Ludhiana, to cater to the needs of people who find it difficult to visit the main facility on Chandigarh Road.

Fortis Ludhiana won several recognitions, including the 'Outstanding Achievement in Healthcare- Social Causes' presented at the Asian Healthcare Leadership Awards in Dubai; the Healthcare CSR of the Year Award at the India Health and Wellness Summit Awards, and the Outstanding Achievement Award in Healthcare-Social Cause at the Vijayavani Healthcare & Achievers Awards in Bengaluru. The hospital also won the Best Healthcare Enterprise of The Year, the Patient Safety of The Year, and the Best Patient Care Provider of The Year awards at the Six Sigma Healthcare Excellence Awards.

Fortis Escorts Hospital, Jaipur

Fortis Escorts Hospital, Jaipur, is the first NABH accredited multi-super speciality hospital in Rajasthan. The 245-bed hospital is spread over 6.68 acres with an environment friendly building covering 35% of the area. Over the last eight years, the hospital has established itself as a go-to destination for Cardiac Sciences, Neuro Sciences, Orthopaedics & Joint Replacements, Gastro Sciences, Renal Sciences and Kidney Transplants, Critical Care, Paediatrics, Reconstructive Surgeries, Gynaecology & Obstetrics and Endocrine Sciences.

During the year, Rajasthan's first Golden Knee Replacement was performed on a patient allergic to metal; a laparoscopic hernia surgery was performed on an 80 year old, and Rajasthan's first case of stenting for urethral strictures was done. Nine challenging paediatric cardiac interventions, including four complex Ventricular Septal Defect closures, were done in a single day, which were among the many clinical successes notched during the year.

The year also witnessed the launch of Radio Frequency Ablation, a minimal intervention technique for treatment of varicose veins. A Rheumatoid Arthritis Clinic, a Hernia Clinic and a Breast Surgery Clinic were amongst the other new initiatives launched during the year.

Fortis Jaipur offers many academic programmes, including post MBBS and post-specialisation DNB courses in Internal Medicine, Anaesthesia, Paediatrics and Gastroenterology. The hospital is also accredited by the Indian Society of Critical Care Medicine (ISCCM). Besides, the hospital also offers training opportunities in Hospital Management.

The awards and accolades won by the hospital during the year reflect its commitment to patient care. Chief amongst these were the Excellence in Patient Care Award in the State of Rajasthan presented at the 6th MT India Awards ceremony; the Patients' Choice Award for 'Clinical Excellence, Best Patient Outcomes and Patient Care'; the National Award for Excellence in Healthcare 2015 presented for CARE-EPIC (Comprehensive Assessment Record for Evaluation and Efficient Patient Integrated Care); and the Award for Best Multi-speciality Hospital in Rajasthan, presented at the Rajasthan Healthcare Summit. Fortis Jaipur also won the Quality Council of India Award for the third consecutive year, and the Rajasthan State Productivity Excellence Award for strengthening patient care and safety by achieving Zero Hospital Acquired Pressure Ulcers (HAPU) in Rajasthan.

Fortis Hospital, Anandapur, Kolkata

Fortis Hospital, Anandapur, Kolkata, a multi-speciality Tertiary Care hospital, commenced operations in January 2011.The hospital has firmly established itself as a trusted institution catering to the healthcare needs of not only patients from Eastern India but also from the neighbouring countries.

The hospital has strong clinical capabilities in the fields of Cardiac Sciences, Gastroenterology, Pulmonology, Neuro Sciences, Orthopaedics and Renal Sciences. Complex procedures like knee and hip replacements, spinal fixations, brain surgery, renal transplants, laparoscopic surgery, cardiac surgery and neuro interventions are routinely performed.

Quality improvement has been an area of constant focus for Fortis Anandapur. The hospital undertakes at least one quality improvement project every year to improve quality in specific areas like pain management, hand hygiene and medication safety. Clinical outcomes are measured regularly and trend analysis is done on pre-defined parameters. These endeavours have led to incremental improvements. For example, the gold standard for ST-Elevation Myocardial Infarction (STEMI) at Fortis Anandapur is 75 minutes as compared to the global benchmark of 90 minutes. To further augment patient safety, the Safe Surgical Checklist and steps against hospital acquired infections have been firmly put in place. Promotion of environmental safety has also been accorded high priority.

The hospital has received several awards and accolades during the year. Fortis Anandapur was ranked No. 3 in the Multi-Speciality Hospital category in Kolkata and in the East Region by the Times of India (TOI) in 2016. The TOI All India Critical Care Hospital Ranking Survey held in January 2016 rated the hospital as No. 1 in Emergency and Trauma Care in Kolkata and in Eastern India while it was ranked No. 2 in the specialities of Gastroenterology and Neuro Sciences. The Society for Emergency Medicine India (SEMI) named Fortis Anandapur as a Centre of Excellence in Emergency Medicine. The hospital also won the ABP News Best Marketing Campaign Award in Healthcare for an innovative campaign on primary angioplasty, Attack the Attack, in 2015.

Fortis Hospital & Kidney Institute, Kolkata

Fortis Hospital & Kidney Institute (FHKI), Rashbehari Avenue, Kolkata, is a 60 bed-hospital situated at a prime location in South Kolkata. The Foundation Stone of the hospital was laid by Mother Teresa and the facility was inaugurated in July 1999. Over the years, the hospital has developed into a highly specialised centre for Renal Sciences, providing succour to patients from Eastern India and the adjoining countries.

The hospital has four operation theatres and a 12-bed Dialysis facility. The hospital provides solutions for stone management, prostate and bladder disorders, and diseases of the kidney and urinary tract. It has strong capabilities in the fields of Laparoscopic Uro-Surgery, Reconstructive Urology, Female Urology, Andrology, Uro-Oncology and Paediatric Urology. The hospital also has the 4th generation shock wave Lithotripter to offer complete Urological Care. The Nephrology Department carries out Kidney Transplants, Continuous Ambulatory Peritoneal Dialysis (CAPD) Implantation and Arteriovenous (A.V.) Fistula. The hospital also has capabilities in Minimal Access Surgery, Gynaecology and Diabetology, among others.

Fortis Medical Centre, Kolkata

Fortis Medical Centre (FMC) is located on Sarat Bose Road, in South Kolkata, popularly known as Minto Park. The Centre offers day care facilities in Ophthalmology, Dentistry, Endocrinology, Gynaecology, General Medicine, ENT, Orthopaedics, Dermatology, Paediatrics and Nephrology.

The Department of Ophthalmology offers advanced medical and surgical treatment procedures such as, medical and surgical treatment of the retina, oculoplasty and the treatment of glaucoma. The Dental Department has earned a reputation for its complete oral care in the specialities of Orthodontics, Endodontics, Oral Pathology and Prosthodontics. The facility is well-known for its Preventive Health Check and non-invasive cardiology diagnostic offerings.

The key hospitals in Region South & West are Fortis Hospital Cunningham Road; Fortis Hospital BG Road; Fortis Hospital, Mulund; Fortis Hiranandani Hospital, Vashi and Fortis Malar Hospital, Chennai, among others.

Fortis Hospital, Cunningham Road, Bengaluru

Situated in the heart of Bengaluru, Fortis Hospital, Cunningham Road, has completed 25 glorious years of service to society. The hospital has earned the trust of patients by setting new benchmarks and constantly raising the bar in clinical excellence. The 150-bed hospital, known for its world-class Cardiac Care, has emerged as a super-speciality hospital with strong capabilities additionally in Neuro Sciences, Urology, Orthopaedics, Gastroenterology, Emergency and Critical Care. Fortis, Cunningham Road has a 34-bed ICU equipped to tackle medical and surgical emergencies as well as critical care needs. It has also received a licence for conducting Heart Transplants.

In 2015, the doctors at Fortis Hospital, Cunningham Road, achieved a record Door to Balloon time of 11 minutes for Primary Angioplasty. In 2016, the hospital became the second facility in the Fortis Network to have performed a successful Transcatheter Aortic Valve Implantation (TAVI) procedure on an 87-year-old patient. The hospital also launched a Renal Transplant programme in February 2016. In a bid to boost academics, a Fellowship Programme in Critical Care (IDCCM) was started.

During the year, the hospital received several awards and recognitions. These included the CIMS Healthcare Excellence Award for the Best Hospital in Cardiac Sciences. The Week - A. C. Neilsen Survey, 2015, ranked Fortis Hospital, Cunningham Road, No. 4 in the Best Multi-speciality Hospitals category.

Fortis Hospital, BG Road, Bengaluru

This 255-bed Tertiary Care hospital has been accredited by the Joint Commission International (JCI), the National Accreditation Board for Hospitals & Healthcare Providers (NABH) and the National Accreditation Board for Testing and Calibration Laboratories (NABL). A new tower is expected to come up in 2017 and the bed strength is estimated to touch 457. Apart from all major specialities, the hospital also has capabilities in Plastic and Reconstructive Surgery, Radiation Oncology, Rheumatology and Sports Medicine.

During the year, the facility launched the Man Clinic, an Andrology centre. New technologies such as Digital Radiography for Radiology, 3D microscope for Neurosurgery and the Leonardo 200 W Diode urological laser were introduced.

The hospital has been at the forefront of providing cutting edge clinical expertise along with world-class nursing care. In spite of the challenges, doctors implanted a pacemaker in a 98-year-old man who was diagnosed with a complete heart block. A patient from New Zealand crippled by an injury underwent a rare Arthroscopic Meniscal Replacement. A teenage student from West Bengal underwent a complex surgery for the removal of a malignant tumour weighing 3.5 kgs.

Fortis Hospital, Bannerghatta Road, received several feathers in its cap during the year, including the Best Medical Tourism Destination recognition from MTQUA, an international organisation. The hospital was ranked No. 4 in Bengaluru by The Week - A. C. Neilsen Survey, 2015. It received the Best Hospital for Obstetrics and Gynaecology & Paediatrics Award at the Healthcare & Fitness Leadership Awards. At the National Awards for Excellence in Healthcare, Fortis BG Road received the award for Best Quality Clinical Service Improvement Project (Lean Project – Express ER). It won the Best Quality Initiative in Healthcare for "Mission Perfect Consent" at the HEALTHCARE Leadership Awards 2015. SAFECONT, a five year project on contrast safety done by the Radiology Team, was recognised at the Asian Healthcare Leadership Awards in Singapore.

Fortis Hospital, Mulund, Mumbai

In August 2015, Fortis Hospital, Mulund, created history by becoming the first hospital in Mumbai to conduct a heart transplant in over four decades. Two more heart transplants were conducted in the same month, firmly establishing the hospital's credentials. Currently, Fortis Mulund holds the distinction of being the first and only hospital in Western India to have conducted over 20 heart transplants.

The 261-bed hospital offers world-class medical services in all major specialities, including Cardiac Sciences, Orthopaedics & Joint Replacements, Critical Care, Neurosciences and Oncology, amongst a host of others. The hospital's highly successful organ transplant programme encompasses transplants of Heart, Liver, Kidney, Cornea, Lung, Pancreas and Bone Marrow.

Fortis Mulund became the first hospital in India to use 3D technology to plan a heart surgery in 2015. The emerging 3D printing technology was used to meticulously plan a rare surgery, the Nikaidoh Operation, to treat a 5-year-old girl's complicated congenital heart defect.

Fortis Hospital, Mulund, became the first hospital in South Asia to receive the Joint Commission International (JCI) accreditation, the global hallmark of quality and excellence, in 2005. The hospital went on to receive the JCI re-accreditation four times in succession, apart from NABH re-accreditation, proving its continued commitment to clinical excellence and quality.

In 2015, Fortis Mulund bagged five awards for Clinical Service Improvement, Bio-medical Facilities Improvement, Human Resources Development, Internal Service Improvement and Innovations in Healthcare IT at the Asian Hospital Management Awards. The Asian Patient Safety Award 2015 was won by the hospital for its proactive approach towards Anaesthesia and Surgical Safety. It also received the Best Quality Initiative at the Asian Healthcare Leadership Awards 2015 and the Association of Healthcare Providers India (AHPI) Award for Nursing Excellence among a slew of other recognitions.

Fortis Hospital, Kalyan, Mumbai

Fortis Hospital, Kalyan, is the only NABH accredited hospital in the Kalyan-Dombivli region. In December, 2015, the hospital successfully completed the NABH re-accreditation audit. From its modest beginnings as a Referral Centre, the hospital has today transformed into a multi-speciality Tertiary Care hospital with capabilities to treat complex diseases and undertake demanding procedures.

The hospital offers high-end treatment in the specialities of Cardiac Sciences, Orthopaedics, Neurosciences, Obstetrics & Gynaecology, Oncology, Renal Sciences and Gastroenterology, among others.

During the year, Fortis Hospital, Kalyan, significantly focussed on patient centric initiatives such as infection prevention, patient safety and nutrition. Emphasis was also laid on training for clinical and non-clinical staff to enhance their performance.

Fortis Hiranandani Hospital, Vashi, Navi Mumbai

Fortis Hiranandani Hospital, Vashi, began its journey in January 2009. It is a 150-bed multi-speciality hospital run under the Public Private Partnership model in collaboration with the Navi Mumbai Municipal Corporation (NMMC). It is the only NABH accredited hospital in the region and offers high-end treatment in the specialities of Cardiac Sciences, Orthopaedics & Joint Replacement, Neuro Sciences, Renal Sciences, Gastro Intestinal Sciences, Oncology, Minimal Access Surgery, Bariatrics, Neonatology, Urology and Endocrinology among others.

During the year, the hospital added an advanced Ophthalmology Department and a Mamma Mia unit. An outreach OPD clinic was inaugurated at Kamothe, Navi Mumbai, expanding the hospital's reach. It also added an Endoscopy Suite and acquired Holmium Laser 100 equipment to augment its capabilities.

Many instances of clinical excellence were witnessed at the hospital in the course of the year. A 45-year-old man suffering from oral cancer underwent a lower jaw bone reconstruction with a 3D printed Titanium implant. This was the second implant reconstruction using 3D printing technology in India.

Fortis Vashi won the prestigious 'Golden Globe Tigers Award for Excellence & Leadership in Healthcare Management' in the categories of Best Patient Safety Initiative, Best Quality Initiative in Healthcare, Best Green Hospital and Best Hospital in Paediatrics & Gynaecology. The awards were presented at an event held in Kuala Lumpur. The hospital also won the 16th CII National Award for Excellence in

Energy Management 2015 and earned a recognition from the State of Maharashtra for Energy Conservation and Management.

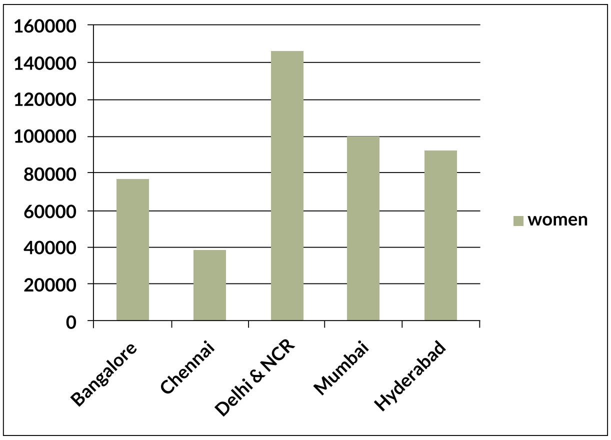
Fortis S. L. Raheja Hospital, Mahim, Mumbai

Fortis S. L. Raheja Hospital climbed six spots to claim the 9th rank amongst best multi-speciality hospitals in Mumbai, in The Week - A.C Nielsen Survey 2015.The hospital also made its presence felt in The Times of India Survey by being ranked 3rd and 7th in Mumbai in the specialities of Diabetes and Orthopaedics respectively.

In 2015-16, Fortis S. L. Raheja launched a Preventive Health Check-up lounge and added a 14-bed advanced ICU. The Pulmonology Department commenced the Endo Broncho Ultrasound (EBUS) procedure. In parallel, a new hostel for Nurses was also inaugurated.

Fortis La Femme

According to the consulting firm McKinsey, the maternity market in India has seen exponential growth from US $ 1.1 Billion in 2007 to US $ 2.04 Billion in 2012. Interestingly, the share of the affluent class within this segment has risen from US $ 0.46 Billion to US $ 1.19 Billion in the same time period. As per estimates, in large cities in India, approximately 400 babies are born daily. Of them 10-15% can afford premium maternity care.



As per census 2011, 1.60% of India's population has an income over ₹ 10 lakhs per annum.

Using 1.60% as the standard, the number of women (any age) has been calculated here.

Fortis La Femme positioning

Across the country, most women and child centres have been seen primarily as birthing centres with negligible focus on other specialities. Fortis La Femme breaks that traditional mould and is positioned as a 'Women's Health' provider. The addressable target group spans women in the age group of 15 to 65 years.

The new positioning for Fortis La Femme has been conceptualised to provide a comprehensive; tailor made, clinical and holistic care offering designed just for women; caring for their complete health and wellness needs, in warm and nurturing spaces. Our target group encompasses women between the ages of 15 and 65 who are evolved and are looking for superlative medical and holistic healthcare at the best price. We aim to cover every stage of a woman's life from birth, adolescence, motherhood, to menopause and beyond.

Product offering & new clinical programmes introduced in FY15-16 Fortis La Femme has taken an integrated approach to women's health covering every medical aspect in Obstetrics, Gynaecology, IVF, Neonatology, Anaesthesia (Painless Labour), General & Laparoscopic Surgery, Cosmetic Surgery, Genetic and Foetal Medicine and Preventive Health. Fortis La Femme has a unique department catering to the holistic birthing care needs of a woman, Mamma Mia, which complements the Fortis La Femme brand, offering a range of services like Lamaze classes, pre and post-natal fitness and yoga, massage therapy and fertility counselling.

New clinical programmes at Fortis La Femme, Delhi

The Department of Aesthetic Dermatology launched a programme in Clinical Dermatology. This programme offers the services of a Laser clinic for hair removal, skin rejuvenation, photo facials and tattoo removal and CoolSculpting™, a non-invasive body contouring procedure approved by the USFDA. These apart, a Bariatric Surgery programme and a Breast Clinic were also launched.

Fortis La Femme at Richmond Road and expansion

Fortis La Femme, Bengaluru, located at Richmond Road and commissioned during the year, also has a full-fledged Department of Paediatrics encompassing a team of Paediatricians, Paediatric Surgeons and a Paediatric ICU. It also encompasses in its offering a comprehensive Adult ICU & Emergency wing.

With its first full year of operation, Fortis La Femme, Bengaluru, is poised to grow significantly in FY16-17. The facility will have a full gamut of medical services catering to women's health. Its portfolio will include cosmetology, dental and IVF, among others.

Additionally, a 70 bed Fortis La Femme facility is under construction in Ludhiana and is expected to be completed by the end of FY16-17. The Ludhiana facility will be a major milestone in taking forward the Fortis La Femme footprint in the country.

Project Lakshya

Patient Care

Delivering world class patient care leading to complete patient satisfaction forms the very foundation and basis of our existence. During the year, a standardised protocol across Fortis hospitals was adopted for delivering real time updates through OT TV screens in OT waiting areas. There was an improvement in documented communication and an onsite campaign on Multi-Drug Therapy (MDT) was launched to drive awareness.

Clinical Excellence

As part of its efforts to strengthen its patient-centric health services, Fortis Healthcare became the first private Indian service provider to monitor and publish clinical outcome data. A comprehensive Central Infection Control Manual was formulated and rolled out as a major initiative. The organisation also witnessed an 8% enhancement in adoption of clinical pathways for ST Elevated Myocardial Infarction (STEMI) and Fortis Acute Stroke Treatment (FAST) for quick recognition and treatment of Strokes.

Talent Engagement

Training was extensively used as a potent tool to engage and energise the talent. Over 73,000 hours of training was delivered against a target of 65,000 hours with an average feedback score of 4.5 out of 5. Moreover, a robust tracking mechanism with a quarterly review of attrition data across all staffing levels has been initiated to get a better grasp on attritions.

Investor Confidence

The Company continued to ramp up its communication and engagement with the investor community by proactively sharing its strategy, value additive levers, plans and performance. Reputed, large Foreign Institutional Investors (FIIs) were added to the list of significant shareholders, leading to a more dispersed pattern of investors in our Company. Better liquidity was observed in the stock with increased trading volumes and enhanced FII participation.

Community Connect

Several community initiatives were launched across the country to strengthen our outreach efforts. These resulted in the registration of 32878 voluntary blood donors – an

increase of 125% compared to FY14-15. We were also able to secure 6131 organ donation pledges (an increase of over 500%) compared to FY14-15. Basic Life Support (BLS) training was imparted to over 29750 individuals who now have the wherewithal to support life in a medical emergency, before professional medical help can be reached.

Project Udaan

In continuing our focus on the key business levers, Project Udaan was initiated to evaluate the business mix at each hospital on the basis of 'Gross Contribution Per Bed Day' for different procedures and specialities. This was done with a view to optimise the speciality-mix through appropriate price interventions designed to deliver value.

In addition, we continued to focus on tracking patient flow and as a result on increasing the conversion of patients recommended for admission during OPD consults at our facilities. While the efforts are at an initial stage, an improvement from 79% to 81% in conversions was noticed.

The organisation continued to standardise and optimise consumable items and their costs for typical high volume procedures. Similarly, success was achieved in driving compliance toward our standardised brand formulary to ensure purchase consolidation for best suited products, with a view to generate economies of scale, better purchasing decisions and higher patient satisfaction.

Corporate Functions

Medical Strategy & Operations Group

The Medical Strategy & Operations Group (MSOG) spearheads Fortis Healthcare's journey into the future. During the year, MSOG sharpened its focus on certain core areas such as Transplants, Robotics, Mother & Child Care, and Clinical Outcome measurements, to name a few.

Transplants

The Heart Failure and Transplant Centre at Fortis Malar, Chennai, has established itself as a leader in the Cardiac Transplants space in India. In 2016, Fortis Malar reached a significant milestone by successfully completing more than 100 heart transplants, including 51 successful heart transplants for FY15-16.

Under the astute leadership of Dr K. R. Balakrishnan, Fortis Malar not only excelled in this programme but has also been instrumental in providing guidance and mentorship to other Fortis centres in building their own Heart Failure and Transplant programmes.

The year 2015 -16 was significant for Fortis Mulund, which also emerged as a reputed Heart Transplant centre, providing leadership in this space in Western India. In a short span of a year, over 20 successful heart transplants were conducted at this Fortis hospital.

Liver Transplant is yet another field where Fortis has been making major strides and is among the major national service providers. In the FY2015-16, while the liver transplant programme at Fortis Noida witnessed 128 successful procedures, 22 successful procedures were carried out at the Fortis Escorts Heart Institute, New Delhi.

Robotics

Fortis Healthcare continued its pursuit of state-of-the-art technology in FY2015-16 with the introduction of the Robotics Programme at the Fortis Memorial Research Institute (FMRI), Gurgaon, in December 2015.

Within seven months of its introduction, FMRI conducted 50 robotic surgeries, of which 22 were conducted in FY2015-16. 70% of these surgeries were related to the speciality of Urology.

Cardiac Programme

In 2011, India's first successful Percutaneous Transcatheter Aortic Valve Implantation (TAVI), a non-surgical, Cath-Lab based heart valve replacement procedure was performed by a team of doctors at the Fortis Escorts Heart Institute. The team was led by Dr Ashok Seth. Since then, the programme has witnessed a robust growth and received appreciation. So far, FEHI has conducted 20 TAVI (Transcatheter Aortic Valve Implantation) procedures, a credible and significant number along with the installation of 1 Left Ventricular Assist Device (LVAD). In the FY2015-16, 5 TAVI procedures were carried out, paving the way for future success.

Mother and Child Care

Following the success of Fortis La Femme, New Delhi and further consolidating its leadership position in Birthing Care, a 70-bed Fortis La Femme facility was inaugurated in Bengaluru. The La Femme vertical addresses the growing maternity market in India, focusing on the health and wellness needs of women. Its wide range of offerings includes Obstetrics, Gynaecology, Neonatology, General & Laparoscopic Surgery, Cosmetic Surgery, Genetic and Foetal Medicine.

Oncology

Due to a host of reasons, India is witnessing a surge in Cancer and related cases. To address the growing demand for specialised Cancer Care, Fortis is further strengthening its Oncology programme beyond its five established centres at Gurgaon, Mohali, Mulund, Noida and Ludhiana. A number of new centres are in the pipeline which would be commissioned in a phased manner.

Amongst the existing facilities, the Oncology programme at FMRI and Fortis Mohali witnessed steady growth and appreciation. The Medical Oncology segment at Fortis

Ludhiana has been received very well and is seeing healthy growth.

Clinical Outcomes

Fortis Healthcare, as part of its efforts to strengthen its core value of patient-centric health services, became the first private Indian healthcare chain to monitor and publish clinical outcome data from Fortis Escorts Heart Institute based on global norms specified by the International Consortium for Health Outcomes Measurement (ICHOM). This is being done for the major Cardiology procedures, Percutaneous Transluminal Coronary Angioplasty (PTCA) and Coronary Artery Bypass Graft (CABG).

In its continuous pursuit of transparency and patient centricity, the scope for publishing Cardiac Clinical Outcomes will be further extended to the facilities at Mohali, Gurgaon, Mulund and Bengaluru in the FY16-17.

Extending outcome measurements beyond Cardiac Sciences, the Kidney Transplant outcomes data for Fortis Vasant Kunj will also be published in the FY16-17.This will encourage informed decision making.

Fortis was part of the ICHOM Working Group for developing the standard data sets for Coronary Artery Disease (CAD), which were rolled out in November 2013 by Prof. Michael Porter, at the Harvard Business School, Boston.

Fortis is part of the Steering Committee for Coronary Artery Disease (CAD) at ICHOM and is represented by Dr Bishnu Panigrahi (Head – Medical Strategy and Operations). He was an active participant at the ICHOM – May 2016 Annual Conference and Coronary Artery Disease Implementation and Benchmarking Meeting, held at the University College, London.

The objective of the forum is to bring together organisations that are measuring or working towards measurement of the CAD Standard Set; to discuss progress in measurement, overcome challenges, identify and agree on next steps to move hospitals towards benchmarking and learning from each other, with a view to improving the delivery of healthcare.

Fortis Infection Prevention and Control Manual

The year 2015-16 witnessed the launch of the Fortis Infection Prevention and Control Manual, a centrally controlled document for standardising Infection Prevention and Control practices and measures. Apart from standard protocols for hand hygiene, precautions, isolation and occupational exposure to blood or body fluids, the manual covers important aspects such as risk categorisation of hospital areas, surveillance mapping, recommendations for cleaning and disinfection of various hospital areas,

revised vaccination policy, terms of reference and member list of Central Infection Prevention and Control Committee (CIPACC).

Awards and Recognition

Dr Bishnu Panigrahi, Head-MSOG, was amongst the invited speakers at the American Heart Association (AHA) Scientific Sessions 2015 in Orlando, held in November 2015. He also co-authored the research article titled "Standardised Outcome Measurement for Patients with Coronary Artery Disease," which was published in the prestigious Journal of the American Heart Association (JAHA).

Nursing

Nursing at Fortis Healthcare underwent some significant changes in the course of the year. In February 2015, Fortis created a new Nurse Training and Development position and brought in talent from the United States to drive this important initiative. Two other positions, those of the Nurse Recruiting Head and the Nurse Engagement Head, were also created, reflecting the organisation's emphasis on Nursing.

During the year, a training programme on Communication Skills was rolled out, covering over 3,000 nurses across Fortis hospitals. This has now been incorporated in the induction programme and is taught to all on-boarding nurses. Individual training modules are also being taught to all new employees at Fortis. Several other programmes and educational initiatives were launched to improve nursing leadership and focus on nursing basics.

Advanced Speciality Certification Programmes in Critical Care, Oncology, Nephrology and Dialysis, Cardiac OT, Cardiac Care, Orthopaedics, Women's Health and General Surgery were launched. In addition, a Mentorship Programme and an Educational Programme for Mentors were also launched. Several physician-led training sessions were held. Campus Connect – a programme to engage with nursing educational institutes for better identification of talent and improved branding for our organisation was launched. A Nursing Outcomes Scorecard was rolled out and Nursing Career Pathways were developed.

These initiatives focused on the three primary goals of driving Nursing Excellence in Quality Patient Care, improving Patient Satisfaction and increasing Patient Loyalty whilst building engagement and reducing attrition.

The Nursing Outcomes metrics has led to encouraging results in the areas of prevention of Hospital Acquired Pressure Ulcers and Patient Falls, apart from improvement in Nursing Practice Compliance. It has also been instrumental in increasing Patient Satisfaction with the Nursing function and reducing the attrition rate for nurses with less than one year experience at Fortis.

Towards the beginning of Q4, Fortis moved to a Nursing Leadership Structure unprecedented in India. While each hospital retained its Chief Nursing Officer, three Regional Chief Nursing Officers and a National Chief Nursing Officer were added to drive Nursing Excellence and improve the quality of care.

Business Development

The Financial Year 2015-16 was significant for Fortis Healthcare, as the decision to pursue a growth strategy based on 'Operate and Manage' (O&M) model was firmed up. The model envisages that Fortis Healthcare with its skill sets in clinical delivery has the expertise to effectively operate and manage a hospital facility for a partner, in return for a management fee. Fortis brings knowledge and core strengths in Hospital operations and management, clinical talent, brand recognition and brand salience to the table, which are highly leverage-able assets. Capital investments under an O&M arrangement in this case would be made by the partner while Fortis would operate and run the facility.

In furtherance of this strategy, Fortis during the year, has signed up six new contracts, three with domestic partners in Udaipur, Indore and Guwahati, and three in international geographies (Africa and Bangladesh). The projects in

Indore and Guwahati are Greenfield, whereas Udaipur is a Brownfield project, expected to be launched in FY16-17. Amongst the international projects, an existing operational hospital in Uganda, Africa, has been taken over for management while others are still to be commissioned.

The Company intends to continue its focus on O&M contracts to expand its footprint in the domestic as well as international markets.

Human Resources

In FY15-16, we took a momentous step in our journey towards becoming a purpose-led organisation, by announcing a new organisational structure in December. We re-structured our operations, reducing the number of regions from five to three, each led by a COO. In a symbolic and practical shift, we re-christened our 'Corporate Office', as the 'Support Office'. This was a conscious effort to make the organisation lean, responsive and agile to effectively achieve the organisational goals.

The change process was introduced with a workshop designed to co-create, evolve and renew our 'ways of working' (WOW). The key regional and support office team members worked with their respective functional and regional groups to determine a new framework for engagement in a manner that would effectively move decision making closer to the hospitals.

A 'Hospital Experience Programme' was instituted for all support office employees. The five-day experiential programme is designed to build an insightful understanding of hospital services and how they function and enmesh with each other.

In FY15-16, we launched a comprehensive Service Excellence programme for all patient facing employees clocking over 72,000 training hours under this 'One Fortis' initiative.

Some of the key training initiatives rolled out included 'Reaching Your Peak', 'Fortis People Programme', 'Leadership the Next Paradigm', 'Nursing Leadership Programme', 'Nursing Supervisory Programme', 'Enhancing Sales Capability', 'Medical for Non-Medical Personnel', 'Patient First', 'LEAP',' Telequette' and 'Corporate Grooming'.

While the efforts to create and conduct best-in-class programmes continues, the Learning & Development focus for FY16-17 will be on effecting change in service behaviour on the floor, creating a climate for better application of learnings on the job and co-evolving business interventions that lead to patient satisfaction.

Ensuring that we have the 'right talent at the right place' was another area of focus for the HR function. In an endeavour to make the talent acquisition process more robust, we introduced an independent assessment methodology for all managerial hires in FY15-16. To ascertain appropriate fitment in our organisation's context, we introduced the Occupational Personality Questionnaire (OPQ) as a selection tool supporting the HR and functional interviews already in place. The output from this questionnaire is being used to identify suitable candidates for specific roles, thereby improving the quality of the hire.

With a special focus on our two key target groups, nurses and doctors, several clinician engagement and talent management initiatives were launched. In December '15, a cross-functional team comprising of the Medical Strategy & Operations Group, Operations, HR and Nursing worked together to develop a comprehensive staffing plan covering: Manning Norms, Recruitment, Training & Career Path progression. The Fortis Nursing Council (FNC) was re-launched and a Nursing Operational Leadership Talent Pipeline (NOLTP) programme was initiated for the betterment of career opportunities for nurses. The Nursing structure was further strengthened at the regional level with Regional Nursing Heads reporting to the Head of Nursing & the Regional COOs. The organisation's Nursing strategy & initiatives are under the leadership of the CEO through Head – Nursing as central resource.

Migration of Doctors to a new grade structure was initiated. The Medical Operations Group has been further strengthened with the appointment of a new resource for Clinical Talent Management and further empowerment of the regional structure. Hospital Management Committees (HMC) (erstwhile Executive Committees in some hospitals) have been established at all major hospitals, so that hospital administrators can connect effectively with medical consultants on key business matters.

There has also been an increased focus on compliance during the year. To ensure a comprehensive understanding of mandatory requirements on emerging aspects such as 'Prevention of Sexual Harassment', we introduced, e-learning modules along with a certification test.

Sales

The Sales function continued to reach out to the vast network of 13,280 doctors every month. More than 400 out-station and surgical OPDs were conducted and over 4,500 patients were screened per month. The Sales Team conducted 291 camps and touched over 22,000 lives. On an average, the team conducted 72 Continuing Medical Education (CME) programmes, doctor engagement workshops every month, drawing a participation of over 10,000 doctors.

The International Sales Team was instrumental in expanding Fortis Healthcare's reach across the globe. During the year, patients from 128 countries were treated at various Fortis facilities. The Corporate Sales team actively tied up with 650 corporates, 140 Public Sector Units and 40 Third Party Administrators (TPAs).

Information Technology

The Information Technology function continues to work on laying a strong foundation for a scalable and standard technology platform, a platform which gives the organisation the much required competitive advantage and moves it closer to the 'One-Fortis' theme.

Last year, the team completed the implementation and rollout of the Oracle E-Business Suite (christened Project F1) across hospitals, and now we have a common and scalable decision support system for Finance, Human Resources and Supply Chain. The project was successfully rolled out in November and was stabilised by February across all regions.

In December 2015, we formally kicked off 'Project OneFortis', a journey to design and deploy an Organisational Hospital Information System across all hospitals in 27 months. This, together with Project F1, will lay the foundation for the automation of Clinical processes including Prescription Management, electronic medical records, and integration with advanced technology healthcare solutions using the Internet-Of-Things (IOT).

The Fortis Healthcare Customer Mobile Application "MyFortis" is now live along with the Online Patient Portal, enabling patients to book appointments at any Fortis hospital with OPD doctors. The app allows patients to make the payment online if they wish to.

The focus this year will be to automate the International Sales Team to efficiently track and support international patients and partners, and drive revenue. Another important project is that of Supply Chain Digitisation of In-Patient Medicine and Consumables using bar-coding technology. This will further enhance our commitment to delivering the 'best outcomes and experience for our patients' by ensuring that the six rights - Right Patient, Right Medicine, Right Dosage, Right Time, Right Form and Right Channel are always met while tracking allergy and expiry of medicines.

Projects

During the year, the Projects Team launched Fortis La Femme, Bengaluru, a standalone Mother & Child centre. This project also won the Economic Times Award 2015 for Smart Healing Spaces.

Fortis La Femme, Bengaluru , also came on stream during the year. It has a built-up area of approximately 0.75 lakh square feet with programmes like Obstetrics & Gynaecology, IVF, Mamma Mia and Preventive Health Check-up.

The team is currently undertaking the design and construction of an additional tower and an Oncology bunker at Fortis Hospital, Bannerghatta Road, Bengaluru. As a part of the phase-wise commissioning, 40 beds will be ready for launch by H2 2017. The construction is spread across approximately 2.4 lakh square feet. Another Oncology block is under construction at Fortis Hospital, Shalimar Bagh, New Delhi. This should be ready for launch by Q4 of 2017. A high-end standalone Mother & Child hospital in Ludhiana is also under construction with a built up area of approximately 1.25 lakh square feet.

These apart, additional beds are being installed at Fortis Escorts Hospital, Jaipur. These will be ready in Q4 2017.

The Diagnostics industry in India is witnessing rapid growth at the present moment and is likely to gain momentum on the back of a growing economy, increase in disposable income, rising awareness about health and preventive diagnostics, and the improving healthcare infrastructure. SRL is the largest Diagnostics Company in India having an impressive reach and the ability to provide superior quality diagnostics services to its customers through an efficient network of laboratories and collection points. The vision to create SRL diagnostics was driven by the philosophy to provide superior quality tests, with accurate outcomes, at affordable prices, to the masses. SRL is known for its high ethical standards synonymous with 'TRUST' and each and every constituent of 'Team SRL' subscribes to an immaculate value system.

create new Centres of Excellence (COE's), in "HLA and Transplant Immunology" were some of the key operational area improvements. The COE in HLA will be the 5th and follows our already established COE's in Histopathology, Haematology, Molecular Biology and Cytogenetics.

The SRL Team of Pathologists, Scientists and other Professionals maintained a close connect with the Physicians in order to enhance the academic environment with the eventual aim of improving patient outcomes. We organised Clinico-pathological meetings, Tumour Boards, interaction of Microbiologists with Critical Care experts, one-on-one meetings with key opinion leaders, all with the intent of making a critical difference to SRL's work and generating superior outcomes.

SRL

Key Highlights 2015-16

SRL continues to be a leader in diagnostics with the biggest network of 314 labs with a pan-India footprint. SRL is a mass market player and is present in all segments of pathology testing viz. screening, diagnostic, predictive, preventive and monitoring tests. It has an established network of over 7000 collection points which pick up samples from across India and feed its satellite and reference labs. SRL reached out to over 60,000 doctors and conducted on an average over 125,000 tests every single day of the year during FY16. In FY16, SRL worked hard to create its brands in a highly commoditised pathology market and succeeded in garnering 5% of portfolio sales. SRL's HCP Plus is a household name today.

Focus on improving efficiency indices, bringing in integrated platforms, decentralising tests on the basis of customer demand and putting a plan in place to

In the area of Hospital Lab Management, SRL made significant in-roads through the addition of key accounts like Indira IVF and KRIMS, Nagpur. SRL's association with the Fortis hospital network gives it cutting edge expertise in the management of Labs inside hospitals. This is particularly demanding and challenging, as a 24x7 cover has to be provided. Further, Hospital labs need a superior Microbiology set up and assistance is provided to associate Hospitals for infection control and handling of Antibiotics etc.

SRL has won a prestigious project promoted jointly by UNICEF and the Ministry of Health and Family Welfare, for a Comprehensive National Nutritional Survey in which 50,000 children will be screened. The project covers all States across India for nutritional biomarkers. This is a significant foray for SRL in the development sector. Projects of this size, scale and expanse test the true character of a Diagnostics Company. We are fortunate to have won this phenomenal project and are strongly motivated to give it our best.

Corporate sales at SRL, witnessed robust activity with the acquisition of marquee clients like IBM, HLL, Yoga camp and Khadamat, among others. SRL also moved into the Home Collection market in a big way by introducing the 'BUC Box', a hygienic, single use box, to collect samples across 13 prominent Indian cities. A plan is underway to expand our presence to the other cities in FY17, as this segment continues to experience rapid growth.

SRL is also actively engaging with its customers through the social media. SRL's Facebook fan following crossed the half a million mark.

PUBLIC PRIVATE PARTNERSHIPS

SRL has made significant inroads in the Public Private Partnership (PPP) space, partnering with the Jharkhand Government to set up labs in 12 districts of the State. This project also caters to the Below Poverty Line (BPL) population which forms a significant part of the total population. SRL also bagged the UP PPP project, where its mandate is to provide phlebotomy services in 22 District Hospitals. The samples are being transported in conformity with stringent quality protocols to the nearest SRL lab and the results are reported via the web. Additionally, the Himachal Pradesh PPP project continued to gain momentum with SRL now operating labs/centres in 24 hospitals, providing comprehensive diagnostic services to the people of the State. The ability to serve Government institutions at Government prices to provide superior quality tests using the best technology, aided by efficient & trained staff have certainly played a critical role in building trust and credibility for SRL, in the handling of PPP projects. SRL thus has been able to contribute positively towards the society as well as establish the role of the 'Private Diagnostics Lab', in the Government space.

INTERNATIONAL BUSINESS

The Diagnostic Centre in Kinshasa, DR Congo is ready and is scheduled for commissioning in the first week of April 2016. The establishment of this Centre will act as a forerunner for bigger opportunities in Africa. The Kinshasa Lab will provide high-end Pathology and Imaging Diagnostics and will be positioned as a reference lab for the whole of DR Congo and the contiguous five countries. SRL's collection centre network in Africa is being expanded.

Two more laboratories have been planned in Sri Lanka - one each in Kandy and Galle. SRL's presence in Nepal is being augmented through the addition of collection centres and a new laboratory in Biratnagar, for which work is in progress. Similar opportunities are being explored in Bangladesh.

SRL - RESEARCH AND DEVELOPMENT

During this financial year, the major focus of our R&D effort was on the Oncology, Neurology and Gastroenterology segments through advanced multi-gene genomic panels, niche/esoteric immunology and biochemical tests. Certain cost-effective approaches were successfully standardised and adopted for existing molecular assays, maximising profitability in the high value molecular diagnostics segment. In view of the emerging Point of Care technologies, focused exploration with specific groups/companies was undertaken mainly to tap the co-development and commercialisation opportunities. The key R&D highlights are mentioned below:

(i) Development and release of new assays: New assay development this year was focused with the intent of capturing market demand as well as addressing the potential disease areas of Oncology, Neurology, Gastroenterology and Allergy. A total of 9 new tests were developed and released successfully. Of these, 3 tests were released for the first time in India and 6 tests were indigenously developed. In continuation of last year's efforts, the Fibrometer range was expanded to include Fibrometer NAFLD and ALD. These non-invasive tests for fatty liver diseases were released for the first time in India. Multi-gene panels for genetic screening of cancer risks were successfully standardised and validated. Considering the utility of these panels and limited population data in India, panels were uniquely designed for whole gene sequencing (around 40 different genes) thereby differentiating it from similar panels offered by local competitors. A low cost, in-house biochemical assay, for Urine Iodine screening was successfully standardised and validated. This test was specifically developed for the mass screening project awarded by UNICEF this year.

(ii) Cost-effective approach: Five molecular tests (JAK2 V617F, BRCA Gene mutation, HCV Genotyping, HSV Real Time PCR and MycoTect Real Time PCR) were re-vamped to optimise recipe costs.

(iii) Point of Care Technologies (POCT): With emerging POCT technologies, the concept of central lab testing is expected to change to onsite/in-clinic testing. From SRL's perspective, these technologies are expected to expand the business potential in Hospital/ICU set-ups, field testing Camps/ Wellness, In-Clinic environments and remote small labs. Considering these developments, horizon scanning of available POCT technologies was undertaken this year. After thorough theoretical evaluations of 11 POCT technologies, 6 have been recommended for phase-2 evaluations.

(iv) Academic activities and achievements: There has been increased awareness as well as demand for Molecular Pathology education and training among medical and paramedical students. Considering SRL's strength and interest in this area, an affiliation with Maharashtra University of Health Sciences for conducting a Fellowship programme in Molecular Pathology was established. This is the first and only accredited course currently available in India. The first batch was successfully concluded this year.

(v) Publications in peer reviewed journals: Four research studies highlighting the molecular research focus and capability at SRL were successfully published in peer reviewed International Journals. 12 important articles were published in different Healthcare Magazines and Journals.

TRAINING

Training has always been one of SRL's key focus areas. The current emphasis is not only on skill development and knowledge enhancement, but more on honing managerial capabilities and preparing leaders for tomorrow.

With the above in mind, SRL has been organising specialised behavioural and knowledge intensive training for select groups. In the past one year, some of the programmes that have been delivered with the help of subject matter specialists (Behavioural Trainers) have been on Sales Leadership, and Managerial Effectiveness for Operations Leaders.

SRL launched a prestigious 15-day orientation programme "Neev" for all its new joinees to assist them with the on-boarding process and enable them to fit seamlessly into their new environment. There are of course multiple training sessions which are planned through the year for people in all functions and at all levels. The intent is to upgrade their skills and competencies for current as well as future assignments.

FINANCIALS

SRL's financial picture shows Revenues & EBITDA growing at a CAGR of 12% and 28% respectively over the last 3 years. The revenue at the end of FY15-16 was ₹ 898 Crore, a growth of 7.8% and the EBITDA was ₹ 184 Crore, a growth of 25% over the previous year. The EBITDA margins have shown tremendous growth and moved from 12.4% to 20.4% in the last 3 years.

AWARDS AND ACCOLADES

In keeping with its past tradition, SRL won several prestigious awards and accolades this year, establishing its credentials as a leader and quality player in the Indian diagnostics space. Prominent among these were the National Quality Excellence Award 2016, in the category of 'Quality Excellence for Best Medical Testing Laboratories' presented by the Stars of the Industry Group of World Quality Congress (February 2016); The Frost & Sullivan Award for 2016 was conferred on SRL Dubai for being the 'Best Private Diagnostic Provider of the Year (February 2016); The Six Sigma Healthcare Excellence Award 2015 for the Best Diagnostic Service Provider of The Year (December 2015); The World's Greatest Brand & Leader 2015 Asia & GCC: SRL was chosen as the Brand; Knowledge Management Leadership Awards 2015 (September 2015); CMO Asia's Asia Healthcare Excellence Awards 2015 (August 2015); Business Technology Award in Healthcare 2015 (August 2015); Express Security Strategist Awards 2015 (August 2015); CMO Asia's National Awards for Excellence in Healthcare 2015 (July 2015) and India's Best CIOs Top 50 Awards (July 2015).

Directors' Report

Dear Members,

Your Directors have pleasure in presenting here the Twentieth Annual Report of your Company alongwith the Audited Standalone and Consolidated Financial Accounts and the Auditors' Report thereon for the Year ended March 31, 2016.

FINANCIAL RESULTS

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

[₹ in Million]

Particulars	**Consolidated**	
	Year ended March 31, 2016	**Year ended March 31, 2015**
Continuing Operations		
Operating Income	42,651.38	39,658.62
Other Income	1,470.20	958.32
Total Income	**44,121.58**	**40,616.94**
Total Expenditure	40,481.99	38,352.23
Operating Profit	**3,639.59**	**2,264.71**
Less: Finance Charges, Depreciation & Amortization	3,543.46	3,863.41
Loss before exceptional items and tax	**96.13**	**(1,598.70)**
Exceptional items	(331.89)	3.32
Loss before tax	**(235.76)**	**(1,595.38)**
Less: Tax Expenses	465.68	45.31
Net Profit for the year	**(701.44)**	**(1,640.69)**
Profits/ (Losses) attributable to minority interest	212.77	(138.72)
Share in profits of associate companies	655.58	593.33
Profit/ (Loss) for the year from continuing operations (A)	**(258.63)**	**(1,186.08)**
Discontinuing Operations		
Profit/ (Loss) before tax from discontinuing operations	12.77	(237.45)
Tax expense of discontinuing operations	2.67	17.25

Particulars	Consolidated	
	Year ended March 31, 2016	Year ended March 31, 2015
Profit/ (Loss) after tax and before minority interest from discontinuing operations	**10.10**	**(254.70)**
Share in profits/ (losses) of associate companies	0.21	2.50
Profits/ (losses) attributable to minority interest	0.20	1.29
Profit for the year from discontinuing operations (B)	**10.11**	**(250.91)**
Profit for the year (A+B)	**(248.52)**	**(1,436.99)**

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

[₹ in Million]

Particulars	Standalone	
	Year ended March 31, 2016	Year ended March 31, 2015
Operating Income	6,115.92	6,106.41
Other Income	1,472.35	2,179.12
Total Income	**7,588.27**	**8,285.53**
Total Expenditure	7,294.39	7,593.14
Operating Profit	**293.88**	**692.39**
Less: Finance Charges and Depreciation	875.65	1,077.67
Profit/ (loss) before exceptional items and tax	**(581.77)**	**(385.28)**
Exceptional items	(153.31)	26.54
Profit/ (loss) before tax	**(735.08)**	**(358.74)**
Less: Tax Expenses	–	(19.69)
Net Profit for the year	**(735.08)**	**(339.05)**

STATE OF COMPANY'S AFFAIR, OPERATING RESULTS AND PROFITS

For the Financial Year 2015-16, the Company recorded audited consolidated operating income from continuing operations of ₹ 42,651 Million, a growth of 8% over the previous year operating income of ₹ 39,659 Million.

Consolidated total income (including other income) from the continuing operations for the Financial Year 2015-16 was at ₹ 44,122 Million compared to ₹ 40,617 Million in the previous year. Operating profit for the year stood at ₹ 3,640 Million compared to ₹ 2,265 Million in the previous year. The Net Profit after Tax but before Profits attributable to Minority Interest and Share in the profits of Associates for the continuing operations stood at ₹ (701) Million as against ₹ (1,641) Million for the corresponding previous year. The Net Profit after Tax but before Profits attributable to Minority Interest and Share in the profits of Associates from discontinued operations stood at ₹ 10 Million as against ₹ (255) Million for the corresponding previous year. The Net profit for the year (including both continuing and discontinuing operations) was ₹ (249) Million against ₹ (1,437) Million in the previous year.

Your Company continues to endeavor to offer high quality affordable healthcare services to its patients & the general public. It has, during the year, commissioned a number of new medical programs and specialties in various facilities & has made considerable progress in strengthening its medical offerings. With steadfast focus on patient centricity & clinical excellence your Company strives to bridge the huge demand-supply gap prevalent in healthcare delivery services in the country & continues to undertake a number of growth & development ambitions across the organisation.

As of March 31, 2016, the healthcare verticals of the Company primarily comprise day care specialty, diagnostics and tertiary and quaternary care. As of March 31, 2016, the Company had a network of 45 healthcare facilities (including projects under development), with approximately 4,700 operational beds and the potential to reach over 9,000 beds. In India, the Company is one of the largest private healthcare chains comprising a network of 42 healthcare facilities, including 30 operating facilities, 6 satellite and heart command centres located in public and private hospitals and 6 healthcare facility projects which are under development or are greenfield land sites. In addition, its Indian diagnostics business has a presence in over 600 cities and towns, with an established strength of 314 laboratories including 161 self-operated laboratories, 108 labooratories inside hospitals including 27 laboratories located in Fortis healthcare facilities, 18 wellness centres and 3 international laboratories. It also has over 7,200 collection points, which includes 98 collection centers that are owned and 61 collection centres at locations outside India. Your Company is driven by the vision of becoming a global leader in the integrated healthcare delivery space and the larger purpose of saving and enriching lives through clinical excellence.

Further, there are no significant material order passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations and there is no change in the nature of the business of the Company.

DIVIDEND AND TRANSFER TO RESERVES

Keeping in view the losses for the year under review, the Board of Directors of your Company has not recommended any dividend for the Financial Year 2015-16. Accordingly, there has been no transfer to general reserves.

The Company is in process of Formulating the Dividend Policy in terms of SEBI Circular No. SEBI/LAD-NRO/6N/2016-17/008. The policy once approved by the Board of Directors, the same shall be hosted on the website of the Company and disclosed in the annual report of the Financial Year 2016-17.

There were no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year 2015-16 and the date of the report

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

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

During the year under review:

- SRL Reach Limited became a wholly owned subsidiary of SRL Limited w.e.f. May 1, 2015.
- The Company (through its step down subsidiary Fortis Healthcare International Pte. Ltd) has sold its entire equity stake in Fortis Healthcare Singapore Pte Ltd for a total consideration of SGD 55 Million in April 2015.
- The Company (through its step down subsidiary Fortis Healthcare International Pte. Ltd) has sold its entire equity stake in Radlink Asia Pte Ltd and

its subsidiaries for a total consideration of SGD 111 Million in May 2015.

- The Company through its wholly owned subsidiary Fortis Hospitals Limited has acquired Stellant Capital Advisory Services Private Limited on November 3, 2015
- Religare Health Trust Trustee Manager Pte Ltd became a wholly owned subsidiary of Stellant Capital Advisory Services Private Limited w.e.f. February 2, 2016

Further note that your Board of Directors have adopted a policy for determining "material subsidiary" pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. The said policy is available at http://cdn.fortishealthcare.com/pdf/Policy_on_material_nonlisted_company.pdf.

In terms of the said policy, Fortis Hospitals Limited (FHsL) and SRL Limited (SRL) are considered as a Material Subsidiary and accordingly all necessary compliances have been carried out including but not limited to appointment of Independent Director from the Board of Fortis Healthcare Limited on the Board of FHsL and SRL.

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

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

LOANS/ADVANCES/INVESTMENTS

Particulars of Loans/Advances/Investments given and outstanding during the Financial Year 2015-16 are mentioned in Notes to Financial Statements.

PUBLIC DEPOSITS

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

AUDITORS

Statutory Auditors

M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants, were appointed as Statutory Auditors of your Company w.e.f. September 23, 2015 for period of 5 years subject to ratification my members at every Annual General Meeting.

Based on the recommendations of the Audit and Risk Management Committee, the Board of Directors of the Company proposes to ratify appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as the Statutory Auditors of the Company at the ensuing Annual General Meeting of the Company.

The existing Statutory Auditors have, in their report to the Board of Directors on the Consolidated Financial Statements of the Company made the following comments which are self explanatory and are categorized as "Matter of Emphasis", hence no comments in this regard has been offered by your Board of Directors:

a) Notes 11(A), 11(B), 12(i) and 12(ii) to the financial statements relating to income tax demands and termination of certain land leases allotted by Delhi Development Authority (DDA).

b) Notes 11(C) to the financial statements relating to non-compliance with the order of the Honorable High Court of Delhi in relation to provision of free treatment / beds to poor.

Based on the advice by external legal counsel, no provision/adjustment has been considered necessary by the Management in this regard in the consolidated financial statements.

Our opinion is not modified in respect of this matter.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its hospital activity is required to be audited. Your Directors had, on the recommendation of the Audit and Risk Management Committee, appointed M/s. Jitender, Navneet & Co., Cost Accountants to audit the cost accounts of the Company for the Financial Year 2015-16 at a remuneration of Rs. 2.30

lac (plus out of pocket expenses and taxes). As required under the Companies Act, 2013, the remuneration payable to the cost auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s Jitender, Navneet & Co., Cost Auditors is included at Item No. 5 of the Notice convening the Annual General Meeting.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Sanjay Grover & Co., Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "**Annexure II**".

Internal Auditors

Upon the recommendation of the Audit and Risk Management Committee, the Board of Directors has appointed Mr. Rajiv Puri, Head Risk and Internal Audit as the Chief Internal Auditor of the Company and authorized him to engage independent firms for conducting the internal audit for the Financial Year 2015-16. Accordingly, M/s. KPMG and E & Y, LLP were engaged to perform Internal Audit for the Company.

During the financial year under review no fraud was reported by any of the above stated auditors.

CAPITAL STRUCTURE/STOCK OPTION

The Company currently manages its stock options through "Employee Stock Option Plan 2007" and "Employee Stock Option Plan 2011" ("Schemes") as approved by the shareholders. The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Schemes of the Company. Each option when exercised would be converted into one fully paid up equity share of Rs. 10 each of the Company. During the year under review, 26,00,000 options were granted by the Company under ESOP 2011. Disclosure pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 for the Year ended March 31, 2016 is available at http://cdn.fortishealthcare.com/0.36806700_1467309996_ESOP-Disclosure-2015-2016.pdf and forms part of this Directors' Report.

During the year under review, under the terms of the "Employee Stock Option Plan 2007", 122180 stock options were exercised and under the terms of "Employee Stock Option Scheme 2011" 200000 stock options were exercised.

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

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

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

Extract of Annual Return is annexed herewith as **Annexure III.**

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Particulars required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of "The Companies (Accounts) Rules, 2014", regarding Conservation of Energy and Technology Absorption, is given in **Annexure IV**, forming part of the Board Report. Further, details pertaining to Foreign Exchange Earnings and Outgo forms part of the Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY - OUR JOURNEY THROUGH THE PAST YEAR (2015-16)

As a responsible corporate citizen and a critical member of the Indian healthcare ecosystem, we at Fortis Healthcare strongly believe that we can meaningfully alleviate the problem of inequitable access to quality healthcare. By creating and supporting social sector programs linked to health and well-being, we seek to leverage our skills, experience, capabilities, technologies and facilities to address a critical social need for the vulnerable sections of society. We have continuously enabled programs and initiatives, based on rigorous needs assessment, leading to not just improvement in healthcare service delivery but also creating social awareness and change. We believe this is the best way to have the greatest impact, because our interventions are capable of transforming lives, building aware communities and protecting the environment.

These initiatives for **Fortis Healthcare Limited** are led through the **Fortis Charitable Foundation (FCF),** its designated CSR vehicle.

Fortis Foundation has 5 primary programs:

UMEED (A Child Centric Program),
AANCHAL (Women's Health and Well-Being),
SEWA (A Disaster Relief Initiative),
CHHAYA (Supporting Charitable Medical Infrastructure)

SAVERA (Awareness, Communication & Publications) and

SPECIAL LIVES (A program catering to special situations that demand a response)

UMEED presently focuses on 2 areas: children suffering from Congenital Heart Defect (UMEED-DHADKAN) and Cleft Lip & Cleft Palate UMEED-SMILE).

UMEED – DHADKAN (Congenital Heart Defect):

The past decade has seen the program facilitate the treatment of over 5280 children and the last year (2015-16), saw us support over **1178 children.**

UMEED – SMILE (Cleft Lip & Cleft Palate):

This program was started in February 2015; till date the program has supported **46 children.**

AANCHAL focuses on health and well-being of the mother with the overall aim of ensuring improvements in community & societal health. One of our primary focus areas under this program is medical and psychological support for **Acid Attack Survivors.**

Over the past year, FCF has supported **7 acid attack survivors** whose treatment entails numerous procedures, surgeries and psychological counselling.

SEWA is a Disaster Relief Initiative undertaken by Fortis Charitable Foundation. The program focuses on ensuring preparedness and provides medical relief in an organized and time-sensitive manner to people affected in a natural disaster situation. Over the last decade, SEWA has provided medical relief during the Leh Floods, Jammu and Kashmir Floods, Bihar Floods, Uttarakhand Earthquake, and Masoodpur Fire in South Delhi.

In 2015-16, our team provided medical aid during the Nepal earthquake and the floods in Chennai. Our team of volunteers was well-organized and despite difficult conditions, provided much-needed relief to the affected population. Medical relief camps were set up for anyone requiring aid and over **8000** people were treated and over **1.5 tons** of relief material was distributed.

CHHAYA is a program designed to help, sustain and revive existing charitable healthcare infrastructure. CHHAYA partners with organizations to conduct health camps and run charitable clinics.

In 2015-16, CHHAYA continued supporting the charitable dispensary in Amritsar, and helped start a new charitable dispensary at the Birla Mandir in Delhi. Over the last year, the Golden Temple dispensary treated **32,190** patients.

The huge demand for health camps from various sectors made us re-evaluate the focus of CHHAYA and we decided to expand its scope by collaborating with different partners to conduct health camps. With support from our executing partners, we facilitated diagnostic tests and treatment of **71,995** people over the last year. In 2015-16, FCF entered into a welcome partnership with PNB Housing Finance, conducting 3 health camps during the year and treating **374 students and faculty.** The health camps included free blood tests, eye tests, dental tests, BMI and general health evaluation for each participant.

In 2015, FCF initiated the design for a program to create awareness around preventive and remedial healthcare. The objective of the program was to build an informed society, which through access to information and easy-to-understand materials, is equipped to care for itself and make informed health choices. The program is also a platform to communicate about the foundation's work, ideas, finances and partner ecosystem. With this in mind, a new program **SAVERA** was started.

SAVERA uses several mediums to communicate – print, digital and audiovisual, to focus on providing access to preventive and remedial healthcare education for a range of stakeholders. The program caters to diverse target groups through various channels of communication like publications, audio-visual communication, children's books, pictures and posters.

The redesigned website effectively expanded the Foundation's reach and enhanced its ability to communicate with FCF partners, trustees, volunteers and employees of the all its contributing, executing and service partners. Two publications for children on health and hygiene were produced in five different languages. Several 'Smile Stories' of children suffering from Congenital Heart Defects, successfully treated under our UMEED program were filmed, edited and uploaded.

SMILE STORIES & SPECIAL LIVES

PRINCILLA SALAM (UMEED – DHADKAN)

Princilla is the daughter of a fisherman, Salam Boyai, and belongs to Bishnupur district of Manipur. His average annual income is Rs. 48,000/-. Though she is only two and a half years old, she loves eating spicy food and is very fond of fish. Like all children she loves playing with dolls and her favourite is a teddy bear. She also loves watching Salman Khan films.

However Princilla lives with the fear of getting breathless as she is suffering from congenital heart defect. Her parents couldn't afford a surgery and they continued with the prescribed medication hoping she would recover fully.

Their neighbour Grace searched the internet, looking for options for financial aid for her and came across the 'Little Hearts Program' and wrote to **Fortis Foundation** for support. Grace arranged for the family to travel to Gurgaon for medical evaluation. A surgery was recommended and Fortis Foundation in collaboration with its partner, Being Human Foundation supported Princilla's surgery.

MUSKAAN (UMEED- DHADKAN)

Muskaan, a nine-year old from Bihar, was diagnosed with a hole in her heart a few years ago. Her parents took her to a few hospitals but realized the treatment was unaffordable so they kept her on medication despite her condition.

Muskaan's uncle, Sanjeev, runs a small tea shop outside the Fortis Support office in Gurgaon. One day while talking to people from the support office sales department, he mentioned his niece's condition. Knowing that Fortis Foundation's UMEED program supports children from economically disadvantaged sections of society, Muskaan's case was referred to Fortis Charitable Foundation.

In September 2015, Muskaan was brought to Delhi for evaluation and subsequently successfully treated for the condition.

POONAM DEVI – (AANCHAL- AAS)

Poonam Devi is 22 years old and lives with her parents in Karnaipur, Uttar Pradesh. Her father owns a small shop in the nearby town and her mother is a housewife. She completed her B.A. in 2014 and was looking for a job.

One fateful day, while she was accompanying her father to her Uncle's house, her cousin brother ran out and threw acid on her, burning her right eye, right arm and leg. For over a year, Poonam and her family went to several hospitals requesting treatment till their resources ran out.

Finally, they heard about the possibility of getting free treatment through Fortis Foundation's AANCHAL program. They came to Fortis Memorial Research Institute in Gurgaon on 4th October, 2015 for an evaluation. Poonam's doctor said "The young lady barely has any vision in the right eye (perception of light). The eyelids are completely fused and no eye ball is visible. There is disfigurement of the nose and lips, more prominent on the right side".

Seeing her condition, the doctor waived her fees and Fortis Foundation supported the entire cost of her reconstructive surgery.

LAKSHYA – (UMEED-Special Lives)

Lakshya is a 2 year-old child suffering from an extremely rare disorder – "Nager Syndrome". There are less than 100 people suffering from this disease in the entire world. There is no specific cause for the occurrence of Nager

Syndrome though research indicates it could be due to gene mutation.

Lakshya was born with underdeveloped cheek bones, a very small jaw and an opening on the roof of his mouth which makes it very difficult for him to breathe and eat. Due to this condition, Lakshya's speech is affected and he cannot talk. He has no control over his tongue muscles and is in constant danger of choking. He has to be supervised throughout the day and at night his parents take turns to stay awake with him.

For Lakshya's parents, the struggle is not just emotional but also financial due to doctor visits, tests, surgeries and follow-up treatment.

Lakshya's treatment has been supported by Fortis Foundation's UMEED-Special Lives Program. Till date two surgeries have been completed and his treatment will continue over the next few months.

PUSHPAK SHARMA (UMEED- DHADKAN)

Pushpak is a 13 month-old child. He was born in Deviyani Ranawat Hospital in Alwar, Rajasthan. During a routine medical check he was diagnosed with Congenital Heart Defect. This news was devastating for his parents.

Pushpak's father Gopal Krishna Sharma is a domestic worker and earns just enough to take care of his three children, his mother and wife. While visiting hospitals for treatment, he found out about Fortis Foundation's UMEED program which treats children suffering from Congenital Heart Defect. He came to Fortis Memorial Research Institute, Gurgaon for a medical check-up and a surgery was recommended. Pushpak's surgery was supported by Being Human Foundation and Fortis Foundation.

Particulars pursuant to clause O of Sub Section 3 of Section 134 of the Companies Act, 2013 read with rule 9 of Companies (CSR) Rules 2014 is given in "Annexure V"

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review the Board of Directors had on the recommendation of the Nomination and Remuneration Committee re-appointed Mr. Malvinder Mohan Singh as Whole time Director designated as Executive Chairman w.e.f. April 1, 2016 for a period of 3 years and Mr. Shivinder Mohan Singh, designated as Executive Vice Chairman for a period of three years w.e.f. November 13, 2015. The Shareholders had at the last Annual General Meeting of the Company held on September 23, 2015 confirmed the said re-appointment(s)

Further, the Board of Directors at their meeting held on September 23, 2015 had considered and approved decision of Mr. Shivinder Mohan Singh to step down from the position of Executive Vice Chairman effective January 1, 2016 and continue on the Board as Non-Executive Vice Chairman of the Company.

Also, Mr. Udai Dhawan resigned from the Board w.e.f. March 23, 2016. During the year under review Mr. Bhavdeep Singh was appointed as Chief Executive Officer w.e.f. July 24, 2015 and designated as one of the Key Managerial Person w.e.f. August 6, 2015.

Pursuant to Section 152 of the Companies Act, 2013 read with the Article 86 of the Articles of Association of your Company, Mr. Sunil Godhwani and Mr. Ravi Umesh Mehrotra, Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Board re-commends their respective re-appointment(s).

Brief resume of directors seeking appointment and reappointment along with other details as stipulated under SEBI Listing (Obligations & Disclosure Requirements) Regulation, 2015, are provided in the Notice for convening the Annual General Meeting.

All Independent Directors have submitted declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Financial Year 2015-16, six meetings were held by the Board of Directors. The details of board/ committee meetings and the attendance of Directors are provided in the Corporate Governance Report.

Details of KMP are as under:

Name	Designation
[1]Mr. Shivinder Mohan Singh	Executive Vice Chairman
[2] Mr. Bhavdeep Singh	Chief Executive Officer
Mr. Gagandeep Singh Bedi	Chief Financial Officer
Mr. Rahul Ranjan	Company Secretary

[1] Designated as KMP w.e.f. May 28, 2015 and resigned as KMP w.e.f. August 6, 2015

[2] Appointed as KMP w.e.f. August 6, 2015

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

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing (Obligation & Disclosure Requirements) Regulation, 2015, the Board has carried out performance evaluation of its own performance, the Directors individually, Chairman as well as the evaluation of the working of its Audit and Risk Management Committee, Nomination and Remuneration Committee (NRC), Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Following process of evaluation was followed:

S. No.	Process	Remarks
1.	Individual Self- Assessment	Self-evaluation forms were shared and completed by the Directors and submitted to the Chairperson of Nomination and Remuneration Committee.
2.	One to One discussion	An Independent Advisor was authorised to interact with each member to assess performance, invite direct feedback and seek inputs to identify opportunities for improvement.
3.	Board Evaluation for the Board, Nomination & Remuneration Committee and of Independent Directors	Using the Self-assessment & output from the one-on-one discussion the fromal Board Evaluation process was conducted. A compiliation of the individual self-assessment & one-o-one discussions were placed at the meeting of the Nomination & Remuneration Committee (NRC), the Independent Director's (ID's) and the Board of Directors (BoD), to review collectively & include as additional feedback to the formal process completed in the meetings.
4.	Final recording and reporting	Based on the above, a final report on Board Evaluation was collated, presented and tabled at the meeting of the Board of Directors. The report was also noted best practises areas & considered opportunities for improvement.

Managerial Remuneration:

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

(a) Comparison and ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2015-16

Name of the Director*	Remuneration of Director (Rs. in crore)	Median Remuneration of employees (Rs. in crore)**	Ratio
Mr. Malvinder Mohan Singh	1.58	0.02	63.26:1
Mr. Shivinder Mohan Singh	3.51	0.02	141.05:1

* None of the other Directors are paid any remuneration except sitting fees.

** Including Value of perquisites u/s 17(2) Income-tax Act, 1961 & Retiral Benefits

Mr. Shivinder Mohan Singh resigned as Executive Vice Chairman and continued as Non- Executive Vice Chairman of the Company w.e.f. January 1, 2016

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

Name of Director/ KMP	Designation	% increase in Remuneration
Mr. Malvinder Mohan Singh	Executive Chairman	-
Mr. Shivinder Mohan Singh	Executive Vice Chairman	-
Mr. Bhavdeep Singh*	Chief Executive Officer	-
Mr. Gagandeep Singh Bedi	Chief Financial Officer	7%
Mr. Rahul Ranjan	Company Secretary	9%

* Appointed as KMP w.e.f. August 6, 2015

(c) The percentage increase in the median remuneration of employees in the financial year is 11%.

(d) The number of permanent employees on the rolls of Company is 2525 as on March 31, 2016.

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration

Particulars	For the Financial Year 2015-16
(A) Average percentile increase already made in the salaries of employees other than the managerial personnel	12%
(B) Percentile increase in the managerial remuneration	0%
Comparison of (A) and (B)	N.A.
Justification	
Any exceptional circumstances for increase in the managerial remuneration	N.A.

(f) There is no variable component in the remuneration being paid to directors

(g) Remuneration has been paid to Directors and KMPs is as per the Remuneration Policy of the Company.

Remuneration Policy:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director etc. Details of Remuneration Policy are stated in the Corporate Governance Report.

The Company has from time to time familiarised the Board of Directors with the Company's operations, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The same is governed by a template viz Board of Directors Governance Standard and it is available at http://cdn.fortishealthcare.com/0.45892500_1460352751_Familarisation-Program.pdf.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office and/or Corporate Office of the Company during business hours between 10.00 am to 12.00 noon on working days of the Company upto the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the period under review were on an arm's length basis and in the ordinary course of business. There are few materially significant Related Party Transactions made by the Company with other related parties as described under Corporate Governance Report of the Company forming part of the Annual Report. Disclosures as required under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in **Annexure VI** in Form AOC- 2 as specified under Companies Act, 2013.

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

The Company has developed a Related Party Transactions Framework and Standard Operating Procedures for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and the same is available at the following link: http://cdn.fortishealthcare.com/pdf/Related_Party_Transactions_Framework_Document.pdf

None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company, except to the extent of sitting fees and remuneration approved by the Board of Directors and/or shareholders of the Company.

RISK MANAGEMENT POLICY

The Company has developed and implemented a Risk Management Policy. The said policy is being implemented and monitored by the Audit and Risk Management Committee. The details thereof are covered under Management and Discussion Analysis Report which forms part of the Annual Report.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT

Your Company has adopted a Policy for Prevention, Prohibition and Redressal of sexual harassment. As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC). During the year, 2 complaints with allegations of sexual harassment were filed with the Company at the group level and the same were investigated and resolved as per the provisions of the Act.

DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, Corporate Governance Report with Auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

As per Regulation 34 of the SEBI Listing Regulations, a business responsibility report is attached and forms part of this annual report.

CODE OF CONDUCT

Declaration by Mr. Bhavdeep Singh, Chief Executive Officer confirming compliance with the 'Fortis Code of Conduct' is enclosed with Corporate Governance Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards has been followed along with proper explanation relating to material departures;

(b) the directors has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for financial year ended March 31, 2016 and of the loss of the company for the said period;

(c) the directors has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors has prepared the annual accounts on a going concern basis;

(e) the directors, has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

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

Your Directors also take this opportunity to extend a special thanks to the medical fraternity and patients for their continued cooperation, patronage and trust reposed in the Company.

Your Directors also greatly appreciate the commitment and dedication of all the employees at all levels, that has contributed to the growth and success of the Company. Your Directors also thank all the strategic partners, business associates, Banks, financial institutions and our shareholders for their assistance, co-operation and encouragement to the Company during the year.

On behalf of the Board of Directors

Sd/-

Date: August 4, 2016 **Malvinder Mohan Singh**
Place: Gurgaon **Executive Chairman**

ANNEXURE-1
FORM NO. AOC-1
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES

(₹ in lacs)

S. NO.	Name of the subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Escorts Heart Institute and Research Centre Limited	29-Sep-05	31-Mar-16	INR	1.00	240.21	79,667.19	100,288.37	20,380.98	46,174.62	37,227.35	8,791.30	2,835.17	5,956.14	-	100.00%
2	Fortis Healthstaff Limited	18-Mar-11	31-Mar-16	INR	1.00	490.00	(1,453.85)	98.19	1,062.04	-	124.65	32.40	-	32.40	-	29.00%
3	Fortis Asia Healthcare Pte. Ltd	07-Jan-11	31-Mar-16	USD	66.18	17,228.31	(62,779.32)	69,027.97	114,578.98	41,874.38	1,441.44	(4,868.05)	-	(4,868.05)	-	100.00%
4	Fortis Healthcare International Pte. Limited	12-Jan-12	31-Mar-16	SGD	49.15	115,110.23	(73,807.00)	42,805.66	1,502.43	24,016.46	5,113.64	(17,048.78)	(47.41)	(17,096.19)	-	100.00%
5	Mena Healthcare Investment Company Limited	12-Jan-12	31-Mar-16	AED	18.02	20.13	(863.81)	33.06	876.74	33.06	-	(3.25)	-	(3.25)	-	82.54%
6	Medical Management Company Limited	12-Jan-12	31-Mar-16	AED	18.02	33.06	719.29	864.23	111.88	-	-	(4.55)	-	(4.55)	-	82.54%
7	SRL FZ LLC (Formerly Super Religare Laboratories International FZ LLC)	12-Jan-12	31-Mar-16	AED	18.02	54.05	(13,899.82)	2,717.42	16,563.19	-	3,709.52	(1,332.46)	-	(1,332.46)	-	100.00%
8	Hiranandani Healthcare Private Ltd	28-Jun-11	31-Mar-16	INR	1.00	400.00	1,776.21	9,782.21	7,606.01	-	13,909.41	2,068.00	-	2,068.00	-	85.00%
9	Fortis La Femme Limited	31-May-11	31-Mar-16	INR	1.00	5.00	(48.52)	1.14	44.66	-	-	(7.42)	-	(7.42)	-	100.00%
10	Fortis CSR Foundation	01-Nov-14	31-Mar-16	INR	1.00	5.00	1.81	7.10	0.29	-	3.04	2.39	-	2.39	-	100.00%
11	SRL Limited	12-May-11	31-Mar-16	INR	1.00	8,452.37	77,190.49	98,250.21	12,607.35	39,129.41	58,504.31	8,521.38	2,454.33	6,067.05	-	75.57%
12	SRL Diagnostics Private Limited	12-May-11	31-Mar-16	INR	1.00	395.82	(5,799.22)	19,023.45	24,426.85	1,175.88	27,051.53	(489.61)	-	(489.61)	-	100.00%
13	SRL Reach Limited	01-May-15	31-Mar-16	INR	1.00	5.00	(315.75)	304.40	615.16	-	31,452.78	(315.75)	-	(315.75)	-	100.00%
14	Fortis Healthcare International Limited	25-Nov-08	31-Mar-16	USD	66.18	20,797.22	(27,361.43)	77,331.95	83,896.16	9,071.84	9,176.91	(29,354.02)	201.42	(29,555.44)	-	100.00%
15	Fortis Global Healthcare (Mauritius) Limited	07-Oct-09	31-Mar-16	USD	66.18	552.71	(22,350.92)	45,619.20	67,417.42	-	39,724.34	(26,322.96)	-	(26,322.96)	-	100.00%
16	Fortis Hospitals Limited	18-Jun-09	31-Mar-16	INR	1.00	4,630.06	58,932.29	238,598.06	175,035.71	9,515.71	215,253.33	(16,689.12)	(1,520.38)	(15,168.74)	-	100.00%
17	Fortis Cancer Care Limited	31-May-11	31-Mar-16	INR	1.00	5.00	(15.81)	439.40	450.21	-	-	388.88	-	388.88	-	100.00%
18	Lalitha Healthcare Private Limited	30-Jan-09	31-Mar-16	INR	1.00	81.16	(1,172.61)	1,515.44	2,606.90	0.25	1,128.89	(455.28)	-	(455.28)	-	79.43%
19	Fortis Malar Hospitals Limited	01-Oct-09	31-Mar-16	INR	1.00	1,862.08	7,807.97	12,866.55	3,196.51	5.00	12,961.35	965.14	343.42	621.72	-	63.17%
20	Malar Star Medicare Limited	01-Oct-09	31-Mar-16	INR	1.00	5.00	97.61	6,448.82	6,346.21	-	35.88	27.87	8.61	19.26	-	100.00%
21	Fortis C-Doc Healthcare Limited	17-Sep-10	31-Mar-16	INR	1.00	676.77	(1,587.23)	1,371.02	2,281.47	-	2,372.07	(350.59)	-	(350.59)	-	60.00%
22	Fortis Health Management (East) Limited	31-May-11	31-Mar-16	INR	1.00	5.00	(625.29)	498.79	1,119.09	-	1,221.92	(235.05)	-	(235.05)	-	88.00%
23	Birdie and Birdie Realtors Private Limited	06-May-14	31-Mar-16	INR	1.00	1.00	(5,832.76)	9,569.12	15,400.87	-	276.00	(1,525.02)	-	(1,525.02)	-	100.00%
24	Stellant Capital Advisory Services Private Limited	03-Nov-15	31-Mar-16	INR	1.00	479.75	52.42	10,229.82	9,697.65	10,162.42	-	88.53	63.86	24.68	-	100.00%
25	Fortis Hospotel Limited	20-Mar-06	31-Mar-16	INR	1.00	-	-	174,769.27	174,769.27	-	-	-	-	-	-	64.72%
26	Religare Health Trust Trustee Manager Pte Ltd	02-Feb-16	31-Mar-16	SGD	49.15	617.07	1,375.62	6,316.32	4,323.64	4,676.73	3,319.40	621.11	51.43	569.68	-	100.00%

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

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

(₹ in lacs)

Sl. No	Name of Associates/Joint Ventures	Date on which the Associate or Joint Venture was associated or acquired	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
				No.	Amount of Investment in Associates/Joint Venture	Extend of Holding %				i. Considered in Consolidation	i. Not Considered in Consolidation
1	Religare Health Trust	20-Mar-06	31-Mar-15	2,206.77	57,904.71	28.88%	Associate	Not Applicable	51,921.25	5,303.94	-
2	The Medical and Surgical Centre Limited	28-Jan-09	31-Mar-15	1,646.71	1,312.69	28.89%	Associate	Not Applicable	3,759.21	426.36	-
3	Lanka Hospitals Corporation PLC	12-Jan-12	31-Dec-15	641.21	22,185.98	28.60%	Associate	Not Applicable	22,341.83	913.07	-
4	DDRC SRL Diagnostic Services Private Limited	20-Aug-10	31-Mar-16	25.00	1,175.88	50.00%	Joint Venture	Not Applicable	1,560.16	309.66	-
5	Fortis Cauvery	27-Apr-11	31-Mar-15	NA, a partnership firm		51.00%	Joint Venture	Not Applicable	30.71	(0.21)	-
6	SRL Diagnostics (NEPAL) Private Limited	07-Aug-09	31-Mar-16	2.40	150.00	50.00%	Joint Venture	Not Applicable	145.39	8.65	-
7	Fortis Medical International Limited	31-Jul-10	31-Mar-16	0.98	47.68	49.00%	Joint Venture	Not Applicable	(1,667.86)	(87.53)	-
8	Fortis Emergency Services Limited	30-Apr-09	31-Mar-16	0.25	2.45	49.00%	Associate	Not Applicable	(1,838.69)	-	(273.06)
9	Sunrise Medicare Private Limited	03-Jan-06	31-Mar-16	0.03	0.31	31.26%	Associate	Not Applicable	0.74	0.06	-

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

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Annexure II to Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

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

To,
The Members
Fortis Healthcare Limited
Escorts Heart Institute and Research Centre,
Okhla Road New Delhi-110025.

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

We report that-

a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992(applicable up to 14th May, 2015)/ The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective w.e.f. 15th May, 2015);

(c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

(e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015(applicable w.e.f. 1st December, 2015);

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

We have also examined compliance with the applicable clauses of the following-

(i) Secretarial Standard on Meetings of the Board of Directors and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India and made effective w.e.f. 1st July, 2015, with which the Company has generally complied with.

(ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited (applicable upto November 30, 2015).

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

(vi) The Company is engaged in the healthcare delivery services and network of multispecialty hospitals and diagnostic centres in India and overseas through its subsidiaries, joint ventures and associate companies.

Following are some of the laws specifically applicable to the Company:-

➢ The Clinical Establishment (Registration and Regulation) Act, 2010 and Rules made thereunder;

➢ The Drugs Control Act, 1950 and Rules made thereunder; and

➢ The Transplantation of Human Organs Act, 1994 and bye laws made thereunder.

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

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

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

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

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

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

New Delhi
July 27, 2016

Partner
Sanjay Grover

Annexure III to Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

S. No.	Particulars	Details
1.	CIN	L85110DL1996PLC076704
2.	Registration Date	28-Feb-96
3.	Name of the Company	Fortis Healthcare Limited
4.	Category/Sub-category of the Company	Public Company/Limited by Shares
5.	Address of the Registered office & contact details	Escorts Heart Institute and Research Centre, Okhla Road, New Delhi-110025 Tel.: +91-11-4713 5000/2682 5000, Fax: +91-11-26825013 Email Id: secretarial@fortishealthcare.com Website : www.fortishealthcare.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 008 Tel.: 040 – 67162222 Fax: 040 - 23420814 Email: einward.ris@karvy.com Website: www. karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

*As per National Industrial Classification - Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	RHC Holding Private Limited	U67190DL2007PTC162322	Ultimate Holding Company	0.02	2(46)
2	Fortis Healthcare Holdings Private Limited	U65993DL2001PTC152641	Holding Company	71.17	2(46)
3	Hiranandani Healthcare Private Limited	U85100MH2005PTC154823	Subsidiary Company	85	2(87)
4	Fortis Hospotel Limited	U74899HR1990PLC054770	Subsidiary Company	51	2(87)
5	Fortis La Femme Limited	U85100DL2011PLC217500	Subsidiary Company	100	2(87)
6	Fortis Hospitals Limited	U93000DL2009PLC222166	Subsidiary Company	100	2(87)
7	Fortis Healthcare International Limited	Foreign Company	Subsidiary Company	100	2(87)
8	SRL Limited	U74899DL1995PLC070603	Subsidiary Company	75.57	2(87)
9	Escorts Heart Institute and Research Centre Limited	U85110CH2000PLC023744	Subsidiary Company	83.27	2(87)
10	Fortis CSR Foundation	U85100DL2014NPL271782.	Subsidiary Company	100	2(87)
11	Fortis Cancer Care Limited	U85110DL2011PLC217420	Step-down Subsidiary Company	100	2(87)
12	Lalitha Healthcare Private Limited	U85110KA2005PTC035863	Step-down Subsidiary Company	79.43	2(87)
13	Fortis Malar Hospitals Limited	L85110DL1989PLC276986	Step-down Subsidiary Company	63.2	2(87)
14	Malar Stars Medicare Limited	U93000TN2009PLC072209	Step-down Subsidiary Company	100	2(87)
15	Fortis Health Management (East) Limited	U85190DL2011PLC217462	Step-down Subsidiary Company	88	2(87)
16	Fortis C-Doc Healthcare Limited	U85110DL2010PLC208379	Step-down Subsidiary Company	60	2(87)
17.	Birdie and Birdie Realtors Private Limited	U45400DL2008PTC173959	Step-down Subsidiary Company	100	2(87)

	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
18.	Stellant Capital Advisory Services Pvt. Ltd.	U31300MH2005PTC153134	Step-down Subsidiary Company	100	2(87)
19.	Religare Health Trust Trustee Manager Pte Ltd.	Foreign Company	Step-down Subsidiary Company	100	2(87)
20.	Fortis HealthStaff Limited (Board Controlled Subsidiary)	U85194DL1984PLC205390	Step-down Subsidiary Company	29	2(87)
21.	Fortis Asia Healthcare Pte. Limited	Foreign Company	Step-down Subsidiary Company	100	2(87)
22.	Fortis Healthcare International Pte Limited	Foreign Company	Step-down Subsidiary Company	100	2(87)
23.	SRL Diagnostics Private Limited	U85195DL1999PTC217659	Step-down Subsidiary Company	100	2(87)
24.	Fortis Global Healthcare (Mauritius) Limited	Foreign Company	Step-down Subsidiary Company	100	2(87)
25.	SRL Diagnostics FZ-LLC	Foreign Company	Step-down Subsidiary Company	100	2(87)
26.	SRL Reach Limited	U85100DL2015PLC279712	Step-down Subsidiary Company	100	2(87)
27.	Mena Healthcare Investment Company Limited	Foreign Company	Step-down Subsidiary Company	82.54	2(87)
28.	Medical Management Company Limited	Foreign Company	Step-down Subsidiary Company	83	2(87)
29.	Sunrise Medicare Private Limited	U74899DL1983PTC014923	Associate Company	31	2(6)
30.	Fortis Medicare International Limited	Foreign Company	Associate Company	49	2(6)
31.	Religare Health Trust	Foreign Company	Associate Company	28.88	2(6)
32.	The Medical & Surgical Centre Limited	Foreign Company	Associate Company	28.89	2(6)
33.	Lanka Hospitals Corporation PLC	Foreign Company	Associate Company	29	2(6)

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

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held as on 01-April-2015				No. of Shares held as on 31-March-2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
a)	Individual/ HUF	103419	0	103419	0.02	91419	0	91419	0.02	0
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	330050529	0	330050529	71.32	330050529	0	330050529	71.27	-0.05
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any other	0	0	0	0	0	0	0	0	0
	Sub-total (A) (1):-	**330153948**	**0**	**330153948**	**71.34**	**330141948**	**0**	**330141948**	**71.28**	**-0.05**
(2)	**Foreign**									
a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
b)	Other – Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any Other	0	0	0	0	0	0	0	0	0
	Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	**330153948**	**0**	**330153948**	**71.34**	**330141948**	**0**	**330141948**	**71.28**	**-0.05**
B.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds	1996	0	1996	0	65707	0	65707	0.01	0.01
b)	Banks / FI	1287342	0	1287342	0.28	622526	0	622526	0.13	-0.14
c)	Central Govt	0	0	0	0	0	0	0	0	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIIs	39959126	0	39959126	8.63	59373099	0	59373099	12.82	4.19
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others (specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B)(1):-	**41248464**	**0**	**41248464**	**8.91**	**60061332**	**0**	**60061332**	**12.97**	**4.06**

Category of Shareholders		No. of Shares held as on 01-April-2015				No. of Shares held as on 31-March-2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	**Non-Institutions**									
a)	Bodies Corp.									
	i) Indian	21424514	0	21424514	4.63	13050137	0	13050137	2.82	-1.81
	ii) Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	20719529	125251	20844780	4.5	19793849	125984	19919833	4.3	-0.2
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	14108445	14000	14122445	3.05	13017948	14000	13031948	2.81	-0.24
c)	Others									
	Foreign Collaborators	0	670194	670194	0.14	0	670194	670194	0.14	0
	Non Resident Indians	3650638	57500	3708138	0.8	2848667	57500	2906167	0.63	-0.17
	Foreign Bodies	29531398	0	29531398	6.38	23082911	0	23082911	4.98	-1.4
	Foreign Nationals	0	0	0	0	0	0	0	0	0
	Clearing Members	1018283	0	1018283	0.22	63026	0	63026	0.01	-0.21
	Trusts	11750	0	11750	0	22350	0	22350	0	0
	Directors	71500	0	71500	0.02	33000	0	33000	0.01	-0.01
	Sub-total (B)(2):-	**90536057**	**866945**	**91403002**	**19.75**	**72059036**	**867678**	**72926714**	**15.75**	**-4.00**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**131784521**	**866945**	**132651466**	**28.66**	**132120368**	**867678**	**132988046**	**28.72**	**0.05**
	C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Grand Total (A+B+C)	**461938469**	**866945**	**462805414**	**100**	**462262316**	**867678**	**463129994**	**100**	**0**

(ii) Shareholding of Promoters-

SI. No.	Shareholder's Name	Shareholding as on 01-April-2015			Shareholding as on 31-March-2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Fortis Healthcare Holdings Private Limited	329591529	71.22	74.89	329591529	71.17	77.82	(0.05)
2	Malav Holdings Private Limited	240750	0.05	0	240750	0.05	0	0
3	RHC Holding Private Limited	218250	0.05	0	218250	0.05	0	0
4	Harpal Singh	58003	0.01	0	58003	0.01	0	0
5	Arundhati Singh	12100	0	0	0	0	0	0
6	Shivinder Mohan Singh	11508	0	0	11508	0	0	0
7	Malvinder Mohan Singh	11508	0	0	11508	0	0	0
8	Abhishek Singh	10300	0	0	10300	0	0	0
9	Malvinder Mohan Singh (Trust)	0	0	0	100	0	0	0

(iii) Change in Promoters' Shareholding – There is no change in Promoter's Shareholding except of Ms. Arundhati Singh.

SI. No.	Shareholding of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Arundhati Singh**				
	At the beginning of the year	12100	0	12100	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer / bonus/ sweat equity etc.):	**Date**	**Reason (No. of Shares)**	**No. of Shares**	**% of total shares**
		15/01/2016	Sale (7000 Shares)	5100	0
		18/03/2016	Sale (2000 Shares)	3100	0
		25/03/2016	Sale (3100 Shares)	0	0
	At the end of the year	-	-	0	0

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): Refer Appendix 1

(v) Shareholding of Directors and Key Managerial Personnel:

SI. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	% of total shares of the company
		No. of shares	% of total shares of the company	No. of shares	
1	**Mr. Malvinder Mohan Singh**				
	At the beginning of the year	11,508	0	11,508	0
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):				NIL
	At the end of the year	11,508	0	11,508	0
2	**Mr. Shivinder Mohan Singh**				
	At the beginning of the year	11,508	0	11,508	
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year	11,508	0	11,508	
3	**Dr. Brian William Tempest**				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
4	**Mr. Harpal Singh**				
	At the beginning of the year	58,003	0.01	58,003	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year	58,003	0.01	58,003	0.01
5	**Ms. Joji Sekhon Gill**				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL

SI. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	% of total shares of the company
		No. of shares	% of total shares of the company	No. of shares	
6	**Ms. Lynette Joy Hepburn Brown**				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
7	**Mr. Pradeep Ratilal Raniga**				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
8	**Dr. Preetinder Singh Joshi**				
	At the beginning of the year	33,000	0.01	33,000	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year	33,000	0.01	33,000	0.01
9.	**Mr. Ravi Umesh Mehrotra**				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
10	**Mr. Sunil Godhwani**				
	At the beginning of the year	38,500	0.01	38,500	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	**Date**	**Reason (No. of Shares)**	**No. of Shares**	**% of total** shares
		08/05/2015	Sale (38500 Shares)	0	0
	At the end of the year	-	-	00	0.00

SI. No.	Shareholding of each Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	% of total shares of the company
		No. of shares	% of total shares of the company	No. of shares	
11	**Ms. Shradha Suri Marwah**				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
12	**Mr. Udai Dhawan (resigned w.e.f. March 23, 2016)**				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
13	**Mr. Rahul Ranjan**				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
14	**Mr. Gagandeep Singh Bedi**				
	At the beginning of the year				NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				NIL
	At the end of the year				NIL
15	**Mr. Bhavdeep Singh (appointed w.e.f.August 6, 2015)**				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

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

(Amount in ₹ lacs)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	8,076.92	115,320.73	-	123,397.65
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	2,269.65	-	2,269.65
	Total (i+ii+iii)	**8,076.92**	**117,590.38**	**-**	**125,667.30**
Change in Indebtedness during the financial year					
* Addition		7,252.50	46,914.21	-	54,166.71
* Reduction		8,076.92	64,605.18	-	72,682.10
Net Change		**(824.42)**	**(17,690.97)**	**-**	**(18,515.39)**
Indebtedness at the end of the financial year					
	i) Principal Amount	7,252.50	98748.97	-	106,001.47
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	-	1150.44	-	1,150.44
	Total (i+ii+iii)	**7,252.50**	**99,899.41**	**-**	**107,151.91**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

SI no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (A)
		Malvinder Mohan Singh	Shivinder Mohan Singh	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15726997	35103571	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	29700	29700	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	
2	Stock Option	NIL	NIL	
3	Sweat Equity	NIL	NIL	
4	Commission	NIL	NIL	
	- as % of profit			
	- others, specify…			
5	Others- (Leave encashment and other benefits as per the Company's Policy)	NIL	NIL	
	Total (A)	**15756697**	**35133271**	**50889968**
	Ceiling as per the Act	The aggregate remuneration shall be in accordance with section 197 and Schedule V		

B. Remuneration to other Directors -

S. N.	Name of Directors	*Particulars of Remuneration- Gross Sitting Fees (Amount in ₹)
1	**Independent Directors**	
	Dr. Brian William Tempest	18,00,000
	Ms. Joji Sekhon Gill	7,00,000
	Ms. Lynette Joy Hepburn Brown	10,00,000
	Mr. Pradeep Ratilal Raniga	9,00,000
	Dr. Preetinder Singh Joshi	12,50,000
	Ms. Shradha Suri Marwah	7,00,000
	Total (1)	**63,50,000**
2	**Other Non-Executive Directors**	
	Mr. Shivinder Mohan Singh	2,00,000
	Mr. Harpal Singh	11,50,000
	Mr. Ravi Umesh Mehrotra	6,00,000
	Mr. Sunil Godhwani	4,00,000
	Mr. Udai Dhawan	5,00,000
	Total (2)	**28,50,000**
	Total (B)=(1+2)	**92,00,000**
	Total Managerial Remuneration (A+B)	**6,00,89,968**
	Overall Ceiling as per the Act	Sitting fees is payable upto the Maximum amount as specified under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Overall Ceiling as per the Act Sitting fees is payable upto the Maximum amount as specified under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

*No commission was paid to any of the Directors for the Financial Year 2015-16

[1] Mr. Shivinder Mohan Singh was Executive Director (designated Executive Vice Chairman) only for 9(Nine) months and Non-Executive Director for the rest of the 3 months.

[2] Mr. Udai Dhawan who was Nominee Director for the Standard Chartered Private Equity (Mauritius) III Limited (SCPE), have resigned from the Company w.e.f. March 23, 2016.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD -

SI No.	Particulars of Remuneration	Key Managerial Personnel (KMP) (Amount in Rs.)		
		Mr. Bhavdeep Singh(CEO)	Mr. Gagandeep Singh Bedi (CFO)	Mr. Rahul Ranjan (CS)
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	3,91,80,491	2,13,95,687	43,53,984
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	18,842	39,600	5,14,350
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	NIL	NIL	NIL
2	*Stock Option	25,00,000	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL
	- as % of profit	-	-	-
	Others specify…	-	-	-
5	Others, please specify (Joining bonus)	7,23,40,813	NIL	NIL
	Total	**11,15,40,146**	**2,14,35,287**	**48,68,334**

*No Stock options have been exercised during the year.

VII. Neither any penalty / punishment was levied against the Company nor there was any case of Compounding of Offences made against the Company during the Financial Year 2015-16. Further there was no penalty punishment or compounding against any officer in default.

On behalf of the Board of Directors

Sd/-
Malvinder Mohan Singh
Executive Chairman

Date: August 4, 2016
Place: Gurgaon

Appendix I

SHAREHOLDING PATTERN OF TOP 10 SHAREHOLDERS BETWEEN 31/03/2015 AND 31/03/2016

				Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1	FB	Opening Balance	INTERNATIONAL FINANCE CORPORATION	25793949	5.57	31/03/2015			25793949	5.57
		Sale				17/07/2015	-113279	Transfer	25680670	5.55
		Sale				24/07/2015	-1057509	Transfer	24623161	5.32
		Sale				07/08/2015	-3273022	Transfer	21350139	4.61
		Sale				14/08/2015	-8624	Transfer	21341515	4.61
		Sale				25/09/2015	-377397	Transfer	20964118	4.53
		Sale				30/09/2015	-18771	Transfer	20945347	4.52
		Sale				18/12/2015	-71971	Transfer	20873376	4.51
		Sale				31/12/2015	-1259847	Transfer	19613529	4.24
		Sale				08/01/2016	-120739	Transfer	19492790	4.21
		Sale				15/01/2016	-70818	Transfer	19421972	4.19
		Sale				26/02/2016	-76510	Transfer	19345462	4.18
		Closing Balance				31/03/2016			19345462	4.18
2	FPI	Opening Balance	STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS)LIMIT	9010065	1.95	31/03/2015			9010065	1.95
		Closing Balance				31/03/2016			9010065	1.95
3	PUB	Opening Balance	JHUNJHUNWALA RAKESH RADHESHYAM	5000000	1.08	31/03/2015			5000000	1.08
		Purchase				29/01/2016	250000	Transfer	5250000	1.13
		Sale				29/01/2016	-250000	Transfer	5000000	1.08
		Closing Balance				31/03/2016			5000000	1.08

				Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
4	FII	Opening Balance	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND,L.	4726084	1.02	31/03/2015			4726084	1.02
		Sale				11/09/2015	-201563	Transfer	4524521	0.98
		Closing Balance				31/03/2016			4524521	0.98
5	FPI	Opening Balance	EAST BRIDGE CAPITAL MASTER FUND LIMITED	0	0.00	31/03/2015			0	0.00
		Purchase				31/12/2015	991710	Transfer	991710	0.21
		Purchase				08/01/2016	220756	Transfer	1212466	0.26
		Purchase				15/01/2016	376816	Transfer	1589282	0.34
		Purchase				22/01/2016	655255	Transfer	2244537	0.48
		Purchase				05/02/2016	58953	Transfer	2303490	0.50
		Purchase				12/02/2016	1775134	Transfer	4078624	0.88
		Purchase				19/02/2016	189300	Transfer	4267924	0.92
		Closing Balance				31/03/2016			4267924	0.92
6	FII	Opening Balance	BNY MELLON INVESTMENT FUNDS NEWTON ORIENTAL FUND	4000000	0.86	31/03/2015			4000000	0.86
		Sale				19/06/2015	-150000	Transfer	3850000	0.83
		Sale				14/08/2015	-313115	Transfer	3536885	0.76
		Sale				21/08/2015	-320885	Transfer	3216000	0.69
		Sale				30/10/2015	-60000	Transfer	3156000	0.68
		Purchase				25/03/2016	24000	Transfer	3180000	0.69
		Closing Balance				31/03/2016			3180000	0.69

				Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
7	FII	Opening Balance	GMO EMERGING DOMESTIC OPPORTUNITIES FUND	0	0.00	31/03/2015			0	0.00
		Purchase				30/06/2015	82801	Transfer	82801	0.02
		Purchase				03/07/2015	107000	Transfer	189801	0.04
		Purchase				10/07/2015	122617	Transfer	312418	0.07
		Purchase				17/07/2015	75000	Transfer	387418	0.08
		Purchase				24/07/2015	831363	Transfer	1218781	0.26
		Purchase				31/07/2015	318781	Transfer	1537562	0.33
		Purchase				07/08/2015	1112466	Transfer	2650028	0.57
		Purchase				14/08/2015	1237495	Transfer	3887523	0.84
		Purchase				21/08/2015	588372	Transfer	4475895	0.97
		Purchase				28/08/2015	806972	Transfer	5282867	1.14
		Sale				04/09/2015	-390700	Transfer	4892167	1.06
		Sale				16/10/2015	-125329	Transfer	4766838	1.03
		Sale				23/10/2015	-521190	Transfer	4245648	0.92
		Sale				30/10/2015	-323970	Transfer	3921678	0.85
		Sale				06/11/2015	-169511	Transfer	3752167	0.81
		Sale				20/11/2015	-182542	Transfer	3569625	0.77
		Sale				27/11/2015	-221810	Transfer	3347815	0.72
		Sale				04/12/2015	-405448	Transfer	2942367	0.64
		Purchase				15/01/2016	1048400	Transfer	3990767	0.86
		Closing Balance				31/03/2016			3990767	0.86

				Shareholding at the begginning of the Year					Cumulative Shareholding during the Year	
Sl. No.	Category	Type	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
8	FB	Opening Balance	STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS)III L	3737449	0.81	31/03/2015			3737449	0.81
		Closing Balance				31/03/2016			3737449	0.81
9	FII	Opening Balance	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JU	3268592	0.71	31/03/2015			3268592	0.71
		Purchase				12/02/2016	103667	Transfer	3372259	0.73
		Closing Balance				31/03/2016			3372259	0.73
10	LTD	Opening Balance	PI OPPORTUNITIES FUND I	2974466	0.64	31/03/2015			2974466	0.64
		Closing Balance				31/03/2016			2974466	0.64

Annexure IV to Directors' Report

A. Conservation of Energy

a) Energy conservation measures taken:

- For All Upcoming Projects such as Fortis Ludhiana, Expansion of BG Road; building orientation has been so designed that helps to maximize use of Day Light and to reduce Heat gain in order to reduce Energy Consumption. This has also been followed in all our Green Field Projects.
- Fortis Ludhiana Project has been registered with Indian Green Building Council(IGBC) for Green Rating and all the measures are being taken to get Gold rating for the Hospital.
- Fortis BG Road Expansion Project – The Building is being constructed by using Structural Steel to reduce embedded energy and also to reduce the impact of construction activities to the neighborhood and environment.
- Across all major hospitals, efforts have been made to reduce consumption of water by utilizing treated waste water for irrigation, for flushing, and for making up for Cooling Tower water requirements.
- The Glass used for façade in a number of facilities (such as BG Road, Ludhiana, Noida, FMRI, Mohali, Noida) is double glazed and is energy efficient low emissivity type which helps in reducing solar heat gain coefficient while improving the visibility.
- Steam condensate is being used for heating water purposes in number of units.
- The company has entered into a 10-year Power Purchase Agreement (PPA) for utilizing wind power at Malar and Mulund.

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

- Solar Power Generation Capacity is being enhance in FMRI, Faridabad.
- LED Lights are being installed in New Projects to reduce Electrical Power consumption.
- Energy Efficient Chillers, DG sets, Pumps have been selected for New Projects.
- Building envelope has been constructed by using Auto Aerated Concrete Block (in all new projects) for better insulation thereby reducing Air Conditioned Load.
- Building Management System (BMS) has been installed for efficient HVAC operations.
- Variable Frequency Drives have been installed to conserve energy across Hospitals.
- Timers and Occupancy Sensors have been installed in some offices to optimize the use of electricity.
- The company has completed installation of LED lamps and lighting across its Noida, Mohali and Vasant Kunj facilities and has initiated the same at FEHI.

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

- In September 2015, three of Fortis Units namely: Mohali, Vashi and Anandpore have been awarded the National Award for Excellence in Energy Management by CII and again in December 2015, Govt. of India felicitated Fortis Noida and Fortis Mohali by giving 1st Prize and 2nd Prize respectively in the category' National Award for Energy Conservation'.
- All the above mentioned measures have helped us in saving of 9000 million kilo calories of Thermal Energy and reductions in Carbon Emissions to the tune of 11000 metric ton.

B. Technology Absorption

1. Research & Development (R & D):

- Indian Green Building Council has been commissioned to help us in reducing Energy Consumption so as to make Fortis Ludhiana a Green Hospital. We already have achieved 4 star and 3 Star Green rating for FMRI and Shalimar Bag Hospitals.

- It has been made mandatory for every staff to participate in Seminars, conferences to learn innovative methods to make smart Hospitals.

2. **Technology Absorption, Adaptation & Innovation:**

   a) **Efforts made towards technology absorption, adaptation & innovation at FMRI:**

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

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

   - For our new expansion project at BG Road in Bangalore, pre–engineered Steel sections are being used to erect the building; this will result in saving of construction time and will reduce impact of construction related activities on the environment.
   - The company has decided to register all new projects with IGBC or TERI for Green Building accreditations.
   - All new projects design will happen on REVITT platform; this will help in accurate estimation of quantities and identification of clashes amongst various Engineering Services.

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

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

On behalf of the Board of Directors

Sd/-

Date: August 4, 2016
Place: Gurgaon

Malvinder Mohan Singh
Executive Chairman

Annexure V to the Directors' Report

Corporate Social Responsibilities

1. **A brief outline of the Company CSR Policy**

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

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

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

With the above in mind the policy seeks as an objective to bring focus, leveraging its inherent skills, experience, knowledge and recourses in the area surrounding "Mother & Child".

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

In fulfillment of these objectives the Company executes both direct activities and also has designated a specialist organization i.e. The Fortis Charitable Foundation, which has about a decade of requisite experience to help drive its objectives.

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

As a social enterprise in the critical domain of healthcare, the Company has participated and implemented various socially responsive programs since its inception. While some or many of these programs may not meet the strict interpretation of the new CSR rules, thereby impacting the assessment and eligibility of the 2% spent, these programs remain significant Fortis contributions to society and the Board, the Policy and Senior Management remain committed to continuing with them in the wider interests. The cumulative spend over such initiatives and programs would far exceed the strict CSR rules. Even so the Company remains committed to ensuring compliance to applicable regulation requirement.

The policy as approved by the Board is available on the Company's web site at http://cdn.fortishealthcare.com/pdf/CSR_Policy_fortis.pdf

2. **Composition of the CSR Committee**

The Board has approved the constitution of a standalone CSR Committee with a delegated mandate. The current mandate of the committee is available on the Company's website at

http://cdn.fortishealthcare.com/0.37898400_1467625429_Composition-of-Committees-31-03-2016.pdf

The composition of the CSR committee as on March 31, 2016 was as follows:

i. Ms. Shradha Suri Marwah (Chairperson)

ii. Mr. Harpal Singh (Member)

iii. Mr. Malvinder Mohan Singh (Member)

3. Average Net profits of the Company/ s for last three financial years: Rs. 1794.80 Lacs

4. Prescribed CSR spend :

a. For FY (2015-16) Rs. 35.90 Lacs

b. Carry Forward from FY (2014 -15) was Rs. 53.79 Lacs of which Rs. 17.89 Lacs was paid in 2015-16.

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

PROGRAM	NEED BASED FOCUS AREA	OBJECTIVE
UMEED	Healthcare for Children	Provide access to affordable quality Healthcare Early & timely intervention – through surgeries Healthy & fulfilled life Bring focus to under resourced areas in the context of child Health
AANCHAL	Women & Maternal Health	To educate & empower To accelerate the domino impact Drive prevention over remediation
SEWA	Medical Relief to Disaster Affected Areas	To address immediate & critical medical relief To deal with physical & psychological trauma To mitigate risk of epidemic & diseases post disaster To support national disaster management program
CHHAYA	Medical Support to charitable clinics & support health camps	To ensure continuity of charitable healthcare Infrastructure To align with PPP (public private partnership) structures/ become the execution arm for National Healthcare program to drive positive impact To develop economically viable models for mass healthcare
SAVERA	Awareness, Publication & Communication	To effectively communicate who we are and what we do To lead thinking based on knowledge and data To structure the message in context of target audience
SPECIAL LIVES	Rare or Special medical needs	To address specific critical medical needs of an individual Lead and support humanitarian efforts

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

Chart I: CSR spend measured under Section 135 of the Act (FY 2015-16)

Manner in which the amount spent during the financial year is detailed below. (Amount is ₹ lacs)

1	2	3	4		5	6	7	8
S No.	**CSR Project or activity identified**	**Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)**	**Projects or program Local Area or other Specify the State and District where projects and programs were undertaken**		**Amount Outlay (budget) project or programs wise**	**Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads**	**Cumulative Expenditure upto the Reporting Period**	**Amount spent : Direct or through implementing agency**
1	**Umeed**	i,ii	SRL Ltd	Pan India	76.43	1.85	1.85	Designated Special Purpose Vehicle i.e. Fortis Charitable Foundation
2	**Aanchal**	i, ii & iii	SRL Ltd	Pan India	30.00	22.39	22.39	Designated Special Purpose Vehicle i.e. Fortis Charitable Foundation
3	**Sewa**	i	Fortis Healthcare Ltd	Chennai	53.79	2.52	2.52	Designated Special Purpose Vehicle i.e. Fortis Charitable Foundation
4	**Chhaya**	i, iii & x	Escorts Heart Institute and Research Centre Ltd	Pan India	111.90	83.41	83.41	Designated Special Purpose Vehicle i.e. Fortis Charitable Foundation
			Fortis Malar Hospital Ltd	Pan India	27.39	24.76	25.94	Designated Special Purpose Vehicle i.e. Fortis Charitable Foundation and Direct
5	**Savera**		Escorts Heart Institute and Research Centre Ltd	Pan India	30.00	9.90	9.90	Designated Special Purpose Vehicle i.e. Fortis Charitable Foundation
	TOTAL				329.51	144.83	146.01	

The delta between amounts reflected in column 5 & 6 reflects amounts committed against actual spend. Activities during the FY 2015-16 focused on Policy Development, Needs Assessment, Program Design and Development, Program Organizational Design and on-boarding of the requisite talent. The amounts committed and unspent would be carried forward into the succeeding budget and outlays for FY 2016-17. The above figures do not include overheads and administrative figures, the recording and quantification of which would get streamlined in the coming year for reporting purposes.

Chart II: CSR spend beyond the purview of Section 135 (Amount is Rupees lacs)

S. No	CSR Project or activity identified	Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)	Projects or program Local Area or other Specify the State and District where projects and programs were undertaken		Amount Outlay (budget) project or programs wise	Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads	Cumulative Expenditure upto the Reporting Period	Amount Spent: Direct or through implementing agency
1	**Umeed**	i, ii	Fortis Healthcare Ltd	Pan India	320.59	320.59	329.52	Direct / FCF
			Fortis Hospitals Ltd	Pan India	431.83	472.62	865.57	Direct / FCF
			Fortis Malar Hospital Ltd	Pan India	141.66	141.66	141.66	Direct / FCF
2	**Special Lives**		Fortis Malar Hospital Ltd	Pan India	33.09	33.09	33.09	Direct / FCF
3	**Aanchal**	i, ii & iii	Fortis Healthcare Ltd	Pan India	-	-	0.4	Direct / FCF
			Fortis Hospitals Ltd (Subsidiary)	Pan India	-	-	13.17	Direct
4	**Chhaya**	i, iii & x	Fortis Malar Hospitals Ltd (Subsidiary)	Pan India	-	-	3	Direct
			SRL Ltd (Subsidiary)	Pan India	-	-	123	Direct / FCF

7. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

   For the financial year 2015-16, the company has contributed the specified amounts as required under Section 135 of The Companies Act, 2013 to the designated vehicle viz. Fortis Charitable Foundation.

On behalf of the Board of Directors

Sd/-
Malvinder Mohan Singh
Executive Chairman

Date: August 4, 2016
Place: Gurgaon

ANNEXURE VI to Directors Report

AOC-2

PARTICULARS OF CONTRACT / ARRANGEMENT MADE WITH RELATED PARTIES

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2016, which are not on arm's length basis.

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

The details of material contracts or arrangements or transactions (as per the Company's Policy on 'Materiality on Related Party Transactions') entered into during the year ended March 31, 2016, which are on arm's length basis:-

Name of Related Party	Nature of Relationship	Nature of Contract / arrangement / transaction	Duration of the Contract / arrangement / transaction	Salient terms of the Contract / arrangement / transaction including the value, if any	Date of approval by the Board, if any	Amount paid in advance
Fortis Hospitals Limited	Wholly Owned Subsidiary Company	Loan advanced	Till March 2017	An agreement of ₹ 600 crore @ 11.50 to 13.75 % p.a.	Approved by Audit Committee on February 3, 2016	NA
Fortis Hospitals Limited	Wholly Owned Subsidiary Company	Loan advanced	Till March 2017	An agreement of ₹ 600 crore @ 11.50 to 13.75 % p.a.	Approved by Audit Committee on February 3, 2016	NA
Fortis Healthcare International Limited	Subsidiary Company	Loan advanced	Till March 2017	An agreement of USD 85 million @ 5.00 % p.a.	Approved by Audit Committee on February 3, 2016	NA

On behalf of the Board of Directors

Sd/-
Malvinder Mohan Singh
Executive Chairman

Report on Corporate Governance

1. INTRODUCTION

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

2. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance ensures fairness, transparency and integrity of the management. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a Trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, it is committed to high levels of ethics and integrity in all its business dealings that avoids conflicts of interest. In order to conduct business with these principles, the Company has created a corporate structure based on business needs and maintains a high degree of transparency through regular disclosures with a focus on adequate control systems.

3. BOARD OF DIRECTORS - Composition of the Board

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

Our policy towards the Composition of Board is to have an appropriate mix of Executive, Non-Executive, Women and Independent Directors, representing a judicious mix of professionalism, diversity and wide spectrum subject to specific competence in areas critical to the organization, knowledge and experience. This helps to drive value-based guidance whilst maintaining the independence of the Board and to separate its functions of Governance and Management.

As on March 31, 2016, the Board consists of 11 Members, of whom 1 (One) is an Executive Directors i.e., an Executive Chairman and 10 (Ten) members are Non-Executive Directors. Amongst the 10 (Ten) Non-Executive Directors, 6 (Six) are Independent Directors. Further there are 3 (Three) Women Directors. The Non-Executive Directors bring an external and wider perspective in Board's deliberations and decisions.

Further note that Mr. Shivinder Mohan Singh was an Executive Director (designated as Executive Vice Chairman) for 9(Nine) months. He resigned as an Executive Vice Chairman w.e.f. January 1, 2016, however continued to act as Non-Executive Vice Chairman w.e.f January 1, 2016.

Further also note that Mr. Udai Dhawan who was Nominee Director of Standard Chartered Private Equity (Mauritius) III Limited (SCPE), have resigned from the Company w.e.f. March 23, 2016.

The size and composition of the Board conforms to the requirements of Regulation 17 of SEBI Listing (Obligations and Disclosure Requirements) Regulation, 2015 and Companies Act, 2013. Other details relating to the Directors as on March 31, 2016 are as follows:

Name of the Director	Position held in the Company	Directorship in other Companies@	Committee Membership in Companies#	Committee Chairmanship in Companies#
Mr. Malvinder Mohan Singh	Executive Chairman Promoter	8 (including 1 listed company)	2	0
Mr. Shivinder Mohan Singh	Vice Chairman Promoter & Non-Executive	9 (including 1 listed company)	0	0
Dr. Brian William Tempest	Non-Executive Independent	4 (including 2 listed company)	3	2
Mr. Harpal Singh*	Non-Executive Non-Independent	3 (including 1 listed company)	3	0
Ms. Joji Sekhon Gill	Non-Executive Independent	0	0	0
Ms. Lynette Joy Hepburn Brown	Non-Executive Independent	0	0	0
Mr. Pradeep Ratilal Raniga	Non-Executive Independent	0	1	0
Dr. Preetinder Singh Joshi	Non-Executive Independent	8 (including 1 listed company)	7	2
Mr. Ravi Umesh Mehrotra	Non-Executive Non-Independent	4 (including 2 listed company)	1	0
Ms. Shradha Suri Marwah	Non-Executive Independent	8 (including 2 listed companies)	2	0
Mr. Sunil Naraindas Godhwani	Non-Executive Non-Independent	6 (including 1 listed company)	5	1

@ Excluding Private Limited Companies, Foreign Companies, and companies formed under Section 8 of Companies Act, 2013 and Fortis Healthcare Limited.

Represents membership/chairmanship of Audit Committee & Stakeholders/Shareholders' Relationship Committee of Indian Public Limited Companies (other than Foreign Companies, Private Limited Companies, companies formed under Section 8 of Companies Act, 2013)

* Related to Promoters

None of the Directors on Board of the Company is a member in more than ten committees and/or act as a chairman/chairperson of more than five committees across all the companies in which he/she is a Director. Further, no independent director serves in more than seven listed companies and none of the person who is serving as a whole time director in listed company is serving as an independent director in more than three listed companies.

Except Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh, who are brothers and Mr. Harpal Singh, who is related to Mr. Malvinder Mohan Singh, none of the other Directors are related to one another.

Disclosure regarding appointment or re- appointment of Directors

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

During the year under review the Board of Directors had on the recommendation of the Nomination and Remuneration Committee re-appointed Mr. Malvinder Mohan Singh as Whole Time Director designated as Executive Chairman w.e.f. April 1, 2016 for a period of 3 years subject to central government approval and Mr. Shivinder Mohan Singh designated as Executive Vice Chairman for a period of three years w.e.f. November 13, 2015. The Shareholders had at the last Annual General Meeting of the Company held on September 23, 2015 confirmed the said re-appointment(s).

Further, the Board of Directors at their meeting held on September 23, 2015 had considered and approved decision of Mr. Shivinder Mohan Singh to step down from the position of Executive Vice Chairman effective January 1, 2016 and continue on the Board as Non-Executive Vice Chairman of the Company.

As per the provisions of Companies Act, 2013, Mr. Sunil Naraindas Godhwani and Mr. Ravi Umesh Mehrotra are liable to retire by rotation at the ensuing Annual General Meeting. The Company has received confirmation recommending their respective re-appointment at the ensuing Annual General Meeting. The Board has also recommended the re-appointment of Mr. Sunil Naraindas Godhwani and Mr. Ravi Umesh Mehrotra as a director liable to retire by rotation.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, all the Independent Directors hold office for a tenure of five consecutive years and are not liable to retire by rotation.

The profile of Mr. Sunil Naraindas Godhwani and Mr. Ravi Umesh Mehrotrain terms of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 are provided in the notice convening the ensuing Annual General Meeting.

Board Functioning & Procedure

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

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

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

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

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

The provisions and procedures relating to Performance Evaluation of the Directors and Familiarization Program forms part of Board Report. Further, in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has made familiarization programs to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The detail of such familiarization programme is available at http://cdn.fortishealthcare.com/0.45892500_1460352751_Familarisation-Program.pdf.

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

During the year under review, six Board meetings were held. These were held on (i) May 28, 2015; (ii) August 6, 2015; (iii) September 23, 2015; (iv) November 4, 2015; (v) February 4, 2016; and (vi) March 23, 2016.

The following table gives the attendance record of the directors at the above said Board Meetings and at the last Annual General Meeting, which was held on September 23, 2015:

Name of the Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Malvinder Mohan Singh	6	Yes
Mr. Shivinder Mohan Singh	6	Yes
Dr. Brian William Tempest	6	Yes
Mr. Harpal Singh	6	Yes
Ms. Joji Sekhon Gill	3	No
[1]Ms. Lynette Joy Hepburn Brown	6	No
[2]Mr. Pradeep Ratilal Raniga	5	No
Dr. Preetinder Singh Joshi	6	Yes
[2]Mr. Ravi Umesh Mehrotra	6	Yes
[2]Ms. Shradha Suri Marwah	6	Yes
Mr. Sunil Naraindas Godhwani	2	No
Mr. Udai Dhawan	5	Yes

[1]Attended one meeting through audio-visual means (which is included above) (However, her presence was not counted for the purpose of quorum for such meeting).

[2]Attended one meeting through audio-visual means (which is included above)

Availability of information to the members of Board:

Information/Documents as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, to the extent applicable, are placed before the Board.

Statutory Compliances

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

Code of Conduct

The Board has prescribed a Code of Conduct ("the Code") for all employees of the Company including Senior Management and Board Members, which covers the ethics, transparency, behavioral conduct, a gender friendly work place, legal compliance and protection of the Company's property and information. Further, in terms of Schedule IV of Companies Act, 2013, the Company has adopted an additional code of conduct for the Independent Directors. Both the codes are hosted on the website of the Company. In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Senior Management and Board Members have confirmed the compliance with the Codes for the Financial Year 2015-16. A declaration to this effect signed by the Chief Executive Officer (CEO) of the Company, forms part of this Report.

4. COMMITTEES OF THE BOARD

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Companies Act, 2013, the Board has constituted four Committees viz. Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

Keeping in view the requirements of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board decides the terms of reference of these Committees and the assignment of members to various Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

(A) Audit and Risk Management Committee:

Composition

As on March 31, 2016, Audit and Risk Management Committee comprised of the following members, namely:

(i) Dr. Brian William Tempest, Chairman,

(ii) Mr. Harpal Singh,

(iii) Mr. Pradeep Ratilal Raniga, and

(iv) Dr. Preetinder Singh Joshi.

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

The roles and responsibilities reflecting the salient terms of reference and responsibilities for the Committee, are detailed in the Mandate of the Audit and Risk Management Committee. It is available on the website of the Company for reference at http://cdn.fortishealthcare.com/0.59185900_1455696385_Audit-and-Risk-Management-Committee-Mandate.pdf.

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

Meetings of Audit and Risk Management Committee and attendance during the year

Five meetings of Audit and Risk Management Committee were held during the year under review. These were held on (i) May 27, 2015; (ii) August 5, 2015; (iii) September 23, 2016 (iv) November 3, 2015, and (v) February 3, 2016.

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

Sr. No.	Name of the Member	No. of meetings attended
1.	Dr. Brian William Tempest	5
2.	Mr. Harpal Singh	4
3.	*Mr. Pradeep Ratilal Raniga	4
4.	Dr. Preetinder Singh Joshi	5

*Attended one meeting through audio-visual means (included above)

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

(B) Stakeholders Relationship Committee:

Composition

In order to expedite the process of share transfers, the Board of the Company has delegated the power of share transfer to the Committee. As on March 31, 2016, the Stakeholders Relationship Committee comprised of the following members, namely:

(i) Mr. Sunil Godhwani, Chairman,

(ii) Dr. Brian William Tempest, and

(iii) Mr. Harpal Singh.

On August 4, 2016 Board of Director have reconstituted the committee and Mr. Sunil Godhwani has been replaced by Mr. Sheadha Suri Marwah

Mr. Rahul Ranjan, Company Secretary, acts as the Secretary of the Stakeholders Relationship Committee and the Compliance Officer pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The roles and responsibilities reflecting the salient terms of reference and responsibilities for the Committee are detailed in the mandate of the Stakeholders Relationship Committee. It is available on the website of the Company for reference at http://cdn.fortishealthcare.com/0.00032200_1455696467_Stakeholder-Relationship-Committee-Mandate-Feb-2016-FHL.pdf.

Details of Investors' Grievances received during the year 2015-16:

Nature of Complaints	Pending as on April 1, 2015	Received	Resolved/ Attended	Pending as on March 31, 2016
Non Receipt of Securities / Refund Order/ Transfers/ Electronic Credits/ Annual Report / Query/ other Miscellaneous	1	91	92	0
Total	**1**	**91**	**92**	**0**

The Company gives utmost priority to the redressal of Investors' Grievances which is evident from the fact that all complaints received from the investors were resolved expeditiously, to the satisfaction of the investors.

No share transfer was pending as on March 31, 2016.

Four meetings of Stakeholders Relationship Committee were held during the year ended March 31, 2015. These were held on (i) May 28, 2015, (ii) August 6, 2015, (iii) November 4, 2015, and (iv) February 4, 2016.

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

Sr. No.	Name of the Member	No. of meetings attended
1.	Mr. Sunil Godhwani	2
2.	Dr. Brian William Tempest	4
3.	*Mr. Harpal Singh	1
4.	*Mr. Shivinder Mohan Singh	3

* The Board of the company reconstituted the Stakeholders Relationship Committee w.e.f. February 4, 2016 consequent to which Mr. Harpal Singh appointed to committee and Mr. Shivinder Mohan Singh resigned from the committee.

(C) Corporate Social Responsibility Committee

Composition

As on March 31, 2016, Corporate Social Responsibility Committee comprised of the following members, namely:

(i) Shradha Suri Marwah, Chairperson, (w.e.f. November 5, 2015)

(ii) Mr. Harpal Singh, and

(iii) Mr. Malvinder Mohan Singh.

Mr. Rahul Ranjan, Company Secretary acts as the Secretary of the Corporate Social Responsibility Committee.

The roles and responsibilities reflecting the salient terms of reference and responsibilities for the Corporate Social Responsibility Committee are detailed in the mandate of the Corporate Social Responsibility Committee. It is available on the website of the Company for reference at http://cdn.fortishealthcare.com/pdf/CORPORATE_SOCIAL_RESPONSIBILITY_COMMITTEE_MANDATE.pdf.

Meetings of Corporate Social Responsibility Committee and attendance during the year

Two meetings of Corporate Social Responsibility Committee were held during the year ended March 31, 2016. These were held on (i) May 28, 2015, (ii) November 4, 2015.

The attendance of members of the Corporate Social Responsibility Committee at the said meetings was as follows:

Sr. No.	Name of the Member	No. of meetings attended
1.	Dr. Preetinder Singh Joshi, Chairman	2
2.	Mr. Harpal Singh	2
3.	Mr. Malvinder Mohan Singh	2

The Committee was reconstituted at the Board meeting held on November 4, 2015 consequent to which Ms. Shradha Suri Marwah appointed as Chairperson in place of Dr. Preetinder Signh Joshi.

(D) Nomination and Remuneration Committee

Composition

As on March 31, 2016, the Nomination and Remuneration Committee comprised of the following members:

(i) Ms. Joji Sekhon Gill, Chairperson;

(ii) Dr. Brian William Tempest;

(iii) Ms. Lynette Joy Hepburn Brown; and

(iv) Mr. Malvinder Mohan Singh

The roles and responsibilities constitute the salient terms of reference and responsibilities for the Nomination and Remuneration Committee are detailed in the Mandate of the Committee. It is available on the website of the Company for reference at http://cdn.fortishealthcare.com/0.04420900_1465793187_Nomination-and-Remuneration-Committee-Mandate.pdf. The Nomination and Remuneration Committee works with the Board on the succession planning and ensures contingency plans are in place to meet any exigencies.

Meetings of Nomination and Remuneration Committee and attendance during the year

Five meetings of Nomination and Remuneration Committee were held during the year ended March 31, 2016. These were held on (i) May 27, 2015; and (ii) August 6, 2015 (iii) November 3, 2015 (iv) December 23, 2015 (v) February 3, 2016.

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

Sr. No.	Name of the Member	No. of meetings attended
1	Ms. Joji Sekhon Gill, Chairperson	4
2	*Dr. Brian William Tempest	5
4	**Ms. Lynette Joy Hepburn Brown	5
5	*Mr. Malvinder Mohan Singh	5

*Attended one meeting through audio -visual means each. (Included above)

** Attended one meeting through audio call (included in above).

Mr. Rahul Ranjan, Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

Remuneration Policy & criteria of making payments to Executive and Non-Executive Directors including Independent Director

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

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

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

Non-Executive Directors will be paid honorarium upto 1% the Net Profits of the Company calculated in accordance with the provisions of Section 198 of Companies Act, 2013, as approved by the shareholders at their meeting held on September 23, 2015.

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

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

The Governance Document for Board which inter alia includes the Remuneration Policy of the Company is made available on the website of the Company at http://cdn.fortishealthcare.com/pdf/Board_of_Directors.pdf

Remuneration to Director(s)

a) **Executive Director(s)**

During the year under review the Board of Directors had on the recommendation of the Nomination and Remuneration Committee re-appointed Mr. Malvinder Mohan Singh as Whole Time Director designated as Executive Chairman w.e.f. April 1, 2016 for a period of 3 years subjected to central government approval and Mr. Shivinder Mohan Singh, designated as Executive Vice Chairman for a period of three years w.e.f. November 13, 2015. The Shareholders had at the last Annual General Meeting of the Company held on September 23, 2015 confirmed the said re-appointment(s).

Further, the Board of Directors at their meeting held on September 23, 2015 had considered and approved decision of Mr. Shivinder Mohan Singh to step down from the position of Executive Vice Chairman effective January 1, 2016 and continue on the Board as Non-Executive Vice Chairman of the Company.

The details of remuneration paid to Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh during the Financial Year ended March 31, 2016 is as under:

For Mr. Malvinder Mohan Singh

(Amount In ₹)

Salary, Allowances & Perquisites	Retiral Benefits	Service Contract		Total
		Tenure	Notice Period	
15,756,697	12,96,000	3 years w.e.f. April 1, 2013	3 Months	17,022,997

For Mr. Shivinder Mohan Singh

(Amount In ₹)

Salary, Allowances & Perquisites	Retiral Benefits	Service Contract		Total
		Tenure	Notice Period	
35,133,271	12,96,000	3 years w.e.f. November 13, 2012	3 Months	36,399,571

Notes:

1. Retiral Benefits are towards 'Employer's PF Contribution'.
2. As the liability for Gratuity & Leave Encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh is not ascertainable and, therefore, not included in the above.
3. No commission/honorarium is being paid to the Executive Directors from the Company or its Holding/subsidiary companies.
4. No severance fees is payable on termination of contract.

b) **Non-Executive Directors' Compensation and Disclosures- Details of Sitting fees and Shareholding**

During the year under review, the sitting fees for attending each Committee Meetingwas enhanced from

₹ 50,000/- to ₹ 1,00,000/-, in line with the limits laid down under Companies Act, 2013. The details of Sitting Fees paid to Directors and their Shareholding as on March 31, 2016 is as follows:

S. No.	Name of Director	Gross Sitting Fees* (₹)	Shareholding in the Company as on March 31, 2015 (No. of Shares)
1.	Mr. Malvinder Mohan Singh	NA	11,508
2.	Mr. Shivinder Mohan Singh	2,00,000	11,508
3.	Dr. Brian William Tempest	18,00,000	NIL
5.	Mr. Harpal Singh	11,50,000	58,003
6.	Ms. Joji Sekhon Gill	7,00,000	NIL
7.	Ms. Lynette Joy Hepburn Brown	10,00,000	NIL
8.	Mr. Pradeep Ratilal Raniga	9,00,000	NIL
9.	Dr. Preetinder Singh Joshi	12,50,000	33,000
10.	Mr. Ravi Umesh Mehrotra	6,00,000	NIL
11.	Ms. Shradha Suri Marwah	7,00,000	NIL
12.	Mr. Sunil Godhwani	4,00,000	NIL
13.	Mr. Udai Dhawan[1]	5,00,000	NIL

* For attending the Board Meetings, Audit and Risk Management Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Separate Meeting of Independent Directors.

The Company has not granted any stock options to any of its Directors. There was no other pecuniary relationship or transaction of the Non-Executive Director(s) vis-à-vis the Company, during the year under review. Further, None of the Non-Executive Directors are holding any convertible instrument of the Company.

[1] Mr. Udai Dhawan resigned from the Board of the Company w.e.f. March 23, 2016.

INDEPENDENT DIRECTORS MEETING

Besides the above, one meeting of the Independent Directors of the Company was held on February 4, 2016. All the Independent Directors attended the Meeting.

The salient roles and responsibilities associated with the Independent Directors Meeting include, but are not limited to, the following:

(a) review the performance of non-independent directors and the board of directors as a whole;

(b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;

(c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

5. SUBSIDIARY COMPANIES

Fortis Hospitals Limited (FHsL) and SRL Limited (SRL) are considered as a Material Subsidiary and accordingly all necessary compliances have been carried out including but not limited to appointment of Independent Director from the Board of Fortis Healthcare Limited on the Board of FHsL and SRL.

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

Details on Policy for determining 'material' subsidiaries forms part of the Annual Report and is also available at http://cdn.fortishealthcare.com/pdf/Policy_on_material_nonlisted_company.pdf.

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

The CEO & CFO certification as stipulated in the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) was placed before the Board along with financial statement(s) for the year ended March 31, 2016. The Board reviewed and took the same on record. The said certificate forms part of the Annual Report.

7. GENERAL BODY MEETING(S)

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

Financial Year	Date	Time	Venue	Special resolution passed	
Annual General Meetings					
2014-15	23-09-2015	12:00 Noon	PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016	i.	Approval for re-appointment of Mr. Malvinder Mohan Singh as Executive Chairman of the Company and fixation of remuneration
				ii.	Approval for re-appointment of Mr. Shivinder Mohan Singh as Executive Vice Chairman of the Company and fixation of remuneration
				iii.	Approval for payment of remuneration to Non- Executive Directors
2013-14	24-09-2014	11:30 A.M.	PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016	i.	Payment of Remuneration to Ms. Lynette Joy Hepburn Brown, Non-Executive Director;
				ii.	Approval for borrowing upto Rs. 6000 crore under Section 180(1)(c) of Companies Act, 2013;
				iii.	Approval for creation of charge, etc upto Rs. 6000 crore under Section 180(1)(a) of Companies Act, 2013; and
				iv.	Enabling resolution for raising funds upto USD 500 Million.
2012 – 13	27-09-2013	11:30 A.M.	PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110016	No Special Resolution was passed.	

Details of resolution passed by way of Postal Ballot

During the year ended March 31, 2016, pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the members of the Company have approved following resolution by way of postal ballot notice dated February 4, 2016 (result declared on March 21, 2016):

i) Approval for entering Related Party Transaction(s)

For the conduct of Postal Ballots/e-voting exercise, Mr. Mukesh Manglik, Company Secretary in Whole Time Practice, was appointed as the Scrutinizer.

Summary of the result of the aforementioned Postal Ballot/electronic voting process, announced by Mr. Malvinder Mohan Singh, Executive Chairman of the Company, on March 21, 2016:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Special Resolution for Approval for entering Related Party Transaction(s)	47194637	45245567 (95.8701%)	1949070 (4.1299)

Procedure for Voting by Postal Ballot and E-voting

In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108, 110 and other applicable provisions of Companies Act, 2013 read with Rules made thereunder, the Company provides E-voting facility to the members. The Notice of Postal Ballot along with the Explanatory Statement pertaining to the draft Resolution(s) explaining in detail, the material facts along with the Postal Ballot Form and the self-addressed postage prepaid business reply envelope, are sent to all the members, whose name appear on the register of members as on the cut-off date, under secured mode of Posting/through e-mail. The members were given option to vote either through the Postal Ballot Forms or through e-voting facility. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013.

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

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

For the members who opted for e-voting facility, they casted their votes via electronic platform (https://evoting.karvy.com) of Karvy Computershare Private Limited (Karvy). Requisite notices was given to such members to e-vote /send their reply.

The scrutinizer appointed for the purpose scrutinizes the postal ballots and e-votes received and submit his consolidated report to the Company. The results are also displayed on the website of the Company-www.fortishealthcare.com and the date of declaration of results by the Company is deemed to be the date of passing the resolutions.

The Board of Directors have in their meeting held on August 4, 2016 approved to shift the registered office at the Company from NCT of Delhi to the State of Punjab. The proposal is recommended to the Shareholders through Postal Ballot. None of the resolution/business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through postal ballot.

8. DISCLOSURES

Related Parties Transactions

The details of transactions with related parties or others, if any, as prescribed in the Listing Agreement, are placed before the Audit and Risk Management Committee periodically. Further, the details of all material transactions with related parties are also disclosed quarterly along with the compliance report on corporate governance. Details on Policy on dealing with Related Party Transactions forms part of the Annual Report.

In the cases of material transaction the same are pursued under direct guidance of the Audit and Risk Management Committee with appropriate disclosures and safeguards being implemented to isolate the conflict. Where required, independent Advisory Committees are constituted and external expert opinion sought for Board consideration. Further, in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Policy on 'Materiality on Related Party Transactions' and the same is at http://cdn.fortishealthcare.com/pdf/Related_Party_Transactions_Framework_Document.pdf.

The details of the Material Related Party Transactions approved by the shareholders during the period under review through postal ballot are as follows:

Sl No.	Nature of transaction as per Companies Act, 2013	Name of the Director/ KMP who is related and nature of their relationship	Name of the Related Party	Relationship	Particulars/ Material Terms and Conditions of the transaction
1.	Sale, purchase or supply of any good/ property of any kind (as per Section 188 (1)(a) and 188 (1)(b) of the Act)	None	Fortis Global Healthcare Infrastructure Pte Ltd (FGHIPL) and Fortis Health Management Limited (FHML)	Related party(ies) to the Company as per Companies Act, 2013 and applicable accounting standard	Acquisition of 51% economic interest in Fortis Hospotel Limited (FHTL) through acquisition of 44,39,040 (Forty Four Lacs Thirty Nine Thousand & Forty) Compulsory Convertible Debentures (CCDs) of Rs. 1000 (₹ One Thousand) each issued by FHTL, representing 51% (Fifty One percent) of the total CCDs issued by FHTL to FGHIPL, at a total consideration of upto Rs. 1100 crores. Simultaneously, make necessary amendment and restatement of the shareholders' agreement (which was previously entered into at the time of listing of Religare Health Trust (RHT) at Singapore Stock Exchange ("SGX"), by and between the then two shareholders of FHTL, i.e. the Company and FHML), to govern inter-alia, the mutual rights and obligations of the Company and FHML, both being the present shareholders of FHTL, the terms and conditions governing their relationship as shareholders of FHTL.

Accounting Treatment

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

Compliances by the Company

The Company has complied with requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years.

No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI and other statutory authorities relating to the above.

9. MANAGEMENT

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

10. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company strongly supports and strives to provide a structured platform via Whistle Blower Policy/Vigil Mechanism for reporting of instances of alleged wrongful conduct or gross waste or misappropriation of funds including instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Through this Policy, the Company seeks to provide a procedure for all the employees and Directors of the Company to report concerns about unethical and improper practice taking place in the Company and provide for adequate safeguards against victimization of Director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee, in exceptional cases. It protects employees, officers and Directors who in, good faith, raise a concern about irregularities within the Company. It is hereby confirmed that no personnel has been denied access to the Audit and Risk Management Committee. The Company has adopted a Whistle Blower Policy in line with the requirements laid down under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is available at http://cdn.fortishealthcare.com/pdf/Whistle_Blower_Policy_fortis.pdf.

Code of Conduct and Prohibition on Insider Trading

Code of Conduct for Prevention of Insider Trading of the Company, as approved by the Board of Directors, inter alia, prohibits purchase or sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The said Code is available at http://cdn.fortishealthcare.com/0.11357900_1434008317_FHL---Policy-Code-of-conduct-for-prevention-of-Insider-Trading2.pdf.

11. MEANS OF COMMUNICATION

a) **Results:** The financial results are generally published in Financial Express (English Edition) and Jan Satta (Hindi Edition).

b) **Website:** The financial results are posted on the Company's website viz. www.fortishealthcare.com

c) **News Release, Presentations:** The Company also makes a presentation to the investors and analysts after taking on record the financial results of the Company. The press releases/official news, detailed presentation made to media, analysts, institutional investors etc. are displayed on the Company's website. Official Media Releases are also sent to the stock exchanges before dissemination to the media.

d) **Intimation to the Stock Exchanges:** The Company intimates the Stock Exchanges on all price sensitive information or such other matters which in its opinion are material and of relevance to the Investors.

e) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

f) **Designated Exclusive email-id:** The Company has designated the following email-id for investor servicing: secretarial@fortsihealthcare.com

Investors can also mail their queries to Registrar and Transfer Agent at einward.ris@karvy.com

12. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

(i) Date of AGM

The Annual General Meeting is proposed to be held on **Tuesday, September 27, 2016 at 12:00 Noon at PHD Chamber of Commerce and Industry, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110016.**

Last date of receipt of Proxy Form: 48 hours before the Annual General Meeting.

(ii) The Financial Year of the Company is starting from April 1 and ending on March 31 of next year.

(iii) Financial Calendar 2016-17 (tentative & subject to change)

S. No.	Tentative Schedule	Tentative Date (On or Before)
1.	Financial Reporting for the quarter ending June 30, 2016	August 14, 2016
2.	Financial Reporting for the quarter ending September 30, 2016	November 14, 2016#
3.	Financial Reporting for the quarter ending December 31, 2016	February 14, 2017
4.	Financial Reporting for the quarter ending March 31, 2017*	May 30, 2017
5.	Annual General Meeting for the year ending March 31, 2017	On or before September 30, 2017

*As provided in Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, Board may also consider submission of Audited Financial Results for the year 2016-17 in lieu of Unaudited Financial Results for the fourth quarter, on or before May 30, 2017 (or such other period as may be stipulated from time to time).

#As may be extended by the regulator.

(iv) Date of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from **Tuesday September 20, 2016 to Tuesday September 27, 2016** (both days inclusive).

(v) Listing on Stock Exchanges

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

- National Stock Exchange of India Limited (NSE), Bandra Kurla Complex, Bandra (E), Mumbai-400051
- The BSE Limited, PJ Tower, Dalal Street, Fort, Mumbai-400001

Foreign Currency Convertible Bonds (FCCBs) aggregating USD 30 Million are listed on Singapore Exchange Securities Trading Limited.

The Company has paid listing fees to all the above stock exchanges and there is no outstanding payment as on date.

(vi) Stock Code of Equity Shares / FCCB

Trade Symbol at National Stock Exchange of India Limited is FORTIS.
Scrip Code at BSE Limited is 532843
ISIN for Equity INE061F01013

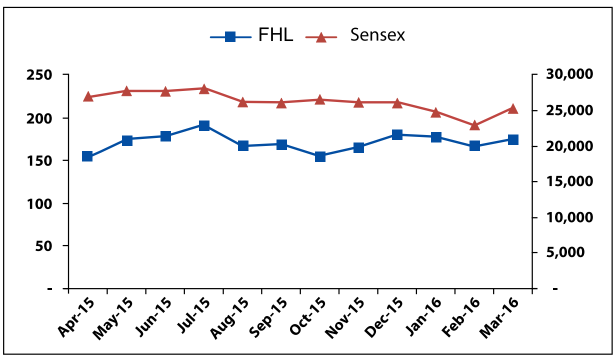
For FCCB listed on Singapore Exchange- ISIN- XS0955815443 and Common code: 095581544

(vii) Stock Market Data:

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

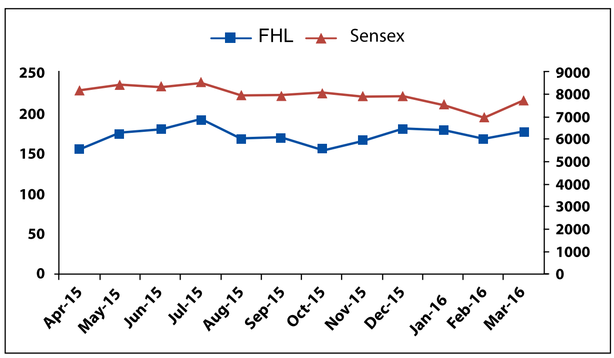
Month	Share Price (₹) at BSE		Share Price (₹) at NSE	
	High	Low	High	Low
Apr-15	184.5	141.65	184.40	141.55
May-15	177.65	157.15	177.75	157.15
Jun-15	185.5	150.5	185.70	150.10
Jul-15	194.5	168.1	194.35	167.30
Aug-15	199.2	155	199.80	155.85
Sep-15	184.65	148.7	184.85	148.70
Oct-15	176.7	154	176.70	153.70
Nov-15	168.3	155.05	168.35	155.00
Dec-15	191.65	162	191.65	161.40
Jan-16	186.6	161.4	186.35	161.00
Feb-16	181.5	141.1	181.50	141.00
Mar-16	184.75	161.85	184.95	161.50

Stock Price Performance - FHL Vs BSE Sensex



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

Stock Price Performance - FHL Vs NSE Nifty



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

(viii) Registrar and Transfer Agent

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

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 008
Tel.: 040 – 67162222
Fax: 040 - 23420814
Email: einward.ris@karvy.com
Website: www. karvycomputershare.com
However, for the convenience of shareholders, correspondence relating to shares received by the Company is forwarded to the RTA for necessary action thereon.

(ix) Nomination Facility

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

As on March 31, 2016, 46,22,62,316 Equity shares representing 99.8126% of the paid up Equity Share Capital of the Company have been de- materialized.

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

(x) Elimination of Duplicate Mailing

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

(xi) Share Transfer System

The Company's share transfer authority has been delegated to the officials of the Company. The delegated authority(ies) attend the share transfer formalities on weekly basis to expedite all matters relating to transfer, transmission, transposition, split and re-materialization of shares and taking on record status of redressal of Investors' Grievance, etc., if any. The share certificate received by the Company/ RTA for registration of transfers, are processed by RTA (on a weekly basis) and transferred expeditiously and the endorsed Share Certificate(s) are returned to the shareholder(s) by registered post.

As per the requirements of Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

(xii) Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit as stipulated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 was carried out by a Practicing Company Secretary for each of the quarter in the Financial Year 2015-16, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit Reports (the Audit report) confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with the depositories. The Audit Report for each quarter of the Financial Year 2015-16, has been filed with Stock Exchanges within one month of end of the respective quarter.

(xiii) Details of Demat Suspense Account

The Company had opened a Demat Suspense Account-"Fortis Healthcare Limited IPO Suspense Account"

i. Aggregate Number of the Shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. April 1, 2015: 50 shareholders and 4,900 shares.

ii. Number of shareholders who approached issuer for transfer of shares from suspense account during the year: 1 shareholder and 81 shares.

iii. Number of shareholders to whom shares were transferred from the suspense account during the year: 1 shareholder and 81 shares.

iv. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2016: 49 shareholders and 4,819 shares.

(xiv) Share Dematerialization System and liquidity

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

The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges-BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Relevant data for the average daily turnover for the Financial Year 2015-16 is given below:

Fortis Healthcare Limited

Particulars		BSE	NSE	Average
Average Shares Traded	Share (Nos)	201,655	899,915	550,785
Average Annual Turnover	Value (₹ In Crore)	3.5	15.6	9.53

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

(xv) Details on Outstanding Securities as on March 31, 2016

As on March 31, 2016, the Company has not issued any GDRs, ADRs or Warrants. The details of convertible securities (Foreign Currency Convertible Bonds), Conversion date, likely impact on securities, etc. forms part of the Financial Statements.

Details of commodity price risk on foreign exchange risk & hedging activity (commodity or otherwise) during the financial year under review are provided in notes to accounts.

(xvi) Distribution of Shareholding as on March 31, 2016

Number of equity shares held	No. of Share-Holders	% age of Share-Holders	(%) to Total Paid up Share Capital
Upto 2,500	88204	82.92	1.36
2,501 to 5,000	10663	10.02	0.87
5,001 to 10,000	4007	3.77	0.71
10,001 to 20,000	1770	1.66	0.59
20,001 to 30,000	576	0.54	0.32
30,001 to 40,000	237	0.22	0.19
40,001 to 50,000	227	0.21	0.23
50,001 to 1,00,000	295	0.28	0.47
1,00,001 and above	392	0.37	95.25
Total	106371	100.00	100.00

(xvii) Shareholding Pattern as on March 31, 2016

S. No.	Category	Number of Shareholders	No. of Shares held	% of Share holding
A.	Promoters and Promoter Group	8	330141948	71.28
B.	Public Shareholding			
1.	Banks / Financial Institutions	5	622526	0.13
2.	UTI, Mutual Funds	3	65707	0.01
3.	Foreign Institutional Investors/Foreign Bodies/ Foreign Collaborations	111	83138204	17.95
4.	Bodies Corporate	1090	13050137	2.82
5.	Non-Resident Indians	1255	2906167	0.63
6.	Indian Public	103896	33205305	7.17
Total		**106368**	**463129994**	**100.00**

(xviii) Lock-in of Equity shares

As on March 31, 2016, no Equity Share of the Company was under lock-in.

(xix) Employee Stock Options

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

(xx) Hospital Unit(s)/Location(s)

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

Fortis Hospital, Mohali
Sector-62, Phase-VIII, SAS Nagar, Mohali, Punjab-160062.

Fortis Hospital
Arcot Road, Vadapalani, Chennai, 600026

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

Fortis-Escorts Hospital
2nd Floor, Coronation Hospital,Curzon Road, Dehradun - 248001

(xxi) Shareholders Communication- Address for Correspondence:

The Company understands the significance of two-way communication with the shareholders. The Company's website is constantly updated with the latest disclosures/information as the shareholders may require form time to time.

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

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 008
Tel.: 040 – 67162222
Fax: 040 - 23420814
Email: einward.ris@karvy.com
Website: www. karvycomputershare.com

For Investor Assistance

The Company Secretary,
Fortis Healthcare Limited
Escorts Heart Institute and Research Centre, Okhla Road, New Delhi 110025
Telephone No.: +91-11-4713 5000/2682 5000 Fax No.: +91-11-26825013
Email:secretarial@fortishealthcare.com
Website: www.fortishealthcare.com

13. DISSEMINATION OF BASIC INFORMATION THROUGH WEBSITE

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 (both inclusive) read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable with regard to corporate governance.

14. DISCRETIONARY REQUIREMENTS UNDER REGULATION 27

A. Separate posts of Chairman and CEO

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

B. Reporting of Internal Auditor

The Internal Auditors report directly to the Audit Committee.

14. GO GREEN INITIATIVE

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

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

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

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Fortis Code of Conduct for the Financial Year ended March 31, 2016.

For & on behalf of Board of Directors

Sd/-
Bhavdeep Singh
Chief Executive Officer

Date: August 4, 2016
Place: Gurgaon

CEO and CFO Certificate

To the Members of
Audit and Risk Management Committee and Board of Directors of
Fortis Healthcare Limited

We, Bhavdeep Singh, Chief Executive Officer and Gagandeep Singh Bedi, Chief Financial Officer, certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit committee that:

  (i) there has not been any significant change in internal control over financial reporting during the year under reference;

  (ii) there has not been any significant changes in accounting policies except to the extent already disclosed in the notes to the financial statement(s); and

  (iii) there was no instance of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Gurgaon	**Bhavdeep Singh**	**Gagandeep Singh Bedi**
Date : May 26, 2016	Chief Executive Officer (CEO)	Chief Financial Officer

Certificate on Corporate Governance

To,
The Members
Fortis Healthcare Limited

We have examined the compliance of conditions of Corporate Governance by Fortis Healthcare Limited for the year ended March 31, 2016 as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to best of our information and according to the explanations given to us, we certify that the Company has complied with the Regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

For **Sanjay Grover & Associates**
Company Secretaries

Sd/-
Sanjay Grover
C.P. No. 3850

Date : July 27, 2016
Place : New Delhi

Business Responsibility Report

SECTION –A : GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L85110DL1996PLC076704
2.	Name of the Company	FORTIS HEALTHCARE LIMITED
3.	Registered Address	ESCORTS HEART INSTITUTE AND RESEARCH CENTRE, OKHLA ROAD, NEW DELHI-110025
4.	Website	www.fortishealthcare.com
5.	E-mail id	secretarial@fortishealthcare.com
6.	Financial Year reported	2015-16
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	HEALTHCARE
8.	List three Key products/ services that the Company manufactures/provides (as in balance sheet)	IPD, OPD, Medical & Clinical Services
9.	Total number of locations where business activity is undertaken by the Company:	04 (Delhi NCR, Mohali, Chennai and Dehradun)
	(a) Number of International Locations (provide details of major five).	-
	(b) Number of National Locations	04
10.	Markets served by the Company – Local/State/ National/International	National

SECTION –B : FINANCIAL DETAILS OF THE COMPANY

S. No.	Particulars		Details
1.	Paid up Capital (INR)		4,631,298,940
2.	Total Turnover (INR)		6,115,915,591
3.	Total profit after taxes (INR)		(735,075,507)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)		2% of average profit of last 3 years
5.	List of activities in which expenditure in four above has been incurred :-		
	a)	Sewa (CSR spend measured under Section 135)	Medical Relief to disaster affected areas
	b)	Umeed (CSR spend beyond the purview of Section 135)	Healthcare for Children
	c)	Aanchal (CSR spend beyond the purview of Section 135)	Women and Maternal Health
For details of amount spent on each of the programs, please refer note on Corporate Social Responsibility (Annexure V)			

SECTION –C : OTHER DETAILS

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

SECTION –D : BR INFORMATION

S. No.	Particular		Details		
1.	Details of Director/Directors responsible for BR		The Corporate Social Responsibility (CSR) Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:		
	(a)	Details of the Director/ Director responsible for implementation of the BR policy/policies.			
	1.	DIN Number	0176902	00078224	00042981
	2.	Name	Shradha Suri Marwah	Harpal Singh	Malvinder Mohan Singh
	3.	Designation	Chairperson (Independent Director)	Member (Non-executive & Non- Independent)	Member (Executive Chairman of the Company)
	(b)	Details of the BR head			
	1.	DIN Number (if applicable)	Not applicable		
	2.	Name	Mr. Gagandeep Singh Bedi		

S. No.	Particular	Details		
	3. Designation	Chief Financial Officer		
	4. Telephone Number	0124-4921021		
	5. E-mail id	secretarial@fortishealthcare.com		
2.	Principle-wise (as per NVGs) BR Policy/policies			
	(a) Details of compliance (Reply in Y/N)			

S. No.	QUESTIONS	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for …	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/OWNER/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/Directors/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://cdn.fortishealthcare.com/pdf/Code_of_Conduct_FORTIS_HEALTHCARE.pdf			http://cdn.fortishealthcare.com/pdf/CSR_Policy_fortis.pdf	Same as P1	http://cdn.fortishealthcare.com/0.19530300_1468569988_Sustainability-Policy.pdf	Same as P1		
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Governance related to BR									
	(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than one year.	Annually								
	(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes and it forms part of Annual Report. The same is hosted on the website of the Company at www.fortishealthcare.com								

Section E: Principle-wise performance

Principle 1:

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

1. **Does the policy relating to ethics, bribery and corruption cover only the company?** No
   i. **Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?** All companies in Fortis group are covered by the policy
2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   91 complaints were received during the year 2015-16, from various stakeholders. 100% of these were satisfactorily resolved.

Principle 2

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

Sustainability in healthcare is need of the hour and Fortis through its various enterprise level initiative fosters to build sustainable environments for a healthy lifestyle and promotes measurement of healthcare system performance.

Fortis 1 integrates all the Hospitals on one network and leverages the strength of Unity to deliver uniform world class healthcare facility across its network of Hospitals. HIS-Hospital Information System is devised for the same.

Fortis is the first in India to Monitor and Publish Clinical Outcomes for Cardiology. This is a huge step towards institutional accountability as the analysis and audit of results in an internationally standardized manner helps to deliver the best practices in CAD (Coronary Artery Disease) and provides a benchmark to make informed decisions.

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

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

   Three of the leading benchmark systems are listed below:

   a) **NABH Certified Hospitals**

      i. **Hospital Infection Control (HIC):** Fortis has a well-designed, comprehensive and coordinated Hospital Infection Control (HIC) program aimed at reducing/ eliminating risks to patients, visitors and health care providers. Documented procedures for sterilization, proper segregation and collection of Bio-medical waste are key focus areas.

      ii. **Continuous Quality Improvement (CQI):** Quality programs are run continuously to monitor patient assessment, diagnostics services' safety control, invasive procedures, adverse drug events and clinical research.

      iii. **Facility Management & Safety (FMS):** All Fortis units have plans and provisions for early detection, abatement and containment of fire and non-fire emergencies which prevents consumption of critical resources

   b) **JCI Accredited Hospitals**

      Joint Commission International Standards evaluates the entire health care organization as a complex interaction of many clinical and management processes. Fortis adheres to JCI principle to continuously improve the safety and quality of care in the international community through the provision of education, publications, consultation, evaluation and accreditation services.

c) **Energy Management Program:** Continuous monitoring, enhancement and reduction in energy consumption is achieved by implementing green planning techniques like:

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

Attributable to aforesaid energy saving initiatives Fortis Hospitals have received the following awards:

- In September 2015, three of Fortis Units namely: Mohali, Vashi and Anandapur have been awarded the National Award for Excellence in Energy Management by CII
- In December 2015, Govt. of India felicitated Fortis Noida and Fortis Mohali by giving 1st and 2nd prize respectively in the category' National Award for Energy Conservation'.
- http://www.swadeshnews.com/after-2-consecutive-cii-awards-fortis-mohali-gets-2nd-prize-in-national-energy-conservation-awards-2015/
- Fortis BG Road, Fortis Vashi and Fortis Raipur earn laurels at the National Energy Conservation Award, 2014
- 14th National awards for excellence in energy management by CII, 2013
- National Energy Conservation Award 2011

2. For each such product, provide the following details in respect of resource use (energy, Water, raw material etc.) Per unit of product (optional):

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

a) NABH Certified Hospitals: Not applicable; addressed area is Healthcare accreditor entity

b) JCI: Not applicable; addressed area is Healthcare accreditor entity

c) EMP initiatives.

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

a) NABH Certified Hospitals: Not applicable; addressed area is Healthcare accreditor entity

b) JCI: Not applicable; addressed area is Healthcare accreditor entity

c) For a number of units EMP initiatives have:

- Resulted in achievement of Energy Efficiency Ratios (EER) of 0.71 as compared to 0.80 earlier.

- Helped us save 9000 million kilo calories of Thermal Energy and reductions in Carbon Emissions to the tune of 11000 metric ton.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? Yes**

   If yes, what percentage of your inputs was sourced sustainably?

   Sustainable sourcing is a key focus area for us and is built around ethical and environmental sourcing principles to mitigate sourcing risks, stronger supplier relationships for trustworthy business conduct. To ensure the medical efficacy of goods, suppliers are asked to adhere to the guidelines as defined in Drugs and Cosmetics Act 1947. Most of the products are procured through local distribution channels of suppliers to reduce risk involved in transport and reduction in carbon footprint. Suppliers are asked to commit to Fortis Supplier Code of Conduct and are encouraged to raise ethical concerns if any while dealing with Fortis management at any level.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? Yes**

   i. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

      - To have best patient's outcome, we have to ensure the latest and quality proven solution is available clinically and the cost has to be the lowest for the patients. Without compromising on quality, many pharma and medical consumables are sourced from local suppliers which add up to their scale which helps them bargain better for their manufacturing sourcing.
      - We share specification given by our esteemed doctors and committees which include both international and Indian standards to ensure quality product is procured and patient safety is ensured. Local suppliers develop these products which are validated by clinical teams for procurement. This helps suppliers to innovate on the product range and also not compromise on quality with guidance on product usage and applicability

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

   Bio Medical Waste / Solid Waste Management:

   As a responsible Organization we provide extensive training to our staff for safe handling of Bio-Medical waste. There is a conscious effort to reduce the Hazardous impact by reduction in generation, proper segregation at source, safe handling & disposal of Bio-Medical Waste. The Bio-Medical waste generated is handed over to the State Pollution Control Board authorized vendors, who have a responsibility to shred & give the recyclables to authorized Recyclers.

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

   Fortis also employs paper recycling practice across all its units.

   Our Large Hospitals have Sewage/Effluent treatment Plants and the treated water is used for horticulture.

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

   Bio Medical waste is handed over to a Government approved vendor. The Company does not have oversight of how much is being recycled by the vendor.

   The Company has aligned its Bio Medical Waste SOP as the new BMW Act.

Principle 3:

Businesses should promote the well being of all employees

1. **Please indicate the total number of employees:** Total number of employees including subsidiaries (except SRL Limited) as on March 31, 2016 was Approx 16000
2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 7700 employees were hired on a contractual basis
3. **Please indicate the number of permanent women employees:** Total number of permanent women employees as on March 31, 2016 was approx. 8800
4. **Please indicate the number of permanent employees with disabilities:** 11 on the basis of self-declaration
5. **Do you have an employee association that is recognised by management? :** Yes
6. **What percentage of your permanent employees is members of this recognised employee association?** 2.5 %
7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

   Child labour, forced labour, involuntary labour is prohibited in the workplace as stated in the Company's Code of Conduct. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

   During FY 2015-16, the Company at the group level has received 2 complaints on sexual harassment, both complaints have been resolved with appropriate action taken and hence no complaint remains pending as on March 31, 2016.

   No complaints have been received on child labour, forced labour and involuntary labour in FY 2015-16.
8. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

   - Permanent Employees
   - Permanent Women Employees
   - Casual/Temporary/Contractual Employees
   - Employees with Disabilities

   As Fortis continues on the path of excellence, learning is a strategic enabler that sets us up for this transformational journey by facilitating development of employee potential, re-skilling our workforce and adding business value. We firmly believe that the learning ability of our people & an organizational commitment to continuous personal & professional development keeps Fortis at the forefront of the fast changing industry. Our Learning & Development initiatives aligned to organizational goals is a testimony of Fortis's commitment to providing added value to its internal & external stakeholders through high quality & trained workforce. In FY 15-16 over 5,50,473 hrs were invested in professional & personal skill development of clinician & non clinician employees (including women & employees with disability) across FHL, this includes organization wide leadership development (15000+ hrs), functional capability development (4,00,000 +hrs), service capability development (52,000 + hrs) & comprehensive new employee induction programs. Leveraging multi modal training methodologies an average 28 hrs/employee/year were delivered across the network. Our contractual workers form the backbone of our service delivery over 2,00,000 training hours were invested in their functional & behavioural skill enhancement. Additionally health & safety trainings were imparted to all categories of employees are across FHL. Regular trainings on disaster management , fire safety, radiation safety, waste management, HAZMAT (Hazardous Material), laboratory safety, employee safety are conducted with 24,495 employees attending 28,068 hrs of safety/environment related training modules.

Principle 4:

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

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

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

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

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

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

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

Principle 5

Businesses should respect and promote human rights

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

   The policy is applicable to Fortis and its subsidiaries. The Company's commitment to follow the basic principles of human rights is reflected in the checks and balances within the HR processes. The commitment to human rights is embedded in the 'Fortis Code of Conduct', adopted by the Company.

   All employees are sensitised to human rights as part of their orientation programme.

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

   No complaints w.r.t. human right was received during the financial year 2015-16

Principle 6

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

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

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

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

   Yes, Fortis has mandate to commission HVAC units only with R-410A hydro-fluorocarbon (HFC) refrigerant which does not contribute to ozone depletion while cost efficient HVAC units still use R-22 refrigerant which contributes to ozone depletion.

   Energy Supply and Air Emissions: Fortis deploys diesel generators (DG) procured from CPCB listed manufacturers who have valid "Type approval / conformity of production verification certificate (COP) duly certified for prevailing CPCB-II emission norms. DG are provided with acoustic enclosure and mandatory stack height is maintained.

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

   Yes, Company has in place elaborate Environmental & Social Assessment policies for screening new projects. Accordingly, a very comprehensive and thorough assessment is undertaken for potential projects (acquisition or Greenfield development) covering legal, business, technical and E&S aspects before finalizing new projects.

   In consent of all stakeholders, Fortis applies for Environmental Impact Assessment (EIA) clearance for all Greenfield projects. Design and development are done strictly in accordance with requirements defined by the National Building Code of India 2005 (NBC) – as well as Company's corporate policies - such as green building architecture, construction safety and sustainability.

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

   Fortis is committed to approaching the environmental authorities and initiating appropriate action, under permissible rules, for obtaining the relevant environmental clearances.

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

   I. **Smart Green Healing Space Award**

      http://smartgreen.in/wp-content/uploads/2015/12/ET_Smart_Green_Summit_329X525_04122015_R3.qxd_.pdf

   II. **Fortis Healthcare Ltd is looking at acquiring a stake in a renewable energy company.**

      http://www.business-standard.com/article/companies/fortis-healthcare-eyes-26-stake-in-renewable-energy-companies-112062600036_1.html

   III. **Fortis Healthcare adjudged "Hospital of the Year in India" at Bangkok event.**

      http://timesofindia.indiatimes.com/city/gurgaon/Fortis-Healthcare-adjudged-Hospital-of-the-Year-in-India-at-Bangkok-event/articleshow/52538052.cms

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

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

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

   During the financial year under review the Company has not received any show cause / legal notices from CPCB/SPCB

Principle 7

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

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

   Yes, the Company is member of several Industry associations.

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

   Some of the major ones include the Healthcare Federation of India, CII, FICCI, AIMA and World Economic Forum

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

   Yes

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

   We have advocated, through the Industry associations, for improvement in Governance and Administration, Economic reforms, inclusive development policies, sustainable business principles, public private partnerships, universal healthcare.

Principle 8

Businesses should support inclusive growth and equitable development

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

   a. We advocate public private partnerships to deliver larger social good and currently operate 3 PPPs.

   b. We subscribe to Sustainable development in all our hospital projects

   c. Our CSR programs seek to address gaps of inclusivity in healthcare delivery

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

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

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

   We operate several Community outreach/development programs in the vicinity of our hospitals; these include training on BCLS, blood group/donation registry, pledging organs in the event of accidental/brain death, school health programs, maintaining parks/traffic round about etc

   At Fortis, we strive to be a credible, visible community partner. And we do this by driving sustained health engagements in the local communities around our hospitals. The specific activities include creation of a blood donation and organ donation registry, health engagement across schools, health talks and camps across RWAs, conduction traffic signals activities and BLS trainings across RWAs, corporates and PSUs. We have also tied-up with various NGOs and government schemes to provide treatment of needy people. During the FY 2015-16 Fortis has spend about ₹ 1.9 Crores on the community connect.

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

   Yes, the adoption of these programs is ensured through active engagement of community volunteers/RWAs.

Principle 9

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

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

   On an average, Fortis serve more than 25 lakh patients through its network of hospitals. Complaints are redressed through trained patient service co-ordinators and counsellors. They are escalated as may be necessary to departmental heads, medical superintendents, facility directors depending on their gravity and the exigencies of the situation. Most of them end up being resolved amicably resulting in many satisfied patients that bring goodwill.

Fortis has medical grievance committee at each hospital and at the regional level that carefully studies complaints and takes corrective action as may be required .In exceptional and rare instances the aggrieved seek available legal recourse, wherein Fortis represent and defend the case through legal department and often utilize the services of specific domain legal experts to stand for what we believe is correct, in the best interests of the company and our stakeholders.

As on 31st March 2016, 245 consumer cases were pending in various courts/forums and during FY 2015-16, 67 consumer cases were disposed of.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?** i. Remarks (additional information) – Not Applicable

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

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

   Fortis had done a Brand Campaign on Television for the first time in 2015-16. To measure the impact of the campaign, Fortis conducted a Qualitative Pre & Post Research in July – Sep period. Highlights of the research are mentioned below.

   - Highest OP footfall across the network (for last 3 years) was observed when the brand campaign was aired.
   - The IP footfalls crossed 26,000 in September15, a first and the highest ever across the network in the last 3 years.
     - Positive movement of Key Brand performance indices - Preference, Consideration and Awareness showing an increase of 3% points each.
     - NPS (Net Promoter Score) showed a very positive increase from 28% to 33%.
     - The message take outs were clearly in the area of 'superior medical expertise', which was the intended objective of the campaign.
     - Maximum increase in TOM (Top of Mind recall) happened in Jaipur where the TOM increased from 20% to 50%.
     - After TV, Digital platform was the most effective source of awareness for the campaign, with 48% of the audience seeing the ad on digital medium.
     - Ad recall was highest amongst the households with average income of ₹ 15-20 lacs which meant the ad had done particularly well amongst our TG.

Management Discussion and Analysis Report

Indian Healthcare Sector: An Overview

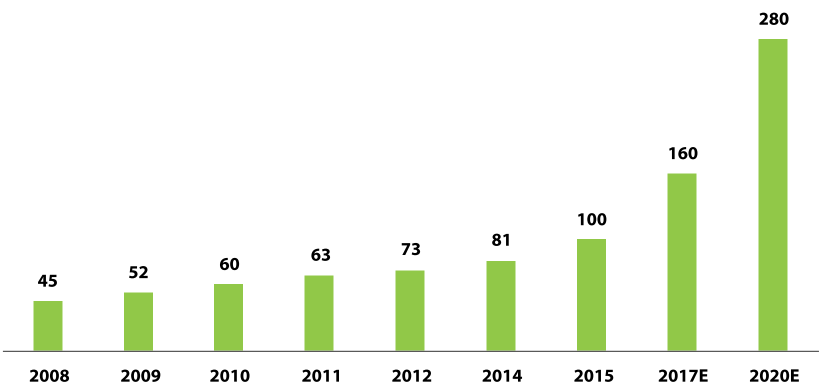
India has come a long way in the last six decades since independence, especially in terms of improving the health of its citizens. The life expectancy at birth has risen more than two fold to 66 years over the past three decades.

While the government has taken some measures to improve access to quality care, the sector has seen the emergence of private players due to the growing healthcare needs of the population, with an inflow of both domestic and foreign investments. Over the last few years, the private sector has seen the launch of innovative delivery models, that have helped improve access to healthcare not only in metros, but also in smaller towns.

Market Size

The Indian healthcare market is expected to grow at a CAGR of ~16% from USD 100 billion in 2015 to USD 280 Billion by 2020 (Source: IBEF). This would reflect in India's spend on healthcare which is expected to increase from 4% of GDP currently to approximately 5% of GDP by 2020. The growth in population, increase in lifestyle related diseases, rising purchasing power of the middle class and higher awareness of chronic illnesses along with huge opportunity in medical tourism will be the key growth drivers for the sector.

Chart: Indian Healthcare Market to grow at a CAGR of 16%



Source: IBEF

The Indian healthcare sector is growing at a brisk pace due to the increase in coverage, services and expenditure by the public as well private players. The Indian healthcare delivery system is categorised into two major components - public and private. The Government, i.e. the public healthcare system comprises limited secondary and tertiary care institutions, in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centers

(PHCs) in rural areas. The private sector provides the majority of the secondary, tertiary and quaternary healthcare services with a major concentration in the metros, tier I and tier II cities. The corporate hospital chains have been playing a key role in driving expansion and growth in the industry.

There is a significant scope for further enhancing the healthcare services considering that healthcare spending as a percentage of Gross Domestic Product (GDP) is rising. Rural India, which accounts for over 70% of the population, is set to emerge as a potential demand source.

A total of 3,598 hospitals and 25,723 dispensaries across the country offer AYUSH (Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy) treatment, thus bringing alternative medicine and treatment to the people.

Several public health insurance systems exist, such as state-level employee insurance for industrial workers and the central government's healthcare plan for civil servants. Many large companies also operate employee health policies. While health insurance penetration in India is increasing, it has been proposed that better accessibility to quality health care could be made possible by extending coverage to all employees in the private sector and by offering inexpensive health plans to the poor. This way, people can have full coverage for themselves, their families and elders.

Furthermore, a shortage of qualified medical professionals is one of the key challenges in the Indian health care industry. India's current ratio of 0.7 doctors and 1.5 nurses per 1,000 people is significantly lower than the WHO average of 2.5 doctors and nurses per 1,000 people. Also, there is an acute shortage of paramedical and administrative professionals. A majority of the medical professionals are in the urban areas, with only 30% of India's population. Many patients, especially those living in rural and semi urban areas, still receive services from unqualified practitioners. According to an internal estimate, the industry needs an additional 1.54 million doctors and 2.4 million nurses to match the global average.

Government Initiatives

India's universal health plan that aims to offer guaranteed benefits to a sixth of the world's population will cost an estimated ₹ 1.6 trillion (US$ 23.48 billion) over the next four years.

Some of the major initiatives taken by the Government of India to promote the Indian healthcare industry include: (Source: Department of Industrial Policy and Promotion (DIPP), RNCOS Reports, Media Reports, Press Information Bureau (PIB), Union Budget 2016-17).

- Provisions made in the Union budget 2016-17:
    1. National Dialysis Services Programme to be initiated to provide dialysis services in all district hospitals to accommodate the increasing demand for dialysis.
    2. A new health protection scheme for health cover upto ₹ 1 lakh (US$ 1,470) per family.
    3. Setting up of 3,000 medical stores across the country to provide quality medicines at affordable prices.
    4. Senior citizens will get an additional healthcare cover of ₹ 30,000 (US$ 441) under the new scheme.
    5. Pradhan Mantri Jan Aushadhi Yojana to be strengthened, 3000 generic drug stores to be opened.
- A unique initiative for healthcare 'Sehat' (Social Endeavour for Health and Telemedicine) has been launched at government run Common Service Centres (CSC) to empower rural citizens by providing access to information, knowledge, skills and other services in various sectors through digital technologies and fulfilling the vision of a 'Digital India'.
- On the eve of the National Deworming Day , the Union Minister for Health & Family Welfare, Government of India, launched the National Deworming initiative with the aim of protecting more than 24 crore children in the ages of 1-19 years from intestinal worms.
- Under the National Health Assurance Mission, the government will provide all citizens with free drugs and diagnostic treatment, as well as insurance cover to treat serious ailments.
- Mission Indradhanush launched by the Government aims to immunise children against seven vaccine preventable diseases namely diphtheria, whooping cough, tetanus, polio, tuberculosis, measles and hepatitis B by 2020. Government has set a target of 95% immunisation cover by end of 2016.
- The E-health initiative, which is a part of Digital India drive launched by the Government, aims

to provide effective and economical healthcare services to all citizens. The programme will deploy technology and portals to help people maintain their health records and book online appointments with various hospitals and speciality departments, using the eKYC data linked to the Aadhaar number.

Visible upcoming trends in the healthcare sector

Mobile-based health delivery: The existence of strong mobile technology infrastructure and the launch of 4G services is expected to drive mobile health initiatives in the country. CycleTel Humsafar is a SMS based mobile service designed for women, it enables women to plan their family in a better way. Currently, there are over 20 mobile health service initiatives in the country to raise awareness about family planning and protection and treatment of other ailments. Mobile health industry in India is expected to reach USD 0.6 billion by 2017.

Technological initiatives: To standardise the quality of service delivery, control cost and enhance patient engagement, healthcare providers are focusing on the technological aspect of healthcare delivery. Digital Health Knowledge Resources, Electronic Medical Records, Mobile Healthcare, Hospital Information Systems are gaining widespread acceptance in the sector. For example, key benefits from Electronic Health records include a) anytime access to one's own health information online, b) ability to securely send health information where it is needed, c) Reminders for care can be sent in the most effective and accessible ways, d) Better coordinated care can be delivered across providers and e) Safer, more effective medication management.

High-end offerings: A new trend is emerging with high-end offerings in the healthcare sector. There is a growing trend towards enhancing the hospitality side of health care and providing a non-clinical environment. These value added services matter a lot for affluent patients. It is a trend that was witnessed in Southeast Asia. Hospitals like the Bumrungrad International in Bangkok or Gleneagles in Singapore, are a few examples. Furthermore, the add on services are means by which service providers are seeking to differentiate their offerings in a cluttered market. In the big cities, hospitals have the best of equipment, technology, and doctors and they look for tangible differentiators, that make them stand apart. Though a small percentage, this still constitutes a sizable market segment that continues to grow.

KEY GROWTH DRIVERS

India's favorable demographics and rising population

According to the World Bank, in 2014, India had an estimated population of 1.295 billion with a large number of young people. As of 2015, the median age of the population was only 27.3 years. (Source: CIA Factbook). In 2014, approximately 68.0% and 32.0% of India's population lived in rural and urban areas, respectively. (Source: The World Bank).

Further analyzing the demographic profile of India, around 65% of its people are below 35 years of age and over 50% of the population is below 25 years of age. However, the proportion of geriatric population (60 years and above) is increasing at a faster rate than the rest of the population. This is expected to boost demand for healthcare and related services significantly.

In addition to the rising population, the number of middle/Upper income households is expected to increase four fold over 2010-2020, as per the McKinsey Global Institute (MGI). This will shift consumption from necessities to needs such as healthcare.

Lifestyle related diseases and growing awareness would result in a higher incidence of hospitalization

Though India has managed to control communicable diseases like polio, malaria and cholera, the country is now dealing with lifestyle related diseases which are on the rise. Coupled with a sedentary urban lifestyle, increased alcohol consumption and smoking, the urban youth are particularly prone to the aforementioned lifestyle diseases.

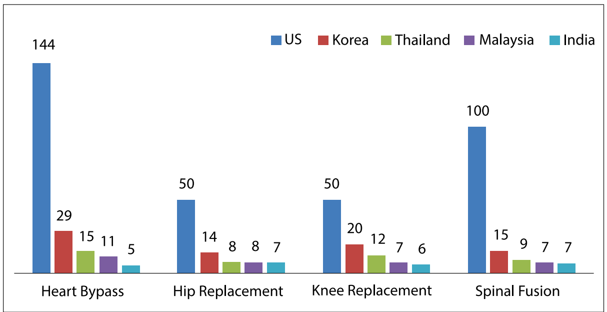
The increased incidence of heart disease, obesity and diabetes have also contributed to rising healthcare spending by individuals. Growing health awareness and precautionary treatments coupled with improved diagnostics are resulting in a higher incidence of hospitalization. The Indian system of healthcare, Ayurveda, has unique therapies which are beneficial in the treatment of many chronic lifestyle disorders. This is attracting a large number of patients, who wish to avail these services, in India. India is thus expected to witness a CAGR of 18%, 16% and 19% in Cardiac, Oncology and Diabetes related hospitalisations, during the period 2008-18. (Source: IBEF)

Medical Tourism to witness significant traction

Comparing various developing countries in the world, India is well positioned as a preferred destination for medical tourism due to the presence of world class hospitals and medical professionals. Further, superior quality healthcare, excellent clinical outcomes that compare favorably with global benchmarks and the relatively low treatment costs, in comparison to other countries, are benefiting Indian medical tourism which has, in turn, enhanced the prospects of the Indian healthcare market.

Major surgeries in India cost a fraction and are approximately 10% - 20% of the total cost charged in developed countries.

Cost of various surgeries in different countries (in USD '000)



Source: IBEF

India also attracts medical tourists from developing nations due to the lack of advanced medical facilities in many of these countries. The Medical tourism market was estimated at around USD 3 Billion in 2015 and is expected to reach USD 8 Billion by 2020. India medical tourism is growing at a CAGR of 20% and the inflow of medical tourists is expected to cross the 3.2 million mark, by 2015 as compared to 0.85 million in 2012.

Health Insurance poised to grow – A positive for healthcare delivery providers

Over the last few years, India has witnessed considerable progress in the overall healthcare ecosystem, including healthcare delivery and insurance. However, India still trails in health outcomes when compared to other developed and developing countries. For instance, the penetration levels of health insurance is much lower in India whereas the share of out of pocket expenditure, for a majority of the people, is significantly higher.

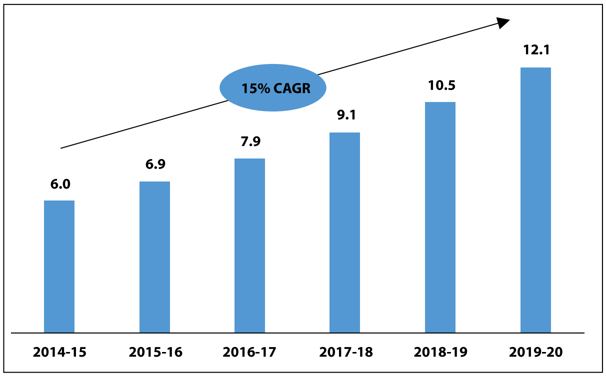
As per the latest data, less than 15-20% of the Indian population is covered under health insurance. Increasing healthcare cost and the burden of new diseases along with low government funding, is raising the demand for health insurance coverage. Many companies offer health insurance coverage to their employees. This is driving the market penetration for insurance players. By 2015, spending through health insurance will reach 8.4% of the total health spending, up from 6.4 per cent in 2009–10. The share of the population with medical insurance is likely to rise to more than 20-25% by 2015.

Indian Diagnostic Industry

The Indian diagnostics industry is one of the fastest growing segments of the healthcare sector. It plays a dynamic role in providing critical information for the correct diagnosis and treatment of diseases.

With an increasing interest in the diagnostics sector and greater in-depth and careful analysis of the relevant data from various sources; the Company .i.e. SRL estimates the size of the diagnostics market in India to be much larger than was anticipated previously. The market share of the organized players is also significantly higher than what was previously thought. The size of the diagnostics market in the country is understood to be close to US $ 6 Billion as opposed to US $3 billion reported earlier while the Market Share held by the organised players in the sector is closer to 20% and not under 10% as was assumed before. The newly compiled statistics accentuate the importance of Diagnostics in the overall Healthcare System and also throw light on some important aspects such as increasing dependence of clinicians on accurate diagnostics, relatively easy access to funding for new service providers as well as the availability of equipment on reagent rental basis resulting in low capex and attractive ROI's in the business. All these factors coupled with practically no entry barriers, contribute immensely towards making Diagnostics an attractive Industry and one of the major reasons for higher competition, whether it be from established players in the Organised market or the neighborhood labs with personalised services - with customer centricity as their hallmark or the newer start-up ventures focusing on specific areas of diagnostics such as newborn screening, HLA or Genomics.

Indian Diagnostic Market Size (USD Bn)



Source: Company Estimates

Almost all the healthcare diagnostic service providers in India offer a wide range of diagnostic tests and services. The industry can be classified into imaging diagnostics and pathology/lab medicine testing services. Pathology testing or in vitro diagnosis involves the conduct of chemical tests on collected samples (in the form of blood, urine and stool, among others) and then reporting the outcome for clinical information and treatments. Imaging diagnostics, or radiology, involves procedures such as X-rays and ultrasounds, which help mark anatomical and physiological changes inside a patient's body that can help doctors to diagnose the disease.

It has been estimated that pathology testing has the larger share of the overall domestic diagnostics market. Pathology includes biochemistry, immunology, haematology, urine analysis, molecular diagnostics and microbiology, among others, whereas imaging diagnostics, or radiology, includes, ultrasound, X-rays, CT scans, MRIs and positron emission tomography – computed tomography, or PET-CT.

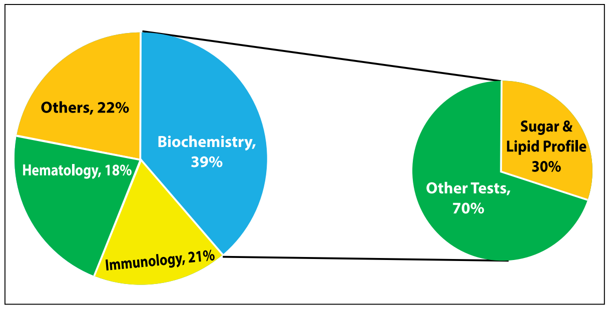
Over the last few years, Pathology has gained prominence as the preferred line of diagnosis for the majority of diseases. While earlier, doctors would typically rely on clinical assessment in order to diagnose and treat diseases, more recently, evidence-based treatment is becoming the norm as it facilitates correct diagnosis, and consequently, correct therapy.

Demand drivers for the Diagnostic Services in India

Chronic diseases driving demand: With the rise in chronic diseases, such as diabetes and cardiovascular diseases, doctors are prescribing more tests to identify them. For example, biochemical testing for HbA1c (glycated hemoglobin) levels in the blood helps to pinpoint the risk of diabetes in patients. Similarly, tests for lipid profiles (cholesterol and triglycerides) are increasingly being prescribed for patients to identify the risk of cardiovascular diseases. In Biochemistry, blood sugar and lipid profile tests have a dominant share and these two types of tests contributed ~30% of overall revenues (Source: CRISIL) from biochemistry testing. Going forward, this segment is expected to continue to grow more rapidly than urine, routine and microbiology tests.

Breakup of Pathology Testing (2014-15)

Source: Industry Estimates



Preventive and wellness testing packages to further aid growth in biochemistry testing

Today, preventive and wellness test packages are being offered and marketed by almost all the large diagnostic chains and hospital-based diagnostic centers. These health packages help to screen and identify pre-existing diseases or the likely risk of particular diseases before the onset of actual symptoms. This is expected to help people take corrective action before any chronic conditions take hold.

Diagnostic service providers typically drive such health check-up packages through corporate clients and also market them directly through labs and collection centers. A majority of these packages either specifically screen for a chronic disease or contain a slew of tests to ascertain the overall health of a person. Moreover, a majority of these preventive and wellness tests consist of biochemistry tests to check an individual's risk to chronic diseases such as cardiovascular diseases and diabetes, among others. However, some diagnostic centers, which have both pathology and radiology services, may add basic imaging tests such as echocardiograms, X-rays and ultrasounds to the test packages.

The overall market for wellness and preventive diagnostics was estimated at 6%-8% of the total diagnostic services market in 2014-2015. Rising literacy levels are expected to increase awareness of preventive and curative healthcare and, in turn, boost the demand for diagnostic services. This segment is expected to grow at a robust CAGR of 23%-25% over the next three years as diagnostic chains push for higher growth through this segment because it improves their capacity utilization. In value terms, the preventive and wellness segment of the diagnostic industry market is estimated to grow from ₹ 26.4 billion in 2014-2015 to ₹ 48 billion in 2017-2018. (Source: CRISIL)

Huge outsourcing opportunity for diagnostics

The Indian market is evolving into an outsourcing market for diagnostics testing. It is for example estimated that specialized tests like molecular diagnostics or hormone related tests cost 70-80% less in India than in the US. The Diagnostic majors with accredited labs are partnering with American and British hospitals, as well as insurance companies, for the same. Indian CROs (contract research organizations) are providing an opportunity for diagnostic majors to tap into the global market for clinical trials. India is becoming a preferred destination for clinical trials due to its proficient medical and paramedical professionals, cost advantages, and a large pool of patients.

Outlook

For any country, a strong healthcare system is an important milestone in its growth journey from a developing to a developed nation. Though India has witnessed a significant turnaround in the last 2 decades, it still faces many challenges. With the increasing disease burden, the healthcare sector in the country needs the right policy framework and infrastructure impetus. Granting infrastructure status may not only help the sector receive investments but will also bring down the cost of healthcare delivery.

Investments from private players have helped enhance healthcare delivery and are also expected to increase bed capacity in the near future. It is, therefore, highly important for the Government and private players to join hands to ink the future of India's healthcare sector.

The country continues to face a shortage of hospitals, doctors, specialists and paramedical staff. The education sector has not kept pace with rapid technological developments in the medical field and quality issues exist in both public as well as private sector. It should be noted that the healthcare sector impacts the country's GDP through various routes. It is also one of the largest sectors in India in terms of employment generation. If appropriate investments are made in areas, such as healthcare delivery and education, they will further increase the employment rate and positively impact the country's GDP. All in all, investment and focus on healthcare is expected to be the harbinger of a healthy India.

The Company

Fortis Healthcare is one of the leading healthcare delivery providers in Asia. Founded by the iconic Indian business leader, the Late Dr. Parvinder Singh, architect of growth at Ranbaxy Laboratories, Fortis is a manifestation of his vision "to create a world class integrated healthcare delivery system in India, entailing the finest medical skills combined with compassionate patient care". Fortis aspires to remain a leader in the healthcare delivery space and is driven by the larger purpose of "SAVING AND ENRICHING LIVES" through clinical excellence.

Fortis started its journey with its first hospital in 2001 in North India and, during the course of 15 years, has grown to become a leading healthcare service provider with a presence in day care specialty, diagnostics and tertiary and quaternary care. As of March 31, 2016, the company had a network of 45 healthcare facilities (including projects under development), with approximately 4,700 operational beds[1] and the potential to reach over 9,000 beds. In India, the Company is one of the largest private healthcare chains comprising a network of 42 healthcare facilities, including 30 operating facilities, 6 satellite and command centres located in public and private hospitals and 6 healthcare facility projects which are under development or are greenfield land sites.

The company's diagnostics business i.e. SRL Ltd. has a presence in over 600 cities and towns, with an established strength of 314 laboratories including 161 self-operated laboratories[2], 108 laboratories inside Hospitals including 27 labs located in Fortis healthcare facilities, 18 wellness centres and 3 international laboratories. It also has over 7,200 collection points, which includes 98 collection centers that are owned and 61 collection centres at International locations.

The Company is committed to deliver quality healthcare services to patients in modern facilities through the use of advanced technology and has a team of doctors, nurses and healthcare professionals who follow international protocols. The company has an unwavering focus on

[1] Includes beds at owned, operated, leased and managed facilities and 350 beds of Lanka Hospitals, an associate of the Company

[2] Includes 14 wellness centres within these laboratories.

patient care ably supported by a strong and talented clinical pool of over 4000 clinicians. Its healthcare delivery services are founded on robust systems that ensure the implementation and monitoring of protocols & processes, patient touch points & patient care outcomes. These best practices are embedded in "FOS' or the Fortis Operating System. All the Company's healthcare facilities provide secondary, tertiary and quaternary healthcare services to patients in Cardiac Care, Orthopaedics, Neurosciences, Oncology, Renal Care, Metabolic diseases care and Mother and ChildHealth. The Company has also developed 'Centres of Excellence' around some of these specialties.

Key Awards & Recognitions

- Fortis Hospital, Mohali, won two awards at the 6th MT India Healthcare Awards 2016 held in Mumbai. The two award categories were 'Best Doctor in Rheumatology', and 'Best Innovative Medical Product of the Year'
- Fortis Hiranandani, Vashi, has won two Quality Excellence awards for 'Best Healthcare Services' and 'Dedicated Service' at the 5th CMO Asia World Quality Congress, held in Mumbai
- Nursing Teams of Fortis BG Road and Mulund won the prestigious Association of Healthcare Providers of India (AHPI) Award for Nursing Excellence at its Global Conclave held in Mumbai
- Fortis Hospital, Ludhiana, won the Asian Healthcare Leadership Award for Outstanding Achievement in Healthcare - Social Cause for "Charity Show for Acid Attack Fighters"
- Two of the Fortis facilities – Fortis Noida and Fortis Mohali – won the first and second prizes respectively in the Hospitals Sector at the National Energy Conservation Awards
- FMRI Gurgaon, won two awards under the "Process Innovation" and "Safety" categories of Frost & Sullivan's Project Evaluation & Recognition Program 2015
- Fortis Hospital, Noida, won the Comprehensive Neurosciences Service Provider of the Year award at the Frost & Sullivan 7th Annual India Healthcare Excellence Awards 2015
- Fortis Escorts Hospital, Jaipur, has won the Rajasthan State Productivity Council's Productivity Excellence Award for reducing Hospital Acquired Pressure Ulcers (bed sores) to Zero
- Fortis Vashi won the "Best Green Project in HealthCare" in the Healthcare Leadership award presented by ABP news associated with CMO Asia in November 2015
- Fortis Escorts Heart Institute was ranked as the best private cardiac care hospital by the WEEK-NIELSEN survey. In overall rankings, it was ranked No.2 after AIIMS
- Fortis Healthcare won the Golden Globe Tigers Award for 'Best Patient Safety Initiative'
- FEHI, New Delhi, was named the Best Single Speciality Hospital in Cardiology for the third time at the ICICI Lombard-CNBC TV18 India Healthcare Awards
- Critinext won the Golden Globe Tigers Award for Innovation in Quality Service Delivery
- Fortis received the Corporate Live Wire Innovation & Excellence 2015 Award for Healthcare Delivery
- Fortis Hospital, Mulund, Mumbai, received JCI re-accreditation for the fourth time in a row; Was amongst the select few in Asia to do so.

New initiatives, medical programs and specialties commissioned

During FY16, various new medical programs and dedicated super specialty centres were commissioned across various Fortis facilities.

- Fortis Mohali launched Mamma Mia, a comprehensive and distinctive bouquet of fitness, wellness and information solutions for maternity and child care. A one-stop facility to comprehensively address the needs of expectant mothers, beyond traditional medical care, Mamma Mia educates, prepares and empowers women to cope with the physical changes and fitness challenges that accompany the birthing process.
- FMRI launched a Liver Transplant Unit comprising a team of specialists that has conducted over 200 successful surgeries, including both, living donor and deceased donor transplantations.

- Fortis hospital Jaipur under took an initiative for the benefit of patients by launching a dedicated Rheumatoid Arthritis clinic.
- Fortis Malar launched a dedicated Fortis Stroke Centre to offer specialised treatment to patients suffering from acute ischemic stroke, resulting from obstruction in the blood supply to the brain due to a clot. The Centre brings together the finest people, processes and technology to offer holistic treatment to patients. The unit is accredited by the American Stroke Association.
- The Department of Mental Health and Behavioural Sciences, Fortis Healthcare, launched a Sports Psychology Programme at FMRI, to help sportspersons overcome emotional challenges and excel in their fields. The programme offers expertise in clinical and psychological counselling to sportspersons across the country.
- During the year, the company launched "The Nursing Operational leadership Program" which aims to provide Operational leadership roles/creating a Talent Bench, for Nurses. The program is aspirational, providing growth opportunities to our Nurses and an avenue to grow as Functional leaders/Value contributors. This Nursing operational leadership bench will set a precedence for future Nursing talent initiatives. The idea is to build a talent rich and talent ready organization, in interdisciplinary healthcare functions, besides setting high standards of delivery and leveraging operational change and excellence.

New Growth Initiatives: Continuing with its asset light growth strategy, the company has embarked on a well-defined plan through the "O&M" model. This will help it to capitalise on the opportunities available in select geographies, with negligible healthcare infrastructure, where affordable good quality healthcare services are required. The Company is working actively to enter into operations and management contracts with third parties who have expressed their keenness to partner with Fortis and are willing to undertake the investment required in setting up state of the art healthcare facilities with the latest technologies and medical equipment. The Company, .i.e. Fortis under its brand, would lend its expertise in the field of hospital operations along with its systems and processes for a management fee. It would also supplement the same by providing project consultancy services and technical inputs during the planning and implementation phase. While a number of such options are currently under evaluation, the Company has as on date signed definitive agreements each in Rajasthan, Assam, Bangladesh and Congo (Africa).

Key Highlights - FY16

- **Fortis La Femme, Richmond Road, Bengaluru:** In September 2015, the company launched La Femme, a comprehensive and distinctive boutique hospital for women offering a holistic range of medical services catering to all stages of a woman's life, at Richmond Road, Bengaluru. Fortis La Femme has been conceptualised keeping in mind contemporary women and the multiple roles they play. It aims to be their chosen healthcare partner by offering top notch clinical care, state of the art facilities and infrastructure, trained and experienced staff, that deliver services in a warm and nurturing environment. This facility is the second of its kind in the Fortis network; the first La Femme, in New Delhi, has earned a formidable reputation for itself over the last decade in providing personalized, tailor made, healthcare solutions for women.
- In line with its stated strategy to focus on India, the Company in Q1 of FY 2016 completed the last of its international divestments i.e. RadLink and Fortis Surgical Hospital in Singapore for a sale consideration of SGD 166 Mn in total.
- In February 2016, the Company's Board approved the acquisition of 51% economic rights in Fortis Hospotel Limited (FHTL), a subsidiary of the Religare Health Trust (RHT). The net investment consideration for the transaction is estimated to be approximately ₹ 740 Crore (net of receipt of dividend). As a result of the majority acquisition of FHTL, it will become a subsidiary of Fortis and hence be consolidated with Fortis. The transaction will result in lower service fees .i.e. net business trust fees that Fortis pays to the RHT thereby positively impacting its operating profitability (EBITDA).
- In Q2 FY16, the Company increased its equity stake in SRL Limited taking its stake to 56% from 53.9% previously. It acquired a 3.1% stake from Sabre Partners Trust, Spring Healthcare (P) Limited and Spring Healthcare India Trust.

- During Q3FY16, the Company acquired a 100% equity stake in Religare Health Trust Trustee Manager Pte Ltd, [a company incorporated in Singapore that acts as Trustee Manager to Religare Health Trust (RHT), of which the Company is Sponsor]. Since the majority of the assets owned by RHT are operated by Fortis and its subsidiary(ies), in order to have a more focused approach towards them strategically, it is decided to align the Trustee Manager (RHTTM) of RHT with the Sponsor of RHT.

Financial & Operational Highlights

For the financial year 2015-2016, the Company reported a consolidated total income of ₹ 4,276 Crore which includes revenue of ₹ 4,213 Crore from the India Operations and ₹ 62 Crore from the International Operations. This compares to the overall consolidated revenue of ₹ 4,140 Crore in the previous year. The impact on growth in revenue is primarily due to divestments of various international assets during the year. Consolidated Operating EBITDAC (before the net business trust fees) stood at ₹ 676 Crore, representing a margin of 15.8%. EBITDA (excluding other income and before exceptional item) for the year was at ₹ 219 Crore compared to ₹ 138 Crore in FY15, a growth of 59%. Net profit/ (loss) for the company was at ₹ (25) Crore compared to a loss of ₹ (144) Crore in FY15.

The India business comprising the Hospital and the Diagnostic business contributed ₹ 4,213 Crore, a growth of 7% over the corresponding year. For the year FY2015-16, the hospital business contributing 82% to the overall India business grew by 8% to ₹ 3,449 Crore, compared to ₹ 3,207 Crore in FY15. The India Diagnostic business reported net revenue of ₹ 764 Crore compared to ₹ 722 Crore in the corresponding previous period.

For the India business, the operating EBITDAC before net business trust costs stood at ₹ 692 Crore, representing a margin of 16.4%. The India Hospital business reported operating EBITDAC before net business trust costs at ₹ 508 Crore, a margin of 14.7% compared to ₹ 459 Crore (14.3% margin) reported in FY2015, a growth of 11%. The Diagnostics business in India reported EBITDA at ₹ 184 Crore, a growth of 25% and a margin of 24.1% compared to 20.4% margin reported in FY15.

The company's various key facilities continue to perform well both in terms of revenue and operating profit. These facilities include FMRI, Fortis BG Road, Fortis Noida, Fortis Vashi, Fortis Anandpur, Fortis Ludhiana and Fortis CH Road. Amongst the newer facilities, FMRI Gurgaon, the company's flagship facility launched in May 2013, became the largest revenue contributor across the Fortis network recording a growth of 18% in revenues to reach ₹ 413 Crore for the year. FMRI in a short span of time has become the highest ARPOB generating facility in the network of Fortis multispecialty hospitals. Fortis continues to launch new medical programs and dedicated super specialty centers across its various facilities viz. FEHI witnessed the launch of two new specialties i.e. Gastroenterology and Orthopedics. In September 2015, the Company launched La Femme, Bengaluru, a 70 bed comprehensive and distinctive boutique hospital for women offering a holistic range of medical services.

International patient revenues for the hospital business during the year stood at ₹ 343 Crore representing 10% of overall hospital business revenue, a growth of 8% compared to FY15.

Key operational parameters in the Company's hospital business continued to witness a healthy improvement. The Average Revenue per Occupied Bed (ARPOB) stood at ₹ 1.37 Crore compared to ₹ 1.26 Crore in FY15, a growth of 9%. Average Occupancy across the Fortis network stood at 72% compared to 70% during the previous year. Average Length of Stay (ALOS) stands reduced to 3.56 days in FY16 from 3.64 days in FY15.

The Company continued to maintain a healthy Balance Sheet with a net debt to equity ratio of 0.16x as on 31st March 2016 (0.24x times as on 31st March 2015). Net debt was at ₹ 753 Crore (including FCCBs of ₹ 562 Crore). Excluding the said FCCBs which are in the money (conversion at ₹ 99 per share), the net debt of the Company was at a low ₹ 190 Crore representing a net debt to equity of 0.04x times.

The Company in Q1FY16 successfully redeemed USD 100 Mn Foreign Currency Convertible Bonds (FCCBs) issued in 2010. The redemption was made from the Company's existing cash proceeds.

For Fortis, medical operations continue to be the key focus area at all its hospitals. The Medical Operations Group (MOG) of the company oversees clinical excellence, clinical outcomes, quality control and process standardization across the Fortis network. The prime objective is to achieve greater Clinical Excellence across the network by implementing Organizational priorities through a) identification & recruitment of best of the Clinical Talent, b) standardization of Medical processes, c) setting up world class Medical Infrastructure and Medical Technology Management.

During the first quarter of the financial year 2015-16, Fortis Healthcare entered into a contract with VitalHealth Software wherein Fortis implemented the VitalHealth QuestLink software for collecting Patient Reported Outcome Measures (PROMs) based on International Consortium for Health Outcomes Measurement (ICHOM) Standard Sets. Fortis has been using QuestLink to monitor clinical outcomes of patient treatments, making it the first organisation in India to do so. QuestLink was initially implemented to monitor the treatment of patients with Coronary Artery Disease in 13 hospitals, based on ICHOM's Standard Set for Coronary Artery Disease. Based on ICHOM's Standard Sets, care providers will be able to use clinical and patient reported outcomes to evaluate quality of care and make necessary adjustments to individualized care processes. This standardized outcomes data can be used for global sharing of benchmarking information.

Publishing Clinical Outcomes: To strengthen its core value of Patient Centricity, Fortis became the first, privately held, Indian healthcare chain to introduce monitoring of its clinical outcomes – starting with Fortis Escorts Heart Institute (FEHI), New Delhi. This initiative reinforces organizational accountability and transparency towards both, its patients as well as the payers.

FEHI has been part of the ICHOM (International Consortium for Health Outcomes Measurement) Coronary Artery Disease Steering Committee and has become the first Asian hospital to implement the ICHOM Coronary Artery Disease set. This requires monitoring and reporting of internationally accepted outcomes for clinical quality, Eg. incidence of post-operative complications (kidney failure, heart attack, wound infections) in patients undergoing Cardiac Bypass Surgery.

The ICHOM Standard Set for Coronary Artery Disease, implemented at FEHI measures and monitors Clinical Outcomes for 2 procedures, namely: Coronary Artery Bypass Graft (CABG) and Percutaneous Coronary Intervention (PCI, PTCA).

During the year, The Fortis Good Medical Practice Guidelines booklet was formally launched in September 2015. The booklet has been prepared to help our clinicians render the best possible clinical care to patients and uphold the fine tradition of medical practice at Fortis. Further, during the year, the Fortis Central Infection Prevention and Control Manual was released. The objectives are a) to standardize infection prevention and control practices across Fortis hospitals, b) to standardize infection prevention and control related forms/ formats/ documents and c). to provide a framework for infection risk identification and mitigation.

The Fortis network currently has 4 JCI accredited hospitals, 18 NABH accredited hospitals and 8 NABH accredited blood banks.

SRL Limited

The Company's diagnostic business, SRL Limited continues to be a leader in diagnostics having the largest network of 314 labs with a pan-India footprint. SRL is a mass market player and is present in all segments of pathology testing viz. screening, diagnostic, predictive, preventive and monitoring tests. It has an established network of approximately 7200 collection points which serve to pick samples across India and feed satellite and reference labs. During the financial year 2015-16, SRL reached out to over 60,000 doctors and at an average conducted over 125,000 tests every single day of the year. In FY16, SRL worked hard to create brands in a highly commoditized pathology market and succeeded in garnering an estimated 5% of portfolio sales. SRL's HCP Plus is a household name today.

Focus on indices of efficiency, bringing in of integrated platforms, decentralization of tests basis customer demand and putting a plan in place for creation of a new Centre of Excellence (COE) in "HLA and Transplant Immunology" were key operational areas of improvement. COE in HLA will be the 5th one as SRL already has Centres of Excellence in Histopathology, Hematology, Molecular Biology and Cytogenetics.

The SRL Team of Pathologists, Scientists and other Professionals maintained a close connect with the physicians in order to enhance the academic environment aiming eventually at improved patient outcomes. Hence, Clinico-pathological meetings, Tumor Boards, interaction of Microbiologists with critical care experts, one-on-one interactions with key opinion leaders, all contributed to making the critical difference in the nature of SRL's work and generating superior Outcomes this year.

In Hospital lab Management space, SRL made significant inroads with the addition of key accounts like Indira IVF and KRIMS, Nagpur. SRL's association with the Fortis hospitals gives it that cutting edge expertise in the managing of Labs inside the hospitals. The requirements of running the Labs inside the Hospitals are very demanding and challenging. Further, in the Hospital labs, there has to be a superior Microbiology set up and that helps all our Hospital associates in controlling Infections.

During the year, SRL won a prestigious project from UNICEF and Ministry of Health and Family Welfare for the Comprehensive National Nutritional Survey which requires screening of over 50,000 children across all States in India, for nutritional biomarkers.

The Corporate sales witnessed the acquisition of marquee clients like IBM, HLL, Yoga camp and Khadamat amongst others. SRL also forayed into Home Collection in a big way by introducing 'BUC Box', a hygienic one time use box, to collect samples across 13 large cities of the country with the eventual aim to expand to other cities as well.

Public Private Partnerships

During the year, SRL also made significant inroads into the Public Private Partnership (PPP) space in diagnostics, partnering with the Jharkhand government to set up labs in 12 districts of the state. This project also caters to the Below Poverty Line (BPL) population which is a significant percentage of the total population. SRL also bagged the Uttar Pradesh PPP project in which its mandate is to provide phlebotomy services in 22 District Hospitals. The samples are transported as per quality protocols to nearest SRL labs and are reported via web. Additionally, Himachal Pradesh PPP project continued to gain momentum with SRL now operating labs/centres in 24 hospitals of Himachal and providing comprehensive diagnostic services to the people of the state. The ability to serve Government institutions at Government prices whilst continuing to provide superior quality testing using the best of technology through efficient & trained staff have played critical roles in SRL having gained acceptance and trust in the PPP projects. SRL thus has been able to contribute positively towards the society as well as establish the role of a 'Private Diagnostic Lab' in the Government space.

International Business

The Diagnostic Centre in Kinshasa, DR Congo was commissioned in the first week of April 2016. Establishment of this Centre will act as a forerunner for bigger opportunities in Africa. The Kinshasa Lab will be providing high end Pathology and Imaging Diagnostics and will be positioned as a reference Lab for whole of Democratic Republic of Congo and the contiguous 5 countries. The collection centre network in Africa is being expanded. Further, two more laboratories have been planned in Sri Lanka - one each in Kandy and Galle. Presence in Nepal is being further expanded through a network of collection centers and a new laboratory in Biratnagar for which work is in progress. Similar opportunities are being explored in Bangladesh.

It is important to highlight that in light with the company's asset light growth strategy, SRL has no significant investments in its overseas diagnostic centers while simultaneously leveraging the opportunities that these countries have to offer.

Financials

For the financial year 2015-16, SRL Ltd. reported net revenues of ₹ 764 Crore (net of inter-company sales) compared to ₹ 722 Crore reported during the Financial Year 2014-15. The Company continues to witness noteworthy improvement in its operating performance with an EBITDA for the year at ₹ 184 Crore, representing a margin of 24.1% as compared to ₹ 147 Crore (margin of 20.4%) reported during the previous financial year.

On a standalone basis, SRL's financial picture shows Revenues & EBITDA growing at a CAGR of 12% and 28% respectively over the last 3 years. The revenue for the financial year 2015- 16 stood at ₹ 898 Crore, a growth of 7.9% and the operating EBITDA at ₹ 184 Crore with a growth of 25.1% over the previous year. The operating EBITDA margins have shown tremendous growth and moved from 12.4% in FY13 to 20.4% in FY16.

The business undertook a total of over 14.5 million accessions for Pathology and Radiology during the year, a growth of 6% over FY15. The company performed approximately 32.7 million tests during FY16 compared to 30.4 million tests conducted during FY15.

Key Awards and Recognitions

In keeping with its past tradition, SRL won several prestigious awards and accolades this year establishing its credentials as a leader and quality player in the Indian diagnostic space.

- National Quality Excellence Award 2016 in the category of 'Quality Excellence for Best Medical Testing Laboratories' presented by Stars of the Industry Group of World Quality Congress (February 20, 2016)
- Frost & Sullivan Award 2016 conferred to SRL Dubai for the 'Best Private Diagnostic Provider of the Year (February 2016)
- Six Sigma Healthcare Excellence Award 2015 for Best Diagnostic Service Provider of The Year (December 26, 2015)
- World's Greatest Brand & Leader 2015 Asia & GCC; SRL was chosen as the Brand & Dr Sanjeev Chaudhry was awarded as the Leader (December 12, 2015)

- Knowledge Management Leadership Awards 2015 (September 11, 2015)
- CMO Asia's Asia Healthcare Excellence Awards 2015 (August 12, 2015)
- Business Technology Award in Healthcare 2015 (August 2015)
- Express Security Strategist Awards 2015 (August 2015)
- CMO Asia's National Awards for Excellence in Healthcare 2015 (July 24, 2015)
- India's Best CIOs Top 50 Awards (July 23, 2015)

HUMAN RESOURCE

In FY2015-16, the company took a momentous step in its journey towards becoming a purpose-led organization, by announcing a new organization structure in December. We restructured our operational regions, moving from a 5 Region to a 3 Region operations. In a symbolic and practical shift, we also rechristened our 'Corporate Office', as 'Support Office'. This was done as a conscious effort in order to make the organization lean, responsive and agile; synergizing the teams in delivering the organizational goals.

"Ways of Working" Workshop: To optimally leverage this structure, we organized a workshop to co-create, evolve and renew our 'ways of working (WOW)'. The workshop was created to facilitate operational guidelines to help us collaborate and work together towards realizing the organizational objective of 'Saving & Enriching Lives'. In the workshop spanning two days in January, the key regional and support office team members worked in their respective functional and regional groups to create the 'One Fortis' ways of working. The workshop and the structural changes ensured that the operational teams are empowered and that the decision making happens closer to where the action is.

Hospital Experience Program: To understand, appreciate and experience the ground realities and challenges in delivering superior healthcare services at our various hospitals, the Hospital Experience Program was created and executed for all support office employees during the year. A 5-day highly experiential program was built to help support office employees build an insightful understanding into the functioning of hospital services. The program is learner-led and involves observing, doing and shadowing all key functions of a hospital.

Comprehensive Service Excellence - One Fortis initiative: As we continue on the path of excellence powered by having the right structure in place; learning is a strategic enabler - by facilitating development of employee potential, reskilling our workforce and adding business value. In FY 15-16, we launched a comprehensive Service Excellence - One Fortis initiative covering all patient-facing employees and successfully completed in excess of 72000 hours of training.

New programs: A few key programs rolled out amongst others include Reaching Your Peak, Fortis People Program, Leadership the Next Paradigm, Nursing Leadership programs, Nursing Supervisory Programs, Enhancing Sales Capability Program, Hospital experience Program, Medical for Non-Medical, Service Excellence Curriculum for front-end employees – Patient first , LEAP, Telequette, Corporate Grooming.

While the efforts to create and conduct best-in-class programs will continue, the L&D focus for FY2016-17 would be on effecting change in service behavior on the floor, creating a climate for better application of learnings from the training program at the job and co-evolving business impacting learning interventions leading to patient satisfaction.

Talent Management Initiatives: With a special focus on our two key target groups, nurses and doctors, several critical engagement and talent management initiatives were launched. In December '15, a cross functional team comprising MOG, Operations, HR and Nursing worked together to develop a comprehensive staffing plan covering the following areas: Manning Norms, Recruitment, Training & Career Path and Work Environment. Fortis Nursing Council (FNC) was re-launched and a Nursing Operational Leadership Talent Pipeline (NOLTP) program was launched to offer career opportunities in Operations to Nursing Heads. Nursing structure was strengthened at regions (Regional Nursing Heads reporting to Head of Nursing & R-COOs) and center (Head of Nursing reporting to CEO) with a voice on the table.

As on March 31, 2016, the company had a total employee base in the hospitals & the diagnostics business of 22,300 employees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

At Fortis, management has the overall responsibility to design, implement and monitor an effective process and control environment that is aligned to the inherent risk profile of the organization. Management is responsible for the identification, evaluation and management of significant risks. The Company has institutionalized a framework to focus on key risks that might impact achievement of business objectives. The framework entails a structured process to identify, assess and monitor the risks and initiate suitable mitigation strategies for effective risk management. The Board monitors exposure to these risks with the assistance of various committees and senior management.

The internal control framework is designed to manage and mitigate the risks faced by the Company. The company has designed and implemented an entity level control framework setting the control philosophy and principles which guide the organization policy and operating process framework.

The organizational role, responsibility and accountability structures with appropriate performance oversight processes are defined and aligned to provide an enabling environment to the business units and functions to operate as per the design control environment. Review and oversight procedures are designed to monitor effective adherence as per design.

The internal control system is commensurate with the nature of business, size and complexity of operations and has been designed to provide reasonable assurance on the achievement of objectives in effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

As part of overall governance mechanism around financial reporting and as stipulated under the Companies Act, 2013, Internal Controls over Financial Reporting (ICFR) framework have been institutionalized. The adequacy and operating effectiveness of the internal controls affecting financial reporting is assessed by the management.

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and supports a continuous improvement program. The internal audit program is managed by an Internal Audit function with direct reporting to the Audit and Risk Management Committee of the Board.

The scope and authority of the Internal Audit Function is derived from the Audit Charter approved by the Audit and Risk Management Committee of the Board. The Internal Audit function develops an internal audit plan to assess control design and operating effectiveness, as per the risk assessment methodology.

The Internal Audit function provides assurance to the Board and management that a system of internal control is designed and deployed to manage key business risks and is operating effectively.

Management provides action plans to address the observations noted from the internal audit reviews and action plans are monitored towards resolution under the supervision and guidance of the Audit and Risk Management Committee.

The Audit and Risk Management Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of internal audit observations.

FORWARD LOOKING STATEMENT

Except for the historical information contained herein, statements in this discussion which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy, future business plans, our growth and expansion in business, the impact of any acquisitions, our financial capabilities, technological implementation and changes, the actual growth in demand for our products and services, cash flow projections, our exposure to market risks as well as other general risks applicable to the business or industry. The Company undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof. These discussions and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

References

1. IBEF, Healthcare Update, January 2016
2. Market Research, reports, web articles, press & media reports and others

Independent Auditor's Report

To the Members of Fortis Healthcare Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of FORTIS HEALTHCARE LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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.
   c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
   e) On the basis of the written representations received from the directors as on 31 March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   g) 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:
      i. The Company has disclosed the impact of pending litigations on its financial position

in its financial statements – Refer Note 9 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366 W / W-100018)

V. SRIKUMAR
Partner
(Membership No. 84494)

Mumbai, 26 May 2016
VS/RT /2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of FORTIS HEALTHCARE LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting 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.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366 W / W-100018)

V. SRIKUMAR
Partner
(Membership No. 84494)

Mumbai, 26 May 2016
VS/RT /2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. The Company does not have any unclaimed deposits and accordingly the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Works Contract Tax, Customs Duty, Value Added Tax and cess with the appropriate authorities during the year and that there are no undisputed amounts in respect of these dues which have remained outstanding as at 31 March, 2016 for a period of more than six months from the date they became payable.

We are informed that the operations of the Company during the period did not give rise to any liability for Excise Duty and Sales Tax.

(b) Details of dues of Income-tax and Service Tax which have not been deposited as on March 31, 2016 on account of disputes are given below:-

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rupees in lacs)	Amount Unpaid (Rupees in lacs)
Income Tax Act	Income Tax & Interest Thereon	Commissioner of Income Tax (Appeals), Delhi	2012-13	332.08	332.08
Finance Tax, 1994	Service Tax and penalty	Custom Excise & Service Tax Appellate Tribunal	2007-08 to 2012-13	265.47	265.47
Finance Tax, 1994	Service Tax and penalty	Custom Excise & Service Tax Appellate Tribunal	2008-09 to 2011-12	294.35	294.35
TOTAL				**891.90**	**891.90**

We are informed that there are no dues in respect of Customs Duty, Works Contract Tax and Value Added Tax as at 31 March, 2016 which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a bank. The Company has not taken any loans or borrowings from financial institutions or government, nor has it issued any debentures during the year.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause (ix) of the CARO 2016 is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366 W / W-100018)

V. SRIKUMAR
Partner
(Membership No. 84494)

Mumbai, 26 May 2016
VS/RT /2016

Balance sheet as at March 31, 2016

	Notes	March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
1. Equity and liabilities			
Shareholders' funds			
(a) Share capital	4 (i)	**46,312.99**	46,280.54
(b) Reserves and surplus	4 (ii)	**314,513.55**	321,670.15
		360,826.54	367,950.69
2. Non-current liabilities			
(a) Long-term borrowings	4 (iii)	**61,572.40**	59,733.45
(b) Other long-term liabilities	4 (v)	**2,393.30**	2,336.02
(c) Long-term provisions	4 (vi)	**1,267.16**	1,140.81
		65,232.86	63,210.28
3. Current liabilities			
(a) Short-term borrowings	4 (vii)	**42,881.87**	-
(b) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	4 (viii)	**-**	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	4 (viii)	**11,604.26**	9,693.93
(c) Other current liabilities	4 (ix)	**9,154.84**	73,843.84
(d) Short-term provisions	4 (x)	**1,236.56**	1,221.63
		64,877.53	84,759.40
TOTAL		**490,936.93**	515,920.37
Assets			
1 Non-current assets			
(a) Fixed assets			
- Tangible assets	4 (xi) (a)	**12,657.36**	14,433.56
- Intangible assets	4 (xi) (b)	**4,512.45**	4,577.93
- Capital work-in-progress		**17,753.67**	16,900.42
		34,923.48	35,911.91
(b) Non-current investments	4 (xii)	**241,550.12**	210,273.46
(c) Long-term loans and advances	4 (xiii)	**90,637.88**	87,626.16
(d) Other non-current assets	4 (xiv)	**3,693.56**	6,654.48
		370,805.04	340,466.01
2 Current assets			
(a) Current investments	4 (xv)	**22,000.00**	30,839.71
(b) Inventories	4 (xvi)	**582.74**	723.70
(c) Trade receivables	4 (xvii)	**10,233.58**	9,511.37
(d) Cash and bank balances	4 (xviii)	**924.54**	629.30
(e) Short-term loans and advances	4 (xvix)	**71,220.64**	112,510.02
(f) Other current assets	4 (xx)	**15,170.39**	21,240.26
		120,131.89	175,454.36
TOTAL		**490,936.93**	515,920.37
See accompanying notes forming part of the financial statements	1-32		

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
V. SRIKUMAR
Partner

Place : Mumbai
Date : May 26, 2016

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

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurgaon
Date : May 26, 2016

Statement of Profit and Loss for the year ended March 31, 2016

			Notes	March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
1	**Income**				
	(a)	Revenue from operations	4 (xxi)	**61,159.16**	61,064.07
	(b)	Other income	4 (xxii)	**14,723.50**	21,791.16
	Total revenue			**75,882.66**	82,855.23
2	**Expenses**				
	(a)	Purchase of medical consumables and drugs		**14,584.40**	14,858.15
	(b)	Decrease/ (increase) in inventories of medical consumables and drugs	4 (xxiii)	**(129.20)**	(128.43)
	(c)	Employee benefits expense	4 (xxiv)	**17,352.51**	17,995.69
	(d)	Other expenses	4 (xxv)	**41,136.18**	43,206.41
	Total expenses			**72,943.89**	75,931.41
3	**Earnings before interest, tax, depreciation and amortization (EBITDA) (1-2)**			**2,938.77**	6,923.82
4	Finance costs		4 (xxvi)	**6,214.06**	8,063.46
5	**Loss before tax, depreciation and amortisation (3-4)**			**(3,275.29)**	(1,139.64)
6	Depreciation and amortisation expense		4 (xxvii)	**2,542.41**	2,713.26
7	**Loss before exceptional items and tax (5-6)**			**(5,817.70)**	(3,852.90)
8	Exceptional items		4 (xxviii)	**(1,533.06)**	265.37
9	**Loss before tax (7-8)**			**(7,350.76)**	(3,587.53)
10	**Tax expenses:**				
	(a)	Current tax [including adjustment of tax relating to earlier years ₹ Nil (Previous year ₹ 216.59 lacs)]		-	(216.59)
	(b)	Deferred tax charge / (credit)		-	19.65
		Total tax expenses		-	(196.94)
11	**Loss for the year (9-10)**			**(7,350.76)**	(3,390.59)
12	**Earnings per share [Nominal value of shares Rupees 10/- each (Previous year Rupees 10/- each)]**		4 (xxix)		
	-	Basic		**(1.59)**	(0.73)
	-	Diluted		**(1.59)**	(0.73)
See accompanying notes forming part of the financial statements			1-32		

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
V. SRIKUMAR
Partner

Place : Mumbai
Date : May 26, 2016

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

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurgaon
Date : May 26, 2016

Cash Flow statement for the year ended March 31, 2016

Particulars		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
A.	**Cash flow from operating activities**		
	Profit/ (loss) before exceptional items and tax	**(5,817.70)**	(3,852.90)
	Adjustments for:		
	Depreciation and amortization expense	**2,542.41**	2,713.26
	Loss on sale of assets	**67.28**	106.51
	Profit on redemption of mutual funds	**(464.71)**	(2,137.37)
	Provision for doubtful debts and advances	**1,004.88**	1,146.35
	Provision for contingencies	**26.59**	-
	Bad debts and advances written off	**0.03**	260.23
	Finance charges	**12.34**	22.96
	Unrealised foreign exchange fluctuation loss (net)	**3,261.89**	2,290.48
	Excess provisions written back	**(151.53)**	(231.87)
	Commitment fee no longer payable	**-**	(250.00)
	Wealth tax	**-**	10.98
	Interest income	**(13,455.56)**	(19,379.40)
	Interest expense	**6,051.32**	7,884.63
	Operating loss before working capital changes	**(6,922.76)**	(11,416.14)
	Movements in working capital :		
	(Increase)/ decrease in trade receivables	**(1,822.18)**	(2,038.44)
	(Increase)/ decrease in inventories	**109.89**	(88.17)
	(Increase)/ decrease in loans and advances	**(558.72)**	(1,450.54)
	(Increase)/ decrease in other assets	**680.63**	(62.68)
	Increase/ (decrease) in trade payables, other liabilities and provisions	**(58,714.58)**	3,745.06
	Cash used in operations	**(67,227.72)**	(11,310.91)
	Direct taxes paid (net of refunds)	**(2,132.90)**	(3,079.82)
	Net cash flows used in operating activities (A)	**(69,360.62)**	(14,390.73)
B.	**Cash flows from investing activities**		
	Capital expenditure on fixed assets, including capital advances	**(5,546.40)**	(6,987.40)
	Proceeds from sale of fixed assets	**1,815.91**	186.52
	Investment in bank deposits	**(37.61)**	(12.57)
	Loans to subsidiaries (given)/ repayments (net)	**40,882.02**	(16,843.92)
	Purchase of investments in subsidiary	**(10,536.95)**	(5.00)
	Purchase/ (redemption) of investments in mutual funds (net)	**(11,435.29)**	40,544.00
	Interest received	**22,546.91**	14,924.26
	Payment for purchase of business unit under slump sale (total purchase consideration)	**-**	(4,000.00)
	Sale of clinical establishment	**223.86**	1,578.82
	Net cash flows from investing activities (B)	**37,912.45**	29,384.71

Particulars		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
C.	**Cash flows from financing activities**		
	Proceeds from issuance of equity share capital [including securities premium of ₹ 287.90 lacs (Previous Year ₹ 12.29 lacs)	**320.34**	14.20
	Redemption of foreign currency convertible bonds	**(64,350.24)**	-
	Repayments of long-term borrowings (net)	**61,129.24**	(8,726.68)
	Proceeds/ (repayments) of short-term borrowings (net)	**42,545.84**	(457.32)
	Loan arrangement fees (paid)/ refunded (net)	**(717.06)**	(13.06)
	Interest paid	**(7,170.51)**	(7,844.98)
	Net cash flows from/ (used in) financing activities (C)	**31,757.61**	(17,027.84)
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**309.44**	(2,033.86)
	Effect of exchange differences on cash and cash equivalents held in foreign currency	**-**	-
	Total cash and cash equivalents at the beginning of the year	**611.55**	2,624.20
	Add: Cash and cash equivalents acquired in respect of business unit purchased during the year	**(10.96)**	21.21
	Cash and cash equivalents at the end of the year	**910.03**	611.55
	*** Cash and cash equivalents at the end of the year comprises:**		
	Cash on hand	**50.75**	66.36
	Cheques in hand		-
	Balances with banks on current accounts	**859.28**	545.19
	Balances held as margin money	**11.00**	-
	Balances with banks on deposit accounts	**3.51**	17.75
		924.54	629.30
	Less: Deposits not considered as cash equivalents	**14.51**	17.75
	Total	**910.03**	611.55

See accompanying notes forming part of the financial statements **1-32**

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
V. SRIKUMAR
Partner

Place : Mumbai
Date : May 26, 2016

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

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurgaon
Date : May 26, 2016

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. Nature of operations

Fortis Healthcare Limited (the 'Company' or 'FHL') was incorporated in the year 1996 and commenced its hospital operations in the year 2001. As part of its business activities, the Company holds interests in its subsidiaries, joint ventures and associate companies through which it manages and operates a network of multi-specialty hospitals and diagnostic centers. The Company's equity shares are listed on both BSE Limited and National Stock Exchange of India. The Company's 4.66%+ LIBOR foreign currency convertible bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

2) Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

3) Summary of Significant Accounting Policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Change in Estimate

Till the year ended March 31, 2014, depreciation was provided as per rates prescribed under Schedule XIV of the Companies Act, 1956. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management re-estimated the useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used based on Schedule II fairly reflect its estimate of the useful lives and residual values of fixed assets.

Where the asset had zero remaining useful life on the date of Schedule II becoming effective, i.e., April 1, 2014, its carrying amount, after retaining any residual value, was charged to the opening balance of surplus in the statement of profit and loss, as a result an amount of ₹ 300.60 lacs had been charged to the opening balance of surplus as on April 1, 2014 in the statement of profit and loss. The carrying amount of other assets i.e. assets - whose remaining useful life was not nil on April 1, 2014, is depreciated over their remaining useful life.

Had the Company continued to depreciate the assets at the earlier rates, depreciation and loss for the previous year would have been lower by ₹ 607.52 lacs.

b. Inventories

Inventories of medical consumables, drugs, linen and stores and spares are valued at lower of cost or net releasable value. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

c. **Cash and cash equivalents (for the purpose of Cash Flow Statement)**

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

d. **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items, extraordinary items and tax is adjusted for the effects of transactions of 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 based on the available information.

e. **Depreciation on tangible fixed assets and intangible assets**

i. Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following useful lives to provide depreciation on its fixed assets.

Assets	Useful Lives
Building	30 Years
Plant and Machinery	15 years
Medical Equipment	13 years
Computers	3 years
Furniture and fittings	10 years
Office equipments	5 years
Vehicles	4-8 years

ii. Depreciation on Leasehold improvements is provided over the primary period of lease or over the useful lives of the respective fixed assets, whichever is shorter.

iii. Buildings constructed over the land under lease are depreciated over the shorter of estimated life or lease period.

Change in Accounting Policies

i. Till year ended March 31, 2014, in accordance with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than ₹ 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from year ended March 31, 2015, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company had changed its accounting policy for depreciations of assets costing less than ₹ 5,000/- from the year ended March 31, 2015. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management had decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

The change in accounting for depreciation of assets costing less than ₹ 5,000/- did not had any material impact on financial statements of the Company for the year then ended.

ii. The Company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset. Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed assets. Now, the Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. This change in accounting policy did not have any material impact on financial statements of the Company for the current year and previous year.

Software

Cost of software is amortized over a period of 3-6 years, being the estimated useful life as per the management estimates.

Non-compete fees

Non-compete fee which is valued based on the incremental cash flows attributable to the non-compete covenant entered during the acquisition of business is capitalized and amortised over an estimated useful period of 3-5 years over which the benefits are likely to accrue, on a straight line basis.

Licence fee

License fees represents fees paid pursuant to Name User Agreement that entitles the Company for carrying on business. The amount paid has been capitalised and amortized over the useful life or 10 years, whichever is shorter

f. **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Operating Income

Operating income is recognised as and when the services are rendered / pharmacy items are sold. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Management fee from hospitals and income from medical services is recognised as and when the contractual obligations arising out of the contractual arrangements with respective hospitals are fulfilled.

Income from Satellite Centers

Income from satellite centres is recognised on accrual basis in accordance with the terms of respective agreements entered into in respect thereof.

Income from Clinical Research

Income from clinical research is recognised as and when the services are rendered in accordance with the terms of the respective agreements.

Income from Sponsorships

Sponsorship income is recognized when the underlying obligations are completed as per contractual terms.

Income from Academic Services

Revenue is recognized on pro-rata basis on the completion of such services over the duration of the program.

Equipment Lease Rentals and Income from Rent

Revenue is recognised in accordance with the terms of lease agreements entered into with the respective lessees on straight line basis.

Export benefits

Income from 'Served from India Scheme' is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

g. Tangible fixed assets

Fixed assets are stated at cost (or fair value, in case of acquisitions under slump sale) less of accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition/disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized/disposed.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs which meet capitalization criteria, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Gains or losses arising from derecognition/disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized/disposed.

Goodwill

Goodwill arising on acquisition is recognized based on the difference between the purchase consideration and assets acquired during acquisition. The same is carried at cost and tested for impairment on an accrual basis in accordance with impairment policy stated below.

i. Capital work-in-progress

Project under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

j. Foreign Currency Transaction

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

(a) Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

(b) Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

(c) Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

(d) All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of b and c above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012 exchange differences for this purpose are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

k. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

l. Retirement and other employee benefits

i. Contribution to provident fund

The Company makes contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined benefit scheme the contribution of which is being deposited with "Escorts Heart Institute and Research Centre Employees Provident Fund Trust" managed by the Company; such contribution to the trust additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall, if any has to be provided for as at the balance sheet date.

ii. Gratuity

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

iii. Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

iv. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include bonus/incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

m. Borrowing cost

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisitions, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the year they occur.

n. Segment Reporting

The Company is primarily engaged in the business of healthcare services which is 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. Healthcare services include various patient services delivered through clinical establishment, medical service companies, pathology and radiology services etc.

The Company's business activity primarily falls within a single geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard 17 on 'Segment Reporting'.

o. Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Leases where the lessor effectively transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases and are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an 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 such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

p. **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year (including prior period items, if any) attributable to the equity shareholders (after deducting attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

q. **Income Taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

r. Impairment of tangible and intangible assets

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to asset. This rate is estimated from the rate implicit in current market transactions for similar assets or from the weighted average cost of capital of the Company. Impairment losses are recognised in statement of profit and loss.

ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

iii. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

iv. The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in the statement of profit and loss.

s. Unamortised finance charges

Costs incurred in raising funds are amortised on straight line basis over the period for which the funds have been obtained, using time proportionate basis.

t. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III to the Companies Act, 2013), the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company includes under other income, but does not include depreciation and amortization expense, finance costs and tax expense.

u. Employee share based payments

Employee Stock Options granted on or after 1 April, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India (refer note 10).

v. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

w. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

x. Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4(i)	**Share capital**		
	Authorised Shares		
	600,000,000 (Previous year 600,000,000) Equity shares of ₹ 10 each	**60,000.00**	60,000.00
	200 (Previous Year 200) Class 'A' Non- Cumulative Redeemable Preference Shares of ₹ 100,000 each	**200.00**	200.00
	11,498,846 (Previous Year 11,498,846) Class 'B' Non- Cumulative Redeemable Preference Shares of ₹ 10 each	**1,149.88**	1,149.88
	64,501,154 (Previous Year 64,501,154) Class 'C' Cumulative Redeemable Preference Shares of ₹ 10 each	**6,450.12**	6,450.12
	Total authorised share capital	**67,800.00**	67,800.00
	Issued, subscribed and fully paid up shares		
	463,129,994 (Previous year 462,805,414) Equity shares of ₹ 10 each	**46,312.99**	46,280.54
	Total issued, subscribed and fully paid up share capital	**46,312.99**	46,280.54

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

Particulars	March 31, 2016		March 31, 2015	
	Number	Value ₹ in Lacs	Number	Value ₹ in Lacs
At the beginning of the year	**462,805,414**	**46,280.54**	462,786,314	46,278.63
Issued during the year: Employee Stock Option Plan (ESOP) (Refer note 10)	**324,580**	**32.45**	19,100	1.91
Outstanding at the end of the year	**463,129,994**	**46,312.99**	462,805,414	46,280.54

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. 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 Director. 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 shareholder.

(c) Shares held by the holding company/ ultimate holding company and/ or their subsidiaries

Equity Shares

Name of Shareholder	March 31, 2016		March 31, 2015	
	Number	Value ₹ in Lacs	Number	Value ₹ in Lacs
Fortis Healthcare Holdings Private Limited, the holding company	**329,591,529**	**32,959.15**	329,591,529	32,959.15
RHC Holding Private Limited, the ultimate holding company	**218,250**	**21.83**	218,250	21.83

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

Equity Shares

Name of Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Holdings Private Limited, the holding company	**329,591,529**	**71.17%**	329,591,529	71.22%
International Finance Corporation	**19,345,462**	**4.18%**	25,793,949	5.57%

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.

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company, please refer note 10.

(f) Shares reserved for issue on conversion

For details of shares reserved for issue on conversion of bonds, please refer note 19, 20 & 21 regarding terms of conversion/ redemption of bonds.

			March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (ii)	**Reserves and surplus**			
	(a) Securities premium account			
	Opening balance		**298,110.10**	298,548.56
	Add : Premium on shares issued during the year		**287.90**	12.29
	Less: Amount utilized for accrual of premium payable on redemption of 5% foreign currency convertible bonds (refer note 19)		**(91.86)**	(450.75)
	Closing balance	(A)	**298,306.14**	298,110.10
	(b) General reserve			
	Opening balance		**5,513.99**	5,513.99
	Closing balance	(B)	**5,513.99**	5,513.99
	(c) Foreign currency monetary item translation difference account			
	Opening balance		**(61.34)**	(1,181.62)
	Effect of foreign exchange rates variation during the year		**(1.88)**	1,120.28
	Closing balance	(C)	**(63.22)**	(61.34)
	(d) Amalgamation reserve			
	Opening balance		**156.00**	156.00
	Closing balance	(D)	**156.00**	156.00
	(e) Debenture redemption reserve (refer note 19)			
	Opening balance		**15,174.63**	11,622.54
	Transferred (to)/ from Surplus balance in the statement of profit and loss		**(15,174.63)**	3,552.09
	Closing balance	(E)	**-**	15,174.63

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
(f) Surplus in the statement of profit and loss			
Opening balance		**2,776.77**	10,020.05
Loss for the year		**(7,350.76)**	(3,390.59)
Impact of Depreciation (refer note 3(a))		-	(300.60)
Transfer from/(to) Debenture redemption reserve		**15,174.63**	(3,552.09)
Closing balance	**(F)**	**10,600.64**	2,776.77
Total (A+B+C+D+E+F)		**314,513.55**	321,670.15

	March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (iii) Long-term borrowings		
Secured		
(a) **Term loans**		
- from a bank [refer note 7 (i)(a)]	**5,323.43**	-
- from a body corporate [refer note 7 (i)(b)]	-	6,748.25
	5,323.43	6,748.25
Unsecured		
(b) Bonds		
(i) (4.66%+LIBOR) Foreign currency convertible bonds [refer note 7 (ii)]	**19,852.58**	18,700.66
(ii) (4.86%+LIBOR) Foreign currency convertible bonds [refer note 7 (ii)]	**36,396.39**	34,284.54
	56,248.97	52,985.20
	61,572.40	59,733.45
4 (iv) Deferred tax liabilities/ (assets) (net)		
(a) Tax effect of items constituting deferred tax liabilities		
(i) On difference between book balance and tax balance of fixed assets	**2,959.02**	839.88
Deferred tax liability	**2,959.02**	839.88
(b) Tax effect of items constituting deferred tax assets		
(i) Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	**2,503.72**	736.88
(ii) On carry forward business losses and unabsorbed depreciation	**9,763.58**	690.97
(iii) Provision for doubtful debts / advances	**2,915.94**	824.48
Deferred tax asset	**15,183.24**	2,252.33
Net deferred tax liability/ (asset)*	-	-

* The Company has recognised deferred tax asset to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax in absence of virtual certainty supported by convincing evidence that can be realized against future taxable profits.

		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (v)	**Other long-term liabilities**		
	(a) Payables on purchase of fixed assets	-	53.76
	(b) Lease equalisation reserve	**2,393.30**	2,267.86
	(c) Others	-	14.40
		2,393.30	2,336.02
4 (vi)	**Long-term provisions**		
	(a) **Provision for employees benefits**		
	- Provision for gratuity (refer note 11)	**1,267.16**	1,140.81
		1,267.16	1,140.81
4 (vii)	**Short-term borrowings**		
	Secured		
	(a) Bank overdraft [refer note 7 (i)(c)]	**381.87**	-
	Unsecured		
	(b) Commercial papers [refer note 7 (ii)]	**42,500.00**	-
		42,881.87	-
4 (viii)	**Trade payables**		
	(a) Total outstanding dues of micro enterprises and small enterprises (refer note 23)	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	**11,604.26**	9,693.93
		11,604.26	9,693.93
4 (ix)	**Other current liabilities**		
	Secured		
	(a) Current maturities of term loans [refer note 7(i)]	**1,547.20**	1,328.67
	Unsecured		
	(b) Current maturities of foreign currency convertible bonds [refer note 7 (ii)]	-	62,335.53
	(c) Interest accrued but not due on borrowings	**1,150.44**	2,269.65
	(d) Premium payable on redemption of 5% foreign currency convertible bonds	-	1,922.85
	(e) Payable to subsidiaries	**4,004.74**	2,630.96
	(f) Payable to related parties	**0.03**	51.90
	(g) Payables on purchase of fixed assets	**807.51**	1,153.41
	(h) Advances from patients	**602.58**	926.22
	(i) Statutory payables	**743.48**	744.58
	(j) Security deposits received	**7.57**	12.05
	(k) Book overdrafts	-	336.02
	(l) Technology renewal fund*	**24.00**	18.00
	(m) Employee payable	**158.79**	88.12
	(n) Other payables	**108.50**	25.88
		9,154.84	73,843.84

* Technology renewal fund represents fund maintained from the Base Service Fee payable to the Hospital Service Companies, for funding the replacement, refurbishment and/or upgrade of radiology and other medical equipment owned/used by Hospital Service Companies.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (x)	**Short-term provisions**		
	(a) Provision for employees benefits		
	- Provision for gratuity (refer note 11)	**64.36**	83.22
	- Provision for leave encashment	**940.58**	918.20
	(b) Provision - Others		
	- Provision for wealth tax	**-**	10.98
	- Provision for contingencies (Refer note below)	**231.62**	209.23
		1,236.56	1,221.63
	Note:		
	(i) Provision for Imdenification (refer note 16(ii)) **(A)**	**205.03**	205.03
	(ii) Others		
	Opening balance	**4.20**	-
	Add: Provision made during the year	**26.59**	-
	Add: Acquired under slump sale	**-**	4.20
	Less: Reclassified during the year	**(4.20)**	-
	Closing balance **(B)**	**26.59**	4.20
	Provision for contingencies - Total (A+B)	**231.62**	209.23

Note 4 (x)(a): Tangible assets (At Cost) (Owned)

(₹ in Lacs)

	Freehold land	Leasehold improvements	Plant & machinery	Medical equipments	Furniture & fittings	Computers	Office equipments	Vehicles	Total
Gross Block									
At April 1, 2014	10.09	2,883.40	3,056.26	15,155.12	1,234.40	883.97	359.34	1,162.87	24,745.45
Additions	-	14.30	318.08	3,790.72	108.79	143.23	60.09	501.89	4,937.10
Disposals	-	2,329.94	1,774.68	1,231.30	237.90	13.14	21.63	215.27	5,823.86
At March 31, 2015	**10.09**	**567.76**	**1,599.66**	**17,714.54**	**1,105.29**	**1,014.06**	**397.80**	**1,449.49**	**23,858.69**
Additions	-	-	52.96	1,666.41	41.55	143.91	45.49	257.82	2,208.14
Disposals	-	420.49	647.38	1,253.32	155.99	99.91	23.31	236.13	2,836.53
At March 31, 2016	**10.09**	**147.27**	**1,005.24**	**18,127.63**	**990.85**	**1,058.06**	**419.98**	**1,471.18**	**23,230.30**
Accumulated Depreciation									
At April 1, 2014	-	1,644.60	1,798.31	5,730.76	593.27	592.79	121.93	331.81	10,813.47
Charge for the year	-	86.29	172.04	1,720.57	171.10	263.09	172.12	193.78	2,778.99
Disposals	-	1,582.48	1,429.43	903.90	155.54	14.48	11.64	69.86	4,167.33
At March 31, 2015	-	**148.41**	**540.92**	**6,547.43**	**608.83**	**841.40**	**282.41**	**455.73**	**9,425.13**
Charge for the year	-	32.94	98.78	1,292.78	77.69	121.47	53.89	423.60	2,101.15
Disposals	-	111.00	142.99	413.72	62.21	89.36	18.40	115.66	953.34
At March 31, 2016	-	**70.35**	**496.71**	**7,426.49**	**624.31**	**873.51**	**317.90**	**763.66**	**10,572.94**
Net Block									
At March 31, 2015	**10.09**	**419.35**	**1,058.74**	**11,167.11**	**496.46**	**172.66**	**115.39**	**993.76**	**14,433.56**
At March 31, 2016	**10.09**	**76.92**	**508.53**	**10,701.14**	**366.54**	**184.55**	**102.08**	**707.52**	**12,657.36**

Note: The above assets include certain fixed assets leased pursuant to operating lease agreement [refer note 6(b)].

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Note 4 (x)(b): Intangible assets (At Cost) (Owned)

₹ in Lacs

	Technical know how fees	Software	Goodwill [refer note 13 (b)]	Total
Gross Block				
At April 1, 2014	201.42	1,867.19	-	2,068.61
Additions	-	837.30	3,292.57	4,129.87
At March 31, 2015	**201.42**	**2,704.49**	**3,292.57**	**6,198.48**
Additions		376.91		376.91
Disposals	-	6.96		6.96
At March 31, 2016	**201.42**	**3,074.44**	**3,292.57**	**6,568.43**
Amortisation				
At April 1, 2014	201.42	1,184.26	-	1,385.68
Charge for the year	-	234.87	-	234.87
At March 31, 2015	**201.42**	**1,419.13**	-	**1,620.55**
Charge for the year		441.27		441.27
Disposals	-	5.84		5.84
At March 31, 2016	**201.42**	**1,854.56**	-	**2,055.98**
Net Block				
At March 31, 2015	-	**1,285.36**	**3,292.57**	**4,577.93**
At March 31, 2016	-	**1,219.88**	**3,292.57**	**4,512.45**

	March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (xii) Non-current investments (valued at cost unless stated otherwise)		
Trade investments		
Investment in unquoted equity instruments (fully paid up instruments)		
(a) Investment in subsidiaries		
Escorts Heart Institute and Research Center Limited	**71,894.80**	71,894.80
[2,000,310 (Previous year 2,000,310) Equity Shares of ₹ 10 each] (Of the above, 50 shares (Previous year 50 shares) are held with nominee share holders)		
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited)	**5.00**	5.00
[50,000 (Previous year 50,000) Equity Shares of ₹ 10 each] (Of the above, 6 shares (Previous year 6 shares) are held jointly with individual share holders)		
Fortis Healthcare International Limited, Mauritius	**14,744.49**	14,744.49
[98,560,000 (Previous year 98,560,000) Ordinary Shares of US$ 0.32/- each (Previous year US$ 0.32 each)]		
Fortis Hospitals Limited	**40,210.58**	40,210.58

	March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
[40,300,577 (Previous year 40,300,577) Equity Shares of ₹10 each] (Of the above, 6 shares (Previous year 6 shares) are held jointly with individual share holders)		
Hiranandani Healthcare Private Limited	**3,040.00**	3,040.00
[3,400,000 (Previous year 3,400,000) Equity Shares of ₹ 10 each] (Of the above, 3 shares (Previous year 3 shares) are held jointly with individual share holders)		
SRL Limited ('SRL')	**90,905.48**	80,368.53
[45,236,779 (Previous year 42,749,217) Equity Shares of ₹ 10 each] Shareholding in SRL is pledged to secure a term loan from a body corporate [refer note 7(i)(b)]		
Fortis Hospotel Limited (refer note 17)	**20,739.71**	-
[149,822,782 (Previous year Nil) Equity Shares of ₹ 10 each] (of the above, 6 shares (Previous year 6 shares) are held by nominee shareholders)		
Fortis CSR Foundation	**5.00**	5.00
[50,000 (Previous year 50,000) Equity Shares of ₹ 10 each] (Of the above, 6 shares (Previous year NIL) are held with nominee share holders)		
	241,545.06	210,268.40
(b) Investment in associate companies		
Fortis Medicare International Limited	**4.75**	4.75
[10,000 (Previous year 10,000) Ordinary Shares of US$ 1 each]		
Sunrise Medicare Private Limited [3,126 (Previous year 3,126) Equity Shares of ₹ 10 each]	**0.31**	0.31
	5.06	5.06
Aggregate amount of unquoted investments	**241,550.12**	210,273.46

	March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (xiii) Long-term loans and advances		
(Unsecured, considered good)		
(a) Capital advances	**132.63**	141.34
(b) Security deposits	**2,797.00**	2,894.44
(c) Loans and advance to related parties (refer note 25)	**73,507.77**	73,404.02
(d) Advance income tax (net of provision for taxation)	**9,509.91**	7,029.05
(e) MAT credit entitlement	**4,157.31**	4,157.31
(f) Loan to employee	**453.56**	-
(g) Technology renewal fund advance	**30.89**	-
(h) Advances recoverable in cash or in kind or for value to be received	**48.81**	-
	90,637.88	87,626.16

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (xiv)	**Other non-current assets**		
	(a) Unamortised finance charges	-	6.99
	(b) Interest accrued but not due on loans and bank deposits	**3,109.19**	5,651.46
	(c) Balances held as margin money or security against guarantees	**82.13**	41.29
	(d) Long term trade receivables (unsecured, considered good)	**502.24**	954.74
		3,693.56	6,654.48
4 (xv)	**Current investments (At lower of cost and fair value, unless otherwise stated)**		
	(a) Investment in equity instruments of a subsidiary company (Unquoted)	-	20,739.71
	Fortis Hospotel Limited (refer note 17)		
	[Nil (Previous year 149,822,782) Equity Shares of ₹ 10 each]		
	(of the above, 6 shares (Previous year 6 shares) are held jointly with individual share holders)		
	(b) Investment in mutual funds (Unquoted)		
	72,599 (Previous year Nil) units of ₹ 1000 each in UTI Liquid Cash Plan Institutional- Growth Option	**1,800.00**	-
	242,371 (Previous year Nil) units of ₹ 1000 each in Religare Liquid Fund Super Institutional Growth	**5,050.00**	-
	Nil (Previous year 9,078,941) units of ₹ 10 each in HDFC Banking & PSU Debt Fund - Direct Growth Option	-	1,000.00
	2,253,537 (Previous year 821,247) units of ₹ 10 each in ICICI Prudential Flexible Income - Direct Plan - Growth	**5,050.00**	1,700.00
	274,507 (Previous year 41,189) units of ₹ 10 each in IDFC Cash Fund Growth	**5,050.00**	700.00
	Nil (Previous year 4,300,619) units of ₹ 10 each in IDFC Money Manager Fund - Treasury Plan - Growth - Direct Plan	-	950.00
	Nil (Previous year 20,531) units of ₹ 10 each in Reliance Liquid Fund-Treasury plan Growth	-	700.00
	Nil (Previous year 23,468) units of ₹ 10 each in L & T Liquid Fund-Growth Direct Plan	-	450.00
	Nil (Previous year 51,939) units of ₹ 10 each in Reliance Money Manager Fund	-	1,000.00
	Nil (Previous year 3,260,893) units of ₹ 10 each in HDFC Liquid Fund	-	900.00
	169,029 (Previous year Nil) units of ₹ 1,000 each in HDFC Liquid Fund	**5,050.00**	-
	Nil (Previous year 51,585) units of ₹ 10 each in Religare Invesco Ultra Short Term Fund	-	1,000.00
	Nil (Previous year 913,111) units of ₹ 100 each in Birla Sun Life Floating Rate Fund - Growth Direct Plan	-	1,700.00
	Total (Unquoted)	**22,000.00**	30,839.71

	March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (xvi) Inventories (valued at lower of cost and net realisable value)		
(a) Medical consumables and drugs	**582.74**	711.94
(b) Stores and spares	-	11.76
	582.74	723.70
4 (xvii) Trade receivables		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	**4,686.88**	4,792.01
- Doubtful	**1,963.51**	1,563.08
	6,650.39	6,355.09
Less: Provision for doubtful receivables	**(1,963.51)**	(1,563.08)
	4,686.88	4,792.01
(b) Other receivables		
- Unsecured, considered good	**5,546.70**	4,719.37
- Doubtful	**407.12**	325.90
	5,953.82	5,045.27
Less: Provision for doubtful receivables	**(407.12)**	(325.91)
	5,546.70	4,719.36
	10,233.58	9,511.37
4 (xviii) Cash and cash equivalents		
(a) Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
(i) Cash on hand	**50.75**	66.36
(ii) Balances with banks		
- on current accounts	**859.28**	545.19
	910.03	611.55
(b) Other bank balances		
(i) Deposits with original maturity of more than 3 months	**3.51**	17.75
(ii) Balances held as margin money or security against guarantees	**11.00**	-
	14.51	17.75
	924.54	629.30

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (xix)	**Short-term loans and advances**		
	Unsecured, considered good		
	(a) Loans and advances to related parties (refer note 25)	**69,763.57**	110,749.35
	(b) Technology renewal fund advance	**-**	94.70
	(c) Security deposits	**96.21**	119.37
	(d) Loan to employees	**11.63**	105.93
	(e) Advances recoverable in cash or in kind or for value to be received	**1,109.14**	908.04
	(f) Balances with government authorities		
	- Amount paid under protest to Income tax authorities	**-**	347.96
	- CENVAT, VAT and Service Tax Credit receivable	**240.09**	184.67
		71,220.64	112,510.02
	Unsecured - doubtful		
	(a) Advances recoverable in cash or in kind or for value to be received	**402.88**	350.80
	(b) Loans and advances to related parties (refer note 25)	**142.43**	142.43
		545.31	493.23
	Less: Provision for doubtful advances	**(545.31)**	(493.23)
		71,220.64	112,510.02
4 (xx)	**Other current assets**		
	(a) Interest accrued on loans and bank deposits	**13,631.84**	20,180.93
	(b) Unamortised finance charges	**713.57**	1.86
	(c) Accrued income	**824.98**	1,057.47
		15,170.39	21,240.26

		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (xxi)	**Revenue from operations**		
	Sale of services		
	(a) In patient services	**50,131.01**	50,023.91
	(b) Out patient services	**8,828.36**	8,332.51
	(c) Laboratory/ clinical services	**15.37**	17.33
	(d) Income from medical services	**82.73**	176.85
	(e) Management fees from hospitals (refer note 12)[includes prior periods income of ₹ Nil (Previous year ₹ 88.01 lacs)]	**390.19**	385.70
	(f) Income from clinical research	**10.06**	5.80
		59,457.72	58,942.10
	Less: Trade discounts	**944.96**	501.43
	(A)	**58,512.76**	58,440.67

		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
Sale of products			
(a) Out patient pharmacy		**1,154.26**	1,137.05
	(B)	**1,154.26**	1,137.05
Other operating income			
(a) Equipment lease rental (refer note 6(b))		**1,038.68**	954.92
(b) Income from academic services (refer note 6(b))		**32.61**	38.40
(c) Income from rent		**28.63**	26.32
(d) Sponsorship income		**12.35**	111.29
(e) Scrap sale		**10.04**	10.51
(f) Sale of plasma		**11.92**	29.94
(g) Excess provisions no longer required written back		**151.53**	231.87
(h) Miscellaneous income (net of prior period reversal of ₹ Nil (Previous year ₹ 36.56 lacs))		**206.38**	83.10
	(C)	**1,492.14**	1,486.35
Total (A+B+C)		**61,159.16**	61,064.07
4 (xxii) Other income			
(a) Profit on redemption of mutual funds (current investments)		**464.71**	2,137.37
(b) Interest income on bank deposits		**9.98**	4.78
(c) Interest income on loan to subsidiaries		**13,445.58**	19,374.62
(d) Net gain on foreign currency transactions and translation		**791.00**	-
(e) Commitment fee no longer payable		**-**	250.00
(f) Miscellaneous income		**12.23**	24.39
		14,723.50	21,791.16
4 (xxiii) Decrease/ (increase) in inventories of medical consumables and drugs			
(a) Inventory at the beginning of the year (A)		**711.94**	424.42
(b) Acquired under slump sale (B)		**-**	159.09
(c) Inventory at the end of the year (C)		**582.74**	711.94
Decrease/ (increase) in inventories (A+B-C)		**129.20**	(128.43)
4 (xxiv) Employee benefits expense			
(a) Salaries, wages and bonus		**16,570.62**	16,416.24
(b) Contribution to provident and other funds		**860.46**	820.53
(c) Gratuity expense (refer note 11)		**186.09**	432.76
(d) Leave encashment		**169.25**	395.24
(e) Staff welfare expenses		**506.83**	470.57
		18,293.25	18,535.34
Less: Expenses capitalized (refer note 26)		**940.74**	539.65
		17,352.51	17,995.69

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

			March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (xxv)	**Other expenses**			
	(a)	Contractual manpower	**1,352.85**	1,156.04
	(b)	Power, fuel and water	**1,281.04**	1,320.47
	(c)	Housekeeping expenses including consumables	**273.89**	478.00
	(d)	Patient food and beverages	**873.74**	759.09
	(e)	Pathology laboratory expenses	**2,549.82**	2,345.14
	(f)	Radiology expenses	**11.00**	123.25
	(g)	Consultation fees to doctors	**2,187.29**	2,940.93
	(h)	Professional charges to doctors	**7,802.21**	6,656.24
	(i)	Hospital service fee expense	**13,246.90**	12,607.57
	(j)	Medical service expenses	**63.47**	108.02
	(k)	Repairs and maintenance		
		- Building	**133.36**	165.78
		- Plant and machinery	**700.91**	648.02
		- Others	**283.74**	415.22
	(l)	Rent (refer note 6 (a))		
		- Hospital building	**1,386.06**	1,734.54
		- Equipments	**115.34**	75.59
		- Others	**304.22**	452.07
	(m)	Donations and contributions	**27.22**	26.00
	(n)	Expenditure on Corporate Social Responsibility (Refer note 31)	**53.79**	-
	(n)	Legal and professional fee	**2,783.60**	2,620.94
	(o)	Travel and conveyance	**2,036.09**	2,213.14
	(p)	Rates and taxes	**141.41**	66.28
	(q)	Recruitment & Training	**334.26**	249.34
	(r)	Printing and stationary	**303.09**	295.97
	(s)	Communication expenses	**442.51**	390.24
	(t)	Directors' sitting fees	**95.28**	46.30
	(u)	Insurance	**374.26**	297.72
	(v)	Marketing and business promotion	**2,702.06**	3,034.98
	(w)	Wealth tax	**-**	10.98
	(x)	Loss on sale of assets (net)	**67.28**	106.51
	(y)	Payment to auditor (Refer Note below)		-
		- Audit fee	**53.02**	58.71
		- Limited review	**47.94**	53.34
		- Tax audit fee	**2.53**	2.81
		- Certification and other services	**7.22**	1.33

		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (xxv)	**Other expenses**		
	- Out of pocket expenses	**12.04**	8.15
(z)	Net loss on foreign currency transactions and translation	**-**	2,312.57
(aa)	Bad debts and advances written off	**0.03**	260.23
(ab)	Provision for doubtful debts and advances	**1,004.88**	1,146.35
(ac)	Provision for contingencies (refer note 4(x))	**26.59**	-
(ad)	Miscellaneous expenses	**25.12**	38.21
		43,106.04	45,226.01
	Less: Expenses capitalized (refer note 26)	**1,969.86**	2,020.06
		41,136.18	43,206.01
	Note: Payment made to auditor for the previous year relates to amounts paid to previous auditors of the Company.		
4 (xxvi)	**Finance costs**		
(a)	Interest expense		
	- on term loans	**6,048.83**	7,875.84
	- on cash credit	**1.18**	1.09
	- others	**1.31**	7.70
		6,051.32	7,884.63
(b)	Bank charges	**150.40**	155.87
(c)	Other borrowing costs		
	-Finance charges	**12.34**	22.96
		6,214.06	8,063.46
4 (xxvii)	**Depreciation and amortisation expense**		
	Depreciation of tangible assets	**2,101.14**	2,778.99
	Amortisation of intangible assets	**441.27**	234.87
		2,542.41	3,013.86
	Less: Adjusted with opening balance of surplus in the statement of profit and loss (refer note 3 (a))	**-**	300.60
		2,542.41	2,713.26
4 (xxviii)	**Exceptional Item**		
	Income		
	-Profit on sale of undertaking (refer note 13 (a))	**-**	265.37
	Expenses	**-**	-
	-loss on sale of undertaking (refer note 14)	**1,257.18**	-
	-statutory bonus (refer note 15)	**275.88**	
		(1,533.06)	265.37

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (xxv)	**Other expenses**		
	Total	**(1,533.06)**	265.37

		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
4 (xxvix)	**Earnings per share (EPS)**		
	Loss as per statement of profit and loss	**(7,350.76)**	(3,390.59)
	Weighted average number of equity shares in calculating Basic EPS	**462,978,613**	462,789,218
	Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against stock option granted under ESOP 2007 and ESOP 2011	**1,013,783**	691,157
	Weighted average number of equity shares in calculating Diluted EPS	**463,992,396**	463,480,375
	Basic EPS	**(1.59)**	(0.73)
	Diluted EPS	**(1.59)**	(0.73)

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding convertible bonds (Refer note 4 (iii) issued by the Company) for the respective periods. Since, the effect of the conversion of Bonds was anti-dilutive, it has been ignored.

5. Related party disclosures

Names of related parties and related party relationship

Ultimate Holding Company	RHC Holding Private Limited (Holding Company of Fortis Healthcare Holdings Private Limited)	
Holding Company	Fortis Healthcare Holdings Private Limited ('FHHPL')	
Subsidiary Companies - direct or indirect through investment in subsidiaries	1	Fortis Hospotel Limited ('FHTL') (refer note 17)
	2	Hiranandani Healthcare Private Limited ('HHPL')
	3	Fortis La Femme Limited ('FLFL') (formerly known as Fortis Health Management (West) Limited)
	4	Fortis C-Doc Healthcare Limited ('C-Doc')
	5	Fortis Health Management (East) Limited ('FHMEL')
	6	SRL Limited ('SRL')
	7	SRL Diagnostics Private Limited ('SRLDPL')
	8	Fortis Healthcare International Limited ('FHIL')
	9	Fortis Global Healthcare (Mauritius) Limited ('FGHML')
	10	Fortis Hospitals Limited ('FHsL')
	11	Fortis Cancer Care Limited ('FCCL') (formerly known as Fortis Health Management (South) Limited)
	12	Lalitha Healthcare Private Limited ('LHPL')

	13	Fortis Malar Hospitals Limited ('FMHL')
	14	Malar Stars Medicare Limited ('MSML')
	15	Escorts Heart Institute And Research Centre Limited ('EHIRCL')
	16	Fortis HealthStaff Limited ('FHSL')
	17	Fortis Asia Healthcare Pte Limited ('FAHPL')
	18	Fortis Healthcare International Pte Limited ('FHIPL')
	19	Fortis Healthcare Singapore Pte Limited ('FHSPL') (upto April 7, 2015)
	20	Radlink Asia Pte Limited (Radlink) ('RADLINK') (upto May 12, 2015)
	21	Radlink Medicare Pte Limited ('RMPL') (upto May 12, 2015)
	22	DRS Thompson & Thomson (Radlink Medicare) Pte Limited (upto May 12, 2015)
	23	Radlink Medicare (Bishan) Pte Limited (upto May 12, 2015)
	24	Radlink Medicare (Woodlands) Pte Limited (upto May 12, 2015)
	25	Radlink Medicare (Tampines) Pte Limited (upto May 12, 2015)
	26	Radlink Medicare (Jurong East) Pte Limited (upto May 12, 2015)
	27	Clinic 1866 Pte Limited (upto May 12, 2015)
	28	Radlink Diagnostic Imaging (S) Pte Limited ('RDISPL') (upto May 12, 2015)
	29	Drs Lim Hoe & Wong Radiology Pte Limited (upto May 12, 2015)
	30	Healthcare Diagnostic Services Pte Limited (upto May 12, 2015)
	31	Radlink Women & Fetal Imaging Centre Pte Limited (upto May 12, 2015)
	32	Radlink Pet & Cardiac Imaging Centre Pte Limited ('RADLINK PET') (upto May 12, 2015)
	33	Singapore Radiopharmaceuticals Pte Limited (upto May 12, 2015)
	34	Singapore Molecular Therapy Centre Pte Limited (upto May 12, 2015)
	35	Mena Healthcare Investment Company Limited ('MHICL')
	36	SRL Diagnostics FZ-LLC
	37	Medical Management Company Limited
	38	Fortis Healthcare Middle East LLC
	39	Healthcare Clinic and Surgery Pte. Limited
	40	Birdie & Birdie Realtors Private Limited (w.e.f. May 6, 2014)
	41	Fortis CSR Foundation (w.e.f. September 22, 2014)
	42	Stellant Capital Advisory Services Private Limited (w.e.f. November 3, 2015)
	43	Religare Health Trust Trustee Manager Pte. Limited (w.e.f. February 2, 2016)
	Companies (4), (5), (11), (13) and (43) of above are subsidiaries of FHsL; Company (7) of above is subsidiary of SRL; Company (9) of above is a subsidiary of FHIL; Company (12) of above is subsidiary of FCCL; Company (14) of above is a subsidiary of FMHL; Companies (16) and (17) of above are subsidiaries of EHIRCL; Company (18) of above is subsidiary of FAHPL; Company (18), (19), (35), (36), and (38) of above are subsidiaries of FHIPL; Company (20) of above is subsidiary of FHSPL; Companies (21) and (28) of above are subsidiaries of RADLINK; Companies (22) to (27) of above are subsidiaries of RMPL; Companies (29) to (32) of above are subsidiaries of RDISPL; Companies (33) and (34) of above are subsidiaries of RADLINK PET; Company (37) of above is subsidiary of MHICL; Company (43) of above is a subsidiary of Company (42) of above.	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Fellow Subsidiaries (with whom transactions have been taken place)	(a) RWL Healthworld Limited (formerly known as Religare Wellness Limited) (b) Escorts Heart Centre Limited (c) Medsource Healthcare Private Limited
Associates (with whom transactions have been taken place)	(a) Sunrise Medicare Private Limited
	(b) Medical and Surgical Centre Limited, Mauritius (Associate of Fortis Healthcare International Limited)
	(c) International Hospital Limited ('IHL')
	(d) Escorts Heart and Super Speciality Institute Limited ('EHSSIL')
	(e) Escorts Heart and Super Speciality Hospital Limited ('EHSSHL')
	(f) Fortis Emergency Services Limited ('FESL') (Associate of Fortis Hospitals Limited)
	(g) Fortis Health Management Limited ('FHML')
	(h) Fortis Medicare International Limited ('FHIL')
	(i) Hospitalia Eastern Private Limited ('HEPL')
Joint Ventures	(a) Super Religare Reference Laboratories (Nepal) Private Limited (Joint venture of SRL)
	(b) DDRC SRL Diagnostics Services Private Limited (Joint venture of SRLDPL)
	(c) Fortis Cauvery, Partnership firm (Joint venture of FCCL)
Key Management Personnel ('KMP')	(a) Mr. Malvinder Mohan Singh – Executive Chairman
	(b) Mr. Shivinder Mohan Singh - Executive Vice Chairman
	Additional related parties as per the Companies Act, 2013
	(c) Mr. Bhavdeep Singh – Chief Executive Officer (w.e.f. July 24, 2015)
	(d) Mr. Gagandeep Singh Bedi - Chief Financial Officer (w.e.f September 23, 2014)
	(e) Mr. Sandeep Puri - Chief Financial Officer (upto September 24, 2014)
	(f) Mr. Aditya Vij- Chief Executive Officer (upto December 31, 2014)
	(g) Mr. Rahul Ranjan - Company Secretary
	(h) Mrs. Ritu Vij - Relative of KMP (upto December 31, 2014)
	(i) Dr. Brian William Tempest - Non-Executive Independent Director
	(j) Mr. Gurcharan Das - Non-Executive Director (upto September 24, 2014)
	(k) Mr. Harpal Singh - Non-Executive Director
	(l) Ms. Joji Sekhon Gill - Non-Executive Independent Director
	(m) Ms. Lynette Joy Hepburn Brown - Non-Executive Independent Director (w.e.f. May 29, 2014)
	(n) Mr. Pradeep Ratilal Raniga - Non-Executive Independent Director
	(o) Dr. Preetinder Singh Joshi - Non-Executive Independent Director
	(p) Mr. Ravi Umesh Mehrotra - Non-Executive Director (w.e.f. March 26, 2015)
	(q) Ms. Shradha Suri Marwah - Non-Executive Independent Director (w.e.f. March 26, 2015)
	(r) Mr. Sunil Godhwani - Non-Executive Director
	(s) Mr. Udai Dhawan - Non-Executive Independent Director (upto March 23, 2016)

Enterprises owned or significantly influenced by key management personnel ('KMP') or their relatives (with whom transactions have been taken place)	(a) Fortis Nursing and Education Society
	(b) Ligare Travel Limited (formerly known as Religare Travels (India) Limited)
	(c) Ligare Aviation Limited (formerly known as Religare Aviation Limited)
	(d) Dion Global Solutions Limited
	(e) Healthfore Technologies Limited

The schedule of Related Party Transactions is as follows:

(₹ in lacs)

Transactions details	Year Ended March 31, 2016	Year Ended March 31, 2015
Transactions during the year		
Operating income (including Income from medical services, Management fees from hospitals, Income from rehabilitation centre, Rental, Pharmacy income and other income)		
Fortis Hospitals Limited (Subsidiary)	**5.34**	74.60
Sunrise Medicare Private Limited (Associate)	**6.87**	6.00
Fortis Nursing and Education Society (Enterprises owned or significantly influenced by KMP or their relatives)	**24.00**	24.87
SRL Limited (Subsidiary)	**20.30**	52.01
Fortis C-Doc Healthcare Limited (Subsidiary)	**21.82**	25.22
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	**5.47**	19.27
Reliant Healthcare Consultancy Private Limited Society (Enterprises owned or significantly influenced by KMP or their relatives)	**7.12**	6.74
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**0.99**	-
Expense incurred by the Company on behalf of		
International Hospital Limited (Associate)	**0.74**	-
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**117.91**	58.29
Fortis Hospotel Limited (Subsidiary)	**0.39**	-
Fortis Health Management Limited (Associate)	**-**	29.25
Fortis Malar Hospitals Limited (Subsidiary)	**13.54**	2.75
Fortis Hospitals Limited (Subsidiary)	**402.97**	404.74
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited) (Subsidiary)	**-**	4.26
Hiranandani Healthcare Private Limited (Subsidiary)	**3.36**	5.30
Lalitha Healthcare Private Limited (Subsidiary)	**0.34**	0.68
SRL Limited (Subsidiary)	**3.38**	5.54

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Transactions details	Year Ended March 31, 2016	Year Ended March 31, 2015
Transactions during the year		
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	-	4.04
Dion Global Solutions Limited (Enterprises owned or significantly influence by KMPs or their relatives)	-	1.57
Fortis Nursing & Education Society (Enterprises owned or significantly influence by KMPs or their relatives)	-	16.86
Shivinder Mohan Singh (KMP)	-	4.91
Malvinder Mohan Singh (KMP)	-	11.36
Medical and Surgical Centre Limited (Associate)	**6.27**	-
Hospitalia Eastern Private Limited (Associate)	**34.89**	-
Stellant Capital Advisory Services Private Limited (Subsidiary)	**12.74**	-
Fortis CSR Foundation (Subsidiary)	**3.57**	-
Fortis Emergency Services Limited (Associate)	**0.20**	-
Expense incurred on behalf of the Company by		
SRL Limited (Subsidiary)	**4.59**	4.77
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**58.92**	72.18
Hiranandani Healthcare Private Limited (Subsidiary)	**21.87**	6.30
Escorts Heart and Super Speciality Hospital Limited (Associate)	**599.98**	545.06
Fortis Hospotel Limited (Subsidiary)	**64.22**	80.49
Fortis Healthcare International Pte. Limited (Subsidiary)	-	7.29
Fortis Malar Hospitals Limited (Subsidiary)	**88.05**	1.19
Fortis Hospitals Limited (Subsidiary)	**387.96**	1,946.89
Fortis CSR Foundation (Subsidiary)	**73.94**	-
Fortis CDoc Healthcare Limited (Subsidiary)	**0.23**	-
Interest income on loans and advances to		
Fortis Hospitals Limited (Subsidiary)	**7,957.58**	11,728.36
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**424.64**	2,763.26
Fortis Healthcare International Limited (Subsidiary)	**4,618.55**	4,346.65
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	**3.86**	3.53
Hiranandani Healthcare Private Limited (Subsidiary)	**382.57**	512.07
Bhavdeep Singh (KMP)	**25.43**	-
Loans/ advances given		
Fortis Hospitals Limited (Subsidiary)	**146,260.00**	136,498.00
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**744.00**	8,430.00
Hiranandani Healthcare Private Limited (Subsidiary)	-	100.00
Bhavdeep Singh (KMP)	**430.18**	-

(₹ in lacs)

Transactions details	Year Ended March 31, 2016	Year Ended March 31, 2015
Transactions during the year		
Loans/ advances received back		
Hiranandani Healthcare Private Limited (Subsidiary)	**1,465.00**	1,160.00
Fortis Healthcare International Limited (Subsidiary)	**1,231.66**	-
Fortis Hospitals Limited (Subsidiary)	**177,385.85**	135,686.97
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**1,500.00**	4,733.00
Consultation fees to doctors		
Fortis Hospitals Limited (Subsidiary)	**39.33**	38.16
Escorts Heart Institute & Research Centre Limited (Subsidiary)	**0.10**	1.34
Pathology laboratory expenses		
SRL Limited (Subsidiary)	**2,436.17**	2,271.88
Medical service expenses		
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**63.47**	108.02
Employee Benefit		
Fortis Malar Hospitals Limited (Subsidiary)	**0.05**	20.34
Travel and conveyance expenses		
Ligare Travel Limited (formerly known as Religare Travels (India) Limited) (Enterprises owned or significantly influenced by KMP or their relatives)	**128.85**	133.39
Ligare Aviation Limited (formerly known as Religare Aviation Limited) (Enterprises owned or significantly influenced by KMP or their relatives)	**201.88**	405.93
Marketing expenses		
Fortis Emergency Services Limited (Associate)	**10.48**	3.72
Managerial remuneration		
Shivinder Mohan Singh (KMP)	**351.33**	535.67
Malvinder Mohan Singh (KMP)	**157.57**	532.43
Aditya Vij (KMP)	**-**	233.52
Gagandeep Singh Bedi (KMP)	**214.35**	53.66
Sandeep Puri (KMP)	**-**	128.76
Rahul Ranjan (KMP)	**48.68**	38.44
Bhavdeep Singh (KMP)	**1,115.40**	-
Transfer of CWIP		
Fortis Hospitals Limited (Subsidiary)	**2,969.88**	210.14
Fortis C-Doc Healthcare Limited (Subsidiary)	**0.62**	14.70
Escorts Heart Institute & Research Centre Limited (Subsidiary)	**12.74**	303.86

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Transactions details	Year Ended March 31, 2016	Year Ended March 31, 2015
Transactions during the year		
Fortis Malar Hospitals Limited (Subsidiary)	**252.56**	-
Fortis Health Management (East) Limited (Subsidiary)	**37.57**	-
Healthfore Technologies Limited (Enterprises owned or significantly influence by KMPs or their relatives)	**53.54**	-
Hiranandani Healthcare Private Limited (Subsidiary)	**239.42**	-
Corporate Guarantees given to banks for loans availed by*		
Fortis Hospitals Limited (Subsidiary)	**6,000.00**	15,000.00
Corporate guarantee withdrawn for loans taken by		
Fortis Hospitals Limited (Subsidiary)	**-**	12,500.00
SRL Limited (Subsidiary)	**-**	19,500.00
License user agreement fees		
RHC Holding Private Limited (Ultimate holding company)	**52.25**	1.00
Linen Purchased		
Fortis Hospitals Limited (Subsidiary)	**65.70**	78.29
Collection on behalf of Company by:		
Fortis Hospitals Limited (Subsidiary)	**32.33**	5,409.49
Escorts Heart Institute & Research Centre Limited (Subsidiary)	**54.13**	88.02
Fortis C-Doc Healthcare Limited (Subsidiary)	**-**	1.00
Fortis Hospotel Limited (Subsidiary)	**1.86**	-
Collection by Company on behalf of :		
Fortis Malar Hospitals Limited (Subsidiary)	**45.22**	8.17
Hiranandani Healthcare Private Limited (Subsidiary)	**75.19**	51.26
Escorts Heart Institute & Research Centre Limited (Subsidiary)	**914.77**	480.37
Fortis Hospitals Limited (Subsidiary)	**2,359.84**	1,359.90
Lalitha Healthcare Private Limited (Subsidiary)	**0.23**	0.18
Escorts Heart and Super Speciality Hospital Limited (Associate)	**-**	35.78
Fortis Emergency Services Limited (Associate)	**0.64**	-
Fortis Health Management (East) Limited (Subsidiary)	**6.37**	-
Hospital Service fee expenses		
Escorts Heart and Super Speciality Hospital Limited (Associate)	**4,734.20**	4,267.40
Fortis Hospotel Limited (Subsidiary)	**8,512.70**	8,340.18
Commitment fee no longer payable		
International Hospital Limited (Associate)	**-**	250.00
Investment made		

(₹ in lacs)

Transactions details	Year Ended March 31, 2016	Year Ended March 31, 2015
Transactions during the year		
Fortis CSR Foundation (Subsidiary)	-	5.00
Purchase of medical consumables and pharmacy		
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	**61.10**	223.18
Medsource Healthcare Private Limited (Fellow Subsidiary)	**501.30**	387.92
Fortis Emergency Services Limited (Associate)	**35.52**	-
Sale of clinical establishment/fixed assets		
Escorts Heart and Super Speciality Hospital Limited (Associate)	-	1,578.82
International Hospital Limited (Associate)	**25.75**	-
Fortis Hospitals Limited (Subsidiary)	**388.84**	-
Fortis Malar Hospitals Limited (Subsidiary)	**268.29**	-
Purchase of business under slump sale		
Fortis Hospitals Limited (Subsidiary)	-	4,000.00
Purchase of Fixed Assets		
Fortis Hospitals Limited (Subsidiary)	**4.97**	-
Rent expense		
Aditya Vij (KMP)	-	20.25
Ritu Vij (Relative of KMP)	-	20.25
Director Sitting Fee (excluding Service Tax)		
Brian William Tempest (KMP)	**18.00**	6.50
Harpal Singh (KMP)	**11.50**	6.05
Gurcharan Das (KMP)	-	1.25
Joji Sekhon Gill (KMP)	**7.00**	4.63
Pradeep Ratilal Raniga (KMP)	**9.00**	4.72
Preetinder Singh Joshi (KMP)	**12.50**	7.20
Sunil Godhwani (KMP)	**4.00**	3.74
Udai Dhawan (KMP)	**5.00**	3.03
Lynette Joy Hepburn Brown (KMP)	**10.00**	3.92
Ravi Umesh Mehrotra (KMP)	**6.00**	0.89
Shradha Suri Marwah (KMP)	**7.00**	0.89
Shivinder Mohan Singh (KMP)	**2.00**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Balance outstanding at the year end	As at March 31, 2016	As at March 31, 2015
Loans and advances		
Fortis Hospitals Limited (Subsidiary)	**66,413.02**	85,222.39
Hiranandani Healthcare Private Limited (Subsidiary)	**2,698.15**	3,578.22
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	**0.85**	0.85
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**3.95**	21,963.77
Fortis C-Doc Healthcare Limited (Subsidiary)	**72.79**	52.81
Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited) (Subsidiary)	**4.26**	4.26
SRL Limited (Subsidiary)	**1.15**	1.59
Fortis Health Management Limited (Associate)	**9.47**	9.47
Fortis Healthcare International Limited (Subsidiary)	**73,507.77**	73,404.02
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	**38.51**	35.33
Dion Global Solutions Limited (Enterprises owned or significantly influence by KMPs or their relatives)	**0.93**	0.93
Fortis Health Management (East) Limited (Subsidiary)	**49.33**	20.35
Fortis Nursing & Education Society(Enterprises owned or significantly influence by KMPs or their relatives)	**-**	1.80
Fortis Malar Hospitals Limited (Subsidiary)	**426.71**	-
Stellant Capital Advisory Services Private Limited (Subsidiary)	**12.74**	-
International Hospital Limited (Associate)	**25.75**	-
Escorts Heart Centre Limited (Fellow Subsidiary)	**6.52**	-
Fortis Hospital Management Limited (Associate)	**142.43**	-
Bhavdeep Singh (KMP)	**430.18**	-
Interest accrued (and due/but not due) on loans given		
Hiranandani Healthcare Private Limited (Subsidiary)	**374.92**	460.86
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**-**	2,486.93
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	**3.78**	3.18
Fortis Healthcare International Limited (Subsidiary)	**10,127.94**	12,327.66
Fortis Hospitals Limited (Subsidiary)	**6,207.68**	10,552.72
Bhavdeep Singh (KMP)	**25.43**	-
Trade receivables		
Sunrise Medicare Private Limited (Associate)	**12.89**	11.23
Fortis Hospitals Limited (Subsidiary)	**1,410.80**	1,478.20

(₹ in lacs)

Balance outstanding at the year end	As at March 31, 2016	As at March 31, 2015
Trade payables and other current liabilities		
SRL Limited (Subsidiary)	**191.61**	254.60
Fortis Malar Hospitals Limited (Subsidiary)	-	9.34
Fortis Hospotel Limited (Subsidiary)	**3,674.34**	1,615.57
Hiranandani Healthcare Private Limited (Subsidiary)	-	0.67
Ligare Travel Limited (formerly known as Religare Travels (India) Limited) (Enterprises owned or significantly influence by KMPs or their relatives)	-	10.83
Fortis Healthcare International Pte. Limited (Subsidiary)	-	7.29
Escorts Heart and Super Speciality Hospital Limited (Associate)	**610.75**	884.37
Fortis Hospitals Limited (Subsidiary)	**3,710.13**	2,651.59
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**294.01**	25.69
Medsource Healthcare Private Limited (Fellow Subsidiary)	**32.64**	26.28
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	**0.12**	39.79
Fortis Emergency Services Limited (Associate)	**4.82**	-
Lalitha Healthcare Private Limited (Subsidiary)	**0.03**	-
Investments		
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**71,894.80**	71,894.80
Fortis Hospotel Limited (Subsidiary)	-	20,739.71
Fortis Hospitals Limited (Subsidiary)	**40,210.58**	40,210.58
SRL Limited (Subsidiary)	**90,905.48**	80,368.53
Fortis CSR Foundation (Subsidiary)	**20,739.71**	5.00
Hiranandani Healthcare Private Limited (Subsidiary)	**3,040.00**	3,040.00
Fortis Healthcare International Limited (Subsidiary)	**14,744.49**	14,744.49
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited) (Subsidiary)	**5.00**	5.00
Fortis Medicare International Limited (Associate)	-	4.75
Sunrise Medicare Private Limited (Associate)	-	0.31
Corporate guarantee given for loans availed by (Refer Note I below)		
Fortis Hospitals Limited (Subsidiary)	**49,720.00**	43,720.00
Escorts Heart Institute and Research Centre Limited (Subsidiary)	**6,500.00**	6,500.00
Fortis C-Doc Healthcare Limited (Subsidiary)	**1,031.00**	1,031.00

Notes:

I. The loans availed by above companies against guarantee given have been used by the respective companies for acquiring fixed assets and meeting working capital requirements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

6. Leases

(a) Assets taken on Operating Lease:

Hospital/ Office premises, few medical equipments and other premises are obtained on operating lease. The total lease payments in respect of such leases recognised in the statement of profit and loss for the year are ₹ 1,805.62 lacs (Previous year ₹ 2,262.21 lacs) out of which amount of rent capitalized during the year are ₹ 1,225.21 lacs (Previous year ₹ 1,212.24 lacs).

The total future minimum lease payments under the non-cancellable operating leases are as under:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Minimum lease payments :		
Not later than one year	**685.86**	881.04
Later than one year but not later than five years	**2,361.64**	3,112.73
Later than five years	**-**	64.01

(b) Assets given on Operating Lease

i) The Company has sub- leased some portion of hospital premises. In all the cases, the agreements are further renewable at the option of the Company. The total lease income received / receivable in respect of the above leases recognised in the statement of profit and loss for the year are ₹ 28.63 lacs (Previous year ₹ 26.32 lacs).

ii) The Company has leased out certain capital assets on operating lease to a Trust managing hospital operations. The lease term is for 3 years and thereafter renewable at the option of the lessor. The lease arrangement is non-cancellable in nature. The details of the capital assets given on operating lease are as under:

(₹ in lacs)

Particulars	As at March 31, 2016			As at March 31, 2015		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Plant and Machinery	**96.66**	**96.66**	**-**	96.66	96.66	-
Medical Equipments	**4,226.49**	**2,177.09**	**2,049.40**	3,959.80	1,881.80	2,078.00
Furniture and Fittings	**161.21**	**133.85**	**27.36**	177.73	134.91	42.82
Computers	**98.84**	**98.84**	**-**	120.25	120.25	-
Office Equipments	**27.19**	**24.70**	**2.49**	33.16	29.52	3.64
Vehicles	**36.69**	**28.69**	**8.00**	48.70	26.99	21.71
Total	**4,647.08**	**2,559.83**	**2,087.25**	4,436.30	2,290.13	2,146.17

The total lease payments received in respect of such leases recognised in the statement of profit and loss account for the year are ₹ 1,038.68 lacs (Previous year ₹ 954.92 lacs).

The total of future minimum lease payments receivable under the non-cancellable operating leases are as under:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Minimum lease payments :		
Not later than one year	**1,065.69**	235.26
Later than one year but not later than five years	**1,332.11**	-
Later than five years	-	-

7. Long term borrowings

(i) Secured Loans

(₹ in lacs)

Particulars	Note	As at 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-15
		Non-Current	Current	Non-Current	Current
Term loan from a bank	(a)	5,323.43	1,547.20	-	-
Term loan from a body corporate	(b)	-	-	6,748.25	1,328.67
Bank overdraft	(c)	-	381.87	-	-

(a) The loan has been taken from HDFC Bank Limited during the current year. The loan is secured by a first pari passu charge by way of hypothecation of the Company's movable fixed assets. The rate of interest is Base Rate of the bank plus 0.85% per annum, payable monthly. The loan is repayable in 52 structured monthly instalments commencing from October 1, 2015. As at March 31, 2016, ₹ 6,870.63 lacs (Previous Year ₹ Nil) is outstanding.

(b) Term loan from L&T Infrastructure Finance Company Limited ("Lender") was taken in financial year 2011-2012 and was secured by a first pari passu charge by way of mortgage of the Company's immovable properties, present and future. Further secured by a first pari passu charge by way of hypothecation of the Company's movable assets, including movable machinery, machinery spares, tools and accessories, present and future. Also, secured by a second pari passu charge by way of hypothecation on the Company's book debts, operating cash flows and the receivables and revenues, current assets commissions and revenues of whatsoever nature and wherever arising, both present and future. Further, there was an exclusive pledge of shareholding of the Company in SRL Limited in favour of the lender, to the extent of at least 2 times of the facility amount, to be maintained at all times during the subsistence of the facility. The rate of interest for each tranche of facility was Prime Lending rate less 3.75% per annum, payable monthly. On July 31, 2013, Lender had assigned ₹ 10,000 lacs to L&T Fincorp Limited out of outstanding amount of ₹ 16,683.33 lacs as on that date. The loan was repayable in 84 structured monthly instalments, after a moratorium of 12 months from the date of first disbursement to the Company. As at March 31, 2016, the balance of the loan is ₹ Nil (Previous year ₹ 8,076.92 lacs) as it was fully repaid to L&T Fincorp Limited during the year.

(c) The overdraft facility has been availed from Standard Chartered Bank. Overdraft limit of ₹ 4,000 lacs and is secured by pari passu charge over moveable fixed assets at Mohali hospital and current assets of the company. The rate of interest is Base rate plus margin, as may be agreed from time to time.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(ii) Unsecured Loans

(₹ in lacs)

Particulars	Note	31-Mar-16	31-Mar-16	31-Mar-15	31-Mar-15
		Non-Current	Current	Non-Current	Current
5% Foreign currency convertible bonds	19	-	-	-	62,335.53
4.66%+LIBOR Foreign currency convertible bonds	20	**19,852.58**	-	18,700.66	-
4.86%+LIBOR Foreign currency convertible bonds	21	**36,396.39**	-	34,284.54	-
Commercial Paper	22	-	**42,500.00**	-	-

8. Commitments:

(₹ in lacs)

Particulars		As at March 31, 2016	As at March 31, 2015
(a)	Estimated amount of contracts remaining to be executed on capital account [net of capital advances of ₹ 132.63 lacs (Previous Year ₹ 141.34 lacs)]	**1,861.69**	933.57

(b) Going concern support in form of funding and operational support letters issued by the Company in favour of FLFL, FCCL, FHSL, Fortis C-Doc Healthcare Limited, FHMEL, LHPL, FAHPL and Birdie and Birdie Realtors Private Limited.

(c) For commitment under Sponsor Agreement entered between The Trustee-Manager of Religare Health Trust, Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively referred as 'Indemnified parties') with the Company, refer note 16.

(d) For commitments under Shareholders agreement entered between the Company, FHTL and FHML, refer note 18.

(e) The Company has entered into individual Hospital and Medical Services Agreement (HMSA) with Religare Health Trust Group of companies ('RHT') wherein the RHT provides and maintains the Clinical Establishments along with other services like out-patient diagnostics and radio diagnostic to the Company. The term of the 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 and increase 3% year on year. The variable fee is based on a percentage of the Companies' net operating income in accordance with the HMSA.

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.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

9. Contingent liabilities (not provided for) in respect of:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Claims against the Company not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. Based on expert opinion obtained, the management believes that the Company has good chance of success in these cases.	**1,466.01**	1,319.13
The Company is under litigation with the Income Tax Department against certain income tax demands on account of deduction of tax under section 194J of Income Tax Act, 1961 instead of section 192 on payments made to retainer doctors, u/s 201(1)/201(1A) for the assessment years 2010-11, 2011-12, 2012-13 and 2013-14, thereby raising demands of ₹ Nil (Previous year ₹ 239.92 lacs) , ₹ Nil (Previous year ₹ 261.49 lacs), ₹ Nil (Previous year ₹ 20.87 lacs) and ₹ Nil (Previous year ₹ 23.86 lacs) respectively. Company had filed appeals with the Commissioner of Income Tax (Appeals), Chandigarh which passed order in favour of the Company for all assessment years. Department has filed further appeal to the Income Tax Appellate Tribunal (ITAT) for assessment years 2010-11 and 2011-12, which is pending for disposal. During the current year, ITAT has decided the case in favour of the company.	-	501.41
The Commissioner of Service-tax, Chandigarh has passed an Order dated March 14, 2014 under Finance Act, 1994 alleging that assessee is liable to pay service-tax on support services of business or commerce provided to doctors, thereby raising demand of ₹ 215.34 lacs (Previous year ₹ 215.34 lacs) and ₹ 50.14 lacs (Previous year ₹ 50.14 lacs) for financial years 2007-08 to 2011-12 and 2012-13 respectively. The Company has filed an appeal with Central Excise and Service Tax Appellate Tribunal, which is pending for disposal. Based on management assessment, Company believes that it has good chance of success in these cases.	265.47	265.47
The Company is under litigation with the Income Tax Department against income tax demand on account of disallowance u/s 14A, disallowance of credit card expenditure, disallowance of foreign travelling expenses and interest income not offered to tax for assessment year 2012-13. Based on management assessment, Company believes that it has good chance of success in this case.	332.08	332.08
Service Tax Department issued notice alleging therein that one of the hospitals of the Company is providing services of infrastructure and administrative support to Vendors and thus, is liable to pay service-tax on amounts retained from doctors' fees for the financial years 2008-09 to 2011-12 The Company has filed an appeal with Central Excise and Service Tax Appellate Tribunal, which is pending for disposal. Based on management assessment, Company believes that it has good chance of success in these cases.	294.35	294.35
Corporate guarantee given to financial institutions/ banks in respect of financial assistance availed by subsidiaries and associates of the Company.		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
- Axis Bank	7,751.00	7,751.00
- Royal Bank of Scotland	1,500.00	1,500.00
- HDFC Bank Limited	28,000.00	22,000.00
- ICICI Bank Limited	20,000.00	20,000.00

10. Employee Stock Option Plan

The Company has provided share-based payment scheme to the eligible employees and directors of the Company/ its subsidiaries and holding company. During the year ended March 31, 2008, 458,500 options (Grant I) were granted to the employees under Plan 'A'. Under the same plan, 33,500 options (Grant II) were granted to the employees during the year ended March 31, 2009, 763,700 options (Grant III) were granted during the year ended March 31, 2010, 1,302,250 options (Grant IV) were granted during the year ended March 31, 2011 and 200,000 options (Grant V) were granted during the year ended March 31, 2012. Under plan 'B', 4,050,000 options (Grant VI) were granted during the year ended March 31, 2013, 3,715,000 options (Grant VII) were granted during the year ended March 31, 2014, 240,000 option (Grant VIII) were granted during the year March 31, 2015, 100,000 option (Grant IX) during the current year and 2,500,000 options (Grant X) were granted during the current year. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company. The weighted average share price of the Company during the year was ₹ 170.22 (Previous year ₹ 118.67). As at March 31, 2016, the following schemes were in operation:

The details of activity under the Plan have been summarized below:

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of options granted	Vesting Period	Exercise Period up to
Grant I	13-Feb-08	30-Jul-07	27-Sep-07	458,500	February 13, 2009 to February 12, 2013	12-Feb-18
Grant II	13-Oct-08	30-Jul-07	27-Sep-07	33,500	October 13, 2009 to October 12, 2013	12-Oct-18
Grant III	14-Jul-09	30-Jul-07	27-Sep-07	763,700	July 14, 2010 to July 13, 2014	13-Jul-19
Grant IV	1-Oct-10	30-Jul-07	27-Sep-07	1,302,250	October 1, 2011 to September 30, 2015	30-Sep-20
Grant V	12-Sep-11	30-Jul-07	27-Sep-07	200,000	September 12, 2012 to September 11, 2016	11-Sep-21
Grant VI	23-Feb-12	12-Aug-11	19-Sep-11	4,050,000	September 23, 2012 to September 23, 2015	22-Feb-19
Grant VII	10-Jun-13	12-Aug-11	19-Sep-11	3,715,000	June 10, 2013 to June 10, 2016	9-Jun-20
Grant VIII	12-Nov-14	12-Aug-11	19-Sep-11	240,000	November 12, 2014 to November 11, 2017	10-Nov-21
Grant IX	1-Jun-15	12-Aug-11	19-Sep-11	100,000	June 1, 2015 to May 31, 2018	31-May-22
Grant X	5-Aug-15	12-Aug-11	19-Sep-11	2,500,000	August 5, 2015 to August 4, 2018	4-Aug-22

Particulars	March 31, 2016		March 31, 2015	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	**4,704,130**	**108.82**	5,808,230	106.24
Granted during the year	**2,600,000**	**91.00**	240,000	121.00
Forfeited during the year	**509,000**	**104.47**	1,322,600	100.26
Exercised during the year	**322,180**	**98.90**	21,500	73.96
Expired during the year	-	-	-	-
Outstanding at the end of the year	**6,472,950**	**143.92**	4,704,130	108.82
Exercisable at the end of the year	-	-	1,353,490	115.57
Weighted average remaining contractual life (in years)	**7.15**	-	5.48	-
Weighted average fair value of options granted (in ₹)	**59.71**	-	39.03	-

* Under Grant I, 2,400 options were exercised on March 31, 2015 and allotment was made on April 10, 2015.

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	March 31, 2016	March 31, 2015
Range of exercise prices (in ₹)	**50.00 to 193.00**	50.00 to 158.00
Number of options outstanding	**6,472,950**	4,704,130
Weighted average remaining contractual life of options (in years)	**7.15**	5.48
Weighted average exercise price (in ₹)	**142.94**	108.82

Stock Options granted

The weighted average fair value of stock options granted during the year is ₹ 98.90. The Black - Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2016	March 31, 2015
Exercise Price (in ₹)	50.00 to 193.00	50.00 to 158.00
Expected Volatility	6.42% to 34%	6.42% to 34%
Life of the options granted (Vesting and exercise period) in years	2 years to 7 years	3 years to 6.5 years
Expected dividends	-	-
Average risk-free interest rate	7.31% to 8.70%	7.31% to 8.70%
Expected dividend rate	-	-

Expected volatility has been determined considering the daily volatility of the stock prices on National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

In March 2005, the ICAI has issued a guidance note on 'Accounting for Employees Share Based Payments' applicable to employee based share plan, the grant date in respect of which falls on or after April 1, 2005. The said

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported net profit and earnings per share would be as follows:

(₹ in lacs)

Particulars	March 31, 2016	March 31, 2015
Profit as reported	**(7,350.76)**	(3,390.59)
Add: Employee stock compensation under intrinsic value method	**-**	-
Less: Employee stock compensation under fair value method	**(1,204.34)**	(520.61)
Proforma profit	**(8,555.09)**	(3,911.20)
Earnings Per Share (In ₹)		
Basic		
- As reported	**(1.59)**	(0.73)
- Pro forma	**(1.82)**	(0.84)
Diluted		
- As reported	**(1.59)**	(0.73)
- Pro forma	**(1.82)**	(0.84)

The fair value of total option outstanding at the year end is ₹ 3,865.31 lacs (Previous year ₹ 1,835.99 lacs) and these shall vest over a period of 3-5 years. Accordingly, the charge for the current year in relation to employee stock compensation on a straight line basis under fair value method would have been ₹ 1,204.34 lacs (Previous year ₹ 520.61 lacs).

11. Disclosures under Accounting Standard - 15 (Revised) on 'Employee Benefits':

Defined Benefit Plan

The Company has a defined benefit gratuity plan, where under employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service subject to a maximum limit of Rupees 1,000,000 in terms of the provisions of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service. The Gratuity fund is unfunded.

The following table summarizes the components of net benefit expenses recognised in the statement of profit and loss and the amounts recognized in the balance sheet.

(₹ in lacs)

Particulars	Gratuity (Unfunded) 2015-2016	Gratuity (Unfunded) 2014-2015
Statement of Profit & Loss		
Net employee benefit expenses		
Current Service cost	**233.62**	187.11
Interest Cost on benefit obligation	**90.14**	79.20
Expected return on plan assets	**-**	-
Actuarial loss/ (gain) recognised during the year	**(138.89)**	166.45

Particulars	Gratuity (Unfunded) 2015-2016	Gratuity (Unfunded) 2014-2015
Past Service Cost	**1.22**	-
Net benefit expense	**186.09**	432.76
Balance sheet		
Details of Provision for Gratuity as at year end		
Present value of defined benefit obligation	**1331.52**	1,224.03
Fair value of plan assets	**-**	-
Surplus/ (deficit) of funds	**(1,331.52)**	(1,224.03)
Net asset/ (liability)	**(1,331.52)**	(1,224.03)
Changes in present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	**1.224.03**	881.24
Defined Benefit Obligation acquired under slump sale	**(12.33)**	39.77
Current Service cost	**233.62**	187.11
Interest Cost on benefit obligation	**90.14**	79.20
Past Service Cost	**1.22**	-
Benefits paid	**(66.27)**	(129.74)
Actuarial loss/ (gain) recognised during the year	**(138.89)**	166.45
Closing defined benefit obligation	**1,331.52**	1,224.03
- Long - term provision	1,267.16	1,140.81
- Short - term provision	64.36	83.22

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

Particulars	As at March 31, 2016	As at March 31, 2015
Discount rate	7.75%	7.75%
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT	Indian Assured Lives Mortality (2006-08) (Modified) ULT
Withdrawal/ Employee Turnover Rate		
Age upto 30 years	18.00%	18.00%
Age from 31 to 44 years	6.00%	6.00%
Age above 44 years	2.00%	2.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Experience history for the current and previous four periods are as follows:

(₹ in lacs)

	Year ending				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligation at the end of the period	(1,331.52)	(1,224.03)	(881.24)	(737.55)	(491.36)
Plan assets at the end of the period	-	-	-	-	-
Surplus/ (deficit)	(1,331.52)	(1,224.03)	(881.24)	(737.55)	(491.36)
Experience gain/ (loss) adjustment on plan liabilities	138.89	(19.04)	(211.51)	(101.33)	(85.50)
Experience gain/ (loss) adjustment on plan assets	-	-	-	-	-
Actuarial gain/ (loss) due to change on assumptions	-	(147.41)	92.81	(36.12)	28.21

Notes:

a) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

12. The Company has entered into 'Operation and Management' agreement with entities which are into hospital operations, in terms of which, the Company is responsible for developing and providing maintenance support and related services necessary to support, manage and maintain the hospital as may be required. The management fee in this case is generally based on gross billing of the hospital subject to certain conditions as per the underlying agreement. The gross billing of the hospital is considered based on the unaudited financial statements of the respective entity. The management does not anticipate any material changes in the amounts considered in financial statements.

13. Restructuring

The Company has completed following restructuring during the previous year ended 31 March, 2015:-

a. The Company's primary business consists of provision of Hospital Services through various entities. The Company initiated internal restructuring within the Company with a view to streamline and focus Group companies' resources and energies on different divisions and undertakings and to align the business with the internationally emerging trends by moving towards innovative and cost effective methods such as transformation to asset light models. Subsequent to the internal restructuring completed during the year, the business of certain identified hospitals of the Company are being divided into the following two verticals, such that they are managed under different verticals whilst continuing to have mutual interdependencies:

   (i) One vertical (the "Clinical Establishments Division") will own, maintain and operate clinical establishments (being fully air conditioned institutions established, and specifically customized and duly fitted with all fixtures, fittings, certain medical equipment and infrastructure required for running and operating the hospitals), along with providing services under outpatient division and radio-diagnostic services (hereinafter referred to as the "Clinical Establishment Services").

   (ii) The other vertical (the "Medical Services Division") will undertake the business of running the hospital operations, being hereinafter referred to as provision of medical services, including in-patient services and emergency services ("Medical Services").

b. In continuance of Company's strategy of Asset Light model, during the previous year, the Company had entered in to an agreement with Escorts Heart and Super Specialty Hospital Limited ("EHSSHL"), a subsidiary of Religare Health Trust, for transfer of net assets relating to the Mohali Clinical Establishment (in Punjab) to EHSSHL. Such transaction had resulted in net gain of ₹ 265.37 lacs and disclosed as an exceptional item.

S. No.	Particulars	₹ in lacs
1	Net Fixed Assets	1,508.25
2	Net Current Assets	(194.80)
3	**Total Assets Transferred (1+2)**	**1,313.45**
4	Sale Consideration	1,578.82
5	**Profit on Sale of Undertaking (4-3) (included under Exceptional items)**	**265.37**

c. During the year ended 31 March, 2014, the Board of Directors of the Company at its meeting held on March 25, 2014 approved the purchase of operations of Fortis Hospital, Shalimar Bagh from its subsidiary, Fortis Hospitals Limited ('FHsL') on a going concern basis by way of a slump sale. The Company and FHsL entered into a business transfer agreement ('BTA') on March 28, 2014 for purchase of operations of Shalimar Bagh for a cash consideration of ₹ 4,000 lacs. The transaction has been executed on April 1, 2014 as per the agreement.

Detail of assets and liabilities purchased on slump sale are as follows :

S. No.	Particulars	₹ in lacs
1	Fixed Assets including Capital Work in Progress and capital advances	2,923.71
2	Current assets, loans and advances	1,663.19
3	Current liabilities and provisions	3,879.47
4	**Total assets acquired (net) (1+2-3)**	**707.43**
5	Purchase consideration	4,000.00
6	Goodwill (5-4)	3,292.57

14. During the current year, the Company entered into a Business transfer agreement to sell the business of its hospital at Kangra, Himachal Pradesh as a going concern on a slump sale basis with effect from September 1, 2015. Such transaction has resulted in net loss of ₹ 1,257.18 lacs and has been disclosed as an exceptional item.

15. Statutory bonus amounting to ₹ 275.88 lacs has been recorded as an exceptional item which represents the amount accrued towards incremental bonus payable to existing and deemed employees by the Company for the period from April 1, 2015 to December 31, 2015 due to enactment of The Payment of Bonus (Amendment) Act, 2015 with retrospective effect from April 1, 2014 for which notification was issued in January, 2016.

16. As part of Sponsor Agreement entered between The Trustee-Manager of Religare Health Trust, Fortis Global Healthcare Infrastructure Pte. Limited and Hospital Service Companies (collectively referred as 'Indemnified parties') with the Company, the Company has provided following indemnities:-

i) To RHT and its directors, officers, employees and agents under the relevant transaction agreements against any losses or liabilities finally determined as payable for any breach of the Consolidated Foreign Direct Investment (FDI) Policy or Foreign Exchange Management Act ('FEMA'), to the extent that such breach has resulted from the acquisition by RHT of the Hospital Services Companies.

Further, the Company has undertaken to transfer or procure additional medical and healthcare services to Hospital Services Companies in the event that any regulatory authority raises concerns over compliance with any applicable law.

However, the Company will not be liable to indemnify the Indemnified Parties for any losses resulting from delay or failure of the Indemnified Parties in completing any statutory filings or similar formalities under the Consolidated FDI Policy, FEMA and other laws in force in India as of the Listing Date i.e. October

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

19, 2012, required to be undertaken by the Indemnified Parties in relation to the acquisition by RHT or FGHIPL of the equity shares of the Hospital Services Companies.

The Company's obligations under this indemnity shall continue so long as the Company or the Group holds 15.0% or more of the total units from time to time issued in RHT or three years from the Listing Date, whichever is later.

However, the Company will be liable in respect of the indemnity for a maximum period of five years from the Listing Date.

ii) The Company has also undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, Company has till date accrued ₹ 205.03 lacs (Previous year ₹ 205.03 lacs) as provision for contingency. The management based on the computation received does not foresee any change in the provision for contingencies.

iii) Further, as per terms of the various Agreements entered into between Hospital Services Companies and Fortis Operating companies, the Hospital Services Companies have right to recover certain statutory dues levied on them from Fortis Operating Companies. There is a possible present obligation on Hospital Services Companies to collect certain statutory dues from the Fortis Operating Companies and pay it to the relevant authorities. In view of uncertainty arising from interpretation of the regulations, management believes that value of such statutory dues cannot be measured reliably and therefore has not been considered in these financial statements.

17. On January, 9 2012, FHML entered into Share Purchase Agreement with the Company to acquire its 49% interest in FHTL at an aggregate consideration of ₹ 37,728.39 lacs. FHTL is the owner of Shalimar Bagh Clinical Establishment and Gurgaon Clinical Establishment. FHML on September 17, 2012 entered into Shareholders' Agreement with the Company, pursuant to which FHML has a call option over the Company's 51% interest in FHTL ("FHTL Call Option") at a fixed price, subject to fulfillment of certain conditions, applicable laws including, and receipt of necessary approvals from all third parties. FHML also has the right to appoint 50% of the directors of FHTL, including the chairman of the board of directors who will have the casting vote in case of deadlock on any matter, including all financial and operating policies of the Company, brought to the board of directors for its approval. Additionally, the Company has assigned its right to receive dividends from FHTL in favour of FHML. In addition, FHML has a put option on its 49% interest in FHTL ("FHTL Put Option"), exercisable if FHML is unable to acquire 100% of the issued and paid-up share capital of FHTL within 5 years from the date of transfer of the 49% shareholding of FHTL by the Company to FHML, for any reason outside the control of FHML. The put option shall be exercised at a price that is equal to the fair market value of Put Securities on the date of exercise of put option, determined on a discounted cash flow basis.

During the current year, The Board of Directors of the Company approved the acquisition of 51% economic interest in FHTL. The Management is in process of obtaining the legal and regulatory approvals and intends to hold the investment for a long-term period. Accordingly, management has reclassified the investment in FHTL as non-current as at March 31, 2016 [Refer to note 4(xii)].

18. During the year ended March 31, 2013, Escorts Heart Institute and Research Centre Limited ('EHIRCL') have issued 401,769 Compulsorily Convertible Preference Shares ('CCPS') of face value of ₹ 10 each at a premium of ₹ 7,456.98 per CCPS to Kanishka Healthcare Limited ('KHL') with a maturity period of 15 years aggregating to ₹ 30,000 lacs. During the previous year ended March 31, 2013, KHL merged with International Hospital Limited (IHL). Following are the key terms of CCPS:-

a) CCPS Put Option – IHL is entitled to exercise an unconditional and irrevocable right to require the

Company or its nominee to buy all of CCPS upon occurrence of IHL having exercised FHTL Put Option or FHTL Call Option under shareholders agreement entered between the Company, FHTL and FHML, as per above.

b) Under FHTL call Option the Company is required to pay sum equal to the fair valuation of Equity Shares of EHIRCL as per DCF Method.

c) In case of FHTL put option Company has right to purchase, subject to due compliance with law, all CCPS at consideration equal to IHL's contribution along with coupon rate agreed.

19. During the year ended March 31, 2011, the Company had issued 1,000 5% Foreign Currency Convertible Bonds of US Dollar 1 lac each aggregating to US Dollar 1,000 lacs due 2015 (the "Bonds"). These Bonds were listed on the Euro MTF market of the Luxembourg Stock Exchange. The Bonds were convertible at the option of the holder at any time on or after May 18, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) up to May 11, 2015 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 167 with 26,922.1557 shares being issued per Bond with a fixed rate of exchange on conversion of ₹ 44.96 = US Dollar 1.00. The Conversion Price was subject to adjustment in certain circumstances.

The Bonds were redeemable, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds were redeemable, in whole but not in part, at the option of the Company at any time on or after 18 May 2013 (subject to the Company having given at least 30 days' notice) at 100 percent of their aggregate principal amount plus accrued but unpaid interest if the closing price of the Shares on each trading day with respect to the shares for a period of at least 30 consecutive such trading days is equal to or greater than 130 per cent of the Accreted Conversion Price (as defined in the terms and conditions of the Bonds).

The Bonds were redeemable in whole, but not in part, at the option of the Company subject to satisfaction of certain conditions including obtaining Reserve Bank of India ("RBI") approval, at certain early redemption amount, as specified, on the date fixed for redemption in the event of certain changes relating to taxation in India.

The Bonds were redeemed by the Company in US Dollars on May 18, 2015 at 103.1681 per cent of its principal amount at exchange rate of ₹ 63.59357= US Dollar 1. The Company has utilized Securities premium account and provided for the premium on redemption for the period up to the date of redemption amounting to ₹ 2,014.71 lacs (Previous year ₹ 1,922.85 lacs). Accordingly, the corresponding Debenture redemption reserve has been transfered to the Surplus in Statement of Profit & Loss.

20. During the year ended March 31, 2014, the Company issued 150 Foreign Currency Convertible Bonds aggregating to US Dollar 300 lacs due 2018 (the "Bonds") at the rate of (4.66%+LIBOR). These Bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The Bonds are convertible upto US Dollar 240 lacs of principal amount at the option of the holder at any time on or after September 17, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) up to August 01, 2018 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 99.09 with 120,471.29 shares being issued per Bond with a fixed rate of exchange on conversion of ₹ 59.6875 = US Dollar 1.00. The Conversion Price is subject to adjustment in certain circumstances.

Subject to certain conditions, the Bonds may be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond outstanding (but in no event exceeding US Dollar 60 lacs in aggregate principal amount of Bonds), at the option of the Company at any time on or after September 17, 2013 up to August 01, 2018 at the Partial Reset Conversion Price (as defined in the "Terms & Conditions of the Bonds").

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Company in US Dollars on August 08, 2018 at 100 per cent of its principal amount. These Bonds are considered a monetary liability and are redeemable only if there is no conversion before maturity date.

The Company has incurred expenses of ₹ 542.62 lacs (including ₹ 24.72 lacs paid to Auditors) in connection with this issue.

The proceeds of the issue amounting to ₹ 18,390.74 lacs were used for repayment of debts.

Exchange Rate at March 31, 2016 considered for restatement of the Bonds at the year-end was ₹ 66.17526= US Dollar 1 (₹ 62.33553= US Dollar 1 at March 31, 2015).

21. During the year ended March 31, 2014, the Company issued 550 Foreign Currency Convertible Bonds of US Dollar 1 lac each aggregating to US Dollar 550 lacs due 2018 (the "Bonds") at the rate of LIBOR+4.86%. The Bonds are convertible at the option of International Finance Corporation ("IFC"), an international organization established by Articles of Agreement among its member countries including the Republic of India (the holder) giving 7 days notice to the Company at any time on or after June 07, 2013 up to June 08, 2018 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 99.09 and number of shares to be issued will be calculated on conversion on the basis of applicable rate of exchange of US Dollar and ₹ on conversion date. The Conversion Price is subject to adjustment in certain circumstances.

The Bonds may be converted on the request of the holder but not less than value of US Dollar 5,000,000 or in multiple of US Dollar 1,000,000 thereafter. Except in certain condition mentioned in the "Terms & Conditions of the Bonds" the holder cannot exercise the Conversion Option in part or in full in respect of twenty per cent (20%) of the original bond value for a period of three (3) years after the Subscription Date.

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds may be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond at the option of the Company at any time on or after June 07, 2013 at Modified Conversion Price (as defined in the "Terms & Conditions of the Bonds").

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Company in US Dollars on June 08, 2018 at 100 per cent of its principal amount. These Bonds are considered a monetary liability and are redeemable only if there is no conversion before maturity date.

Exchange Rate at March 31, 2016 considered for restatement of the Bonds at the year-end was ₹ 66.17526= US Dollar 1 (₹ 62.33553= US Dollar 1 at March 31, 2015).

22. Commercial papers have been issued to different banks as per the details below:

S. No.	Issued to	Rate of Interest (% p.a.)	Due Date	Amount
1	HDFC Bank	9.00%	19-May-16	10,000.00
2	Yes Bank	9.30%	23-May-16	10,000.00
3	EXIM Bank	10.00%	12-Jun-16	5,000.00
4	Yes Bank	9.75%	19-Jun-16	17,500.00
Total				**42,500.00**

23. Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

During the period ended December 31, 2006, Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The management has confirmed that none of the suppliers have confirmed that they are registered under the provision of the Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

24. Particulars of Un-hedged Foreign Currency Exposure as at the reporting date:

Particulars	As at March 31, 2016		As at March 31, 2015	
	USD in lacs	Equivalent Rupees in lacs	USD in lacs	Equivalent Rupees in lacs
Import trade payable	11.15	738.17	7.88	491.51
Foreign Currency Loans:				
- Loans taken including interest accrued thereon	866.49	57,340.18	1,883.19	117,434.77
- Loans given including interest accrued thereon	1,263.85	83,635.71	1,375.33	85,731.79
Cash and Bank Balance	-	-	0.57	35.44

25. Details of loans given to subsidiaries and associates and firms/ companies in which directors are interested

(₹ in lacs)

Particulars	Maximum amount outstanding during the year		Closing balance			
	31-Mar-16	31-Mar-15	31-Mar-16 (current)*	31-Mar-16 (non-current)	31-Mar-15 (current)	31-Mar-15 (non-current)
Subsidiaries						
Hiranandani Healthcare Private Limited	4,039.08	4,638.22	2,574.08	-	3,578.22	-
Escorts Heart Institute and Research Centre Limited	24,204.42	21,907.49	-	-	21,717.49	-
Fortis Hospitals Limited	101,252.76	138,569.89	60,507.76	-	81,080.89	-
Fortis Healthcare International Limited, Mauritius	79,686.06	74,408.99	-	73,507.77	-	73,404.02
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited)	38.51	35.33	38.51	-	35.33	-
Total	209,220.83	239,559.92	63,120.35	73,507.77	106,411.93	73,404.02

* Refer note 5 for details of advances of ₹ 6,785.65 (Previous year ₹ 4,479.84) which are amounts recoverable on account of expenses incurred on behalf of such Companies or collections made on behalf of such companies.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

(₹ in lacs)

Name of the loanee	Rate of Interest	Due date	Secured/ unsecured	31-Mar-16	31-Mar-15
Hiranandani Healthcare Private Limited	11.75%	March 31, 2017	Unsecured	2,574.08	3,578.22
Escorts Heart Institute and Research Centre Limited	14%	March 31, 2017	Unsecured	-	21,717.49
Fortis Hospitals Limited	11.50% & 13.75%	March 31, 2017	Unsecured	60,507.76	81,080.89
Fortis Healthcare International Limited, Mauritius	5% & 6.5%	August 8, 2018	Unsecured	73,507.77	73,404.02
Fortis La Femme Limited (formerly known as Fortis Health Management (West) Limited)	10%	March 31, 2017	Unsecured	38.51	35.33
				136,628.12	**179,815.95**

The above loans have been given for meeting the working capital requirements, purchase of capital assets and investments.

26. During the year, the Company has capitalised the following expenses to the cost of fixed asset/ capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amount capitalised by the Company.

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Opening Balance (A)	6,602.63	4,662.71
EMPLOYEE BENEFITS		
Salaries, wages and bonus	940.74	539.65
Total (B)	**940.74**	**539.65**
OTHER EXPENSES		
Contractual manpower	139.26	50.13
Power, fuel and water	147.17	126.38
Housekeeping expenses including consumables	-	55.00
Consultation fees to doctors	-	294.73
Rent	1,225.21	1,212.24
Legal and professional fee	70.44	75.10
Travel and conveyance	328.03	202.17
Rates and taxes	50.20	-
Communication expenses	9.55	4.31
Total (C)	**1,969.86**	**2,020.06**
Total (D=A+B+C)	**9,513.23**	**7,222.42**
Amount Capitalized to Fixed Assets (E)	**1,567.89**	**619.79**
Balance carried forward to Capital Work in Progress (F=D-E)	**7,945.34**	**6,602.63**

27. Expenditure in foreign currency (on accrual basis)

(₹ in lacs)

Particulars	2015-16	2014-15
Marketing and business promotion	**124.71**	154.80
Travel and conveyance	**63.06**	43.73
Legal and professional fee	**116.94**	122.13
Interest	**3,580.28**	6,277.83
Recruitment and training	-	13.59
Printing and stationary	**10.72**	8.45
Miscellaneous expenses	**74.25**	66.89
Total	**3,969.96**	6,687.42

The above expenditure doesn't include expenses incurred on issuance of foreign currency convertible bonds and equity share under institutional placement programme amounting to Nil (Previous year Nil).

28. Earnings in Foreign Currency (on accrual basis)

(₹ in lacs)

Particulars	2015-16	2014-15
Sale of services	**878.60**	804.15
Interest income	**4,618.55**	4,346.65

29. Value of imports calculated on CIF basis

(₹ in lacs)

Particulars	2015-16	2014-15
Capital goods	**850.02**	500.15

30. Material Consumed (including consumables and spares)

	% of Total Consumption		Value (₹ in lacs)	
	2015-16	2014-15	2015-16	2014-15
Indigenous*	**100**	100	**14,729.72**	10,833.37
Imported	-	-	-	-
Total	**100**	100	**14,729.72**	10,833.37

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

31. 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). Details of corporate social responsibility expenditures as certified by Management are as follows:

₹ in lacs

Particulars	2015-16	2014-15
Balance to be spent as per previous year (A)	**53.79**	-
Amount required to be spent for current year (B)	**35.90**	53.79
Gross amount required to be spent (A+B)	**89.69**	53.79
Spent during the year	**53.79**	-
Balance unspent at end of the year	**35.90**	53.79

32. Previous Year Figures

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification. Figures for the previous year have been audited by another firm of Charered Accountants.

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

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurgaon
Date : May 26, 2016

Independent Auditor's Report

To the Members of Fortis Healthcare Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **FORTIS HEALTHCARE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31 March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes forming part of the consolidated financial statements:

a) Notes 11(A), 11(B), 12(i) and 12(ii) to the financial statements relating to income tax demands and termination of certain land leases allotted by Delhi Development Authority (DDA).

b) Notes 11(C) to the financial statements relating to non-compliance with the order of the Honorable High Court of Delhi in relation to provision of free treatment / beds to poor.

Based on the advice by external legal counsel, no provision/adjustment has been considered necessary by the Management in this regard in the consolidated financial statements.

Our opinion is not modified in respect of this matter.

Other Matters

a) We did not audit the financial statements of 3 subsidiaries, and 1 jointly controlled entities, whose financial statements reflect total assets of Rs. 11,782.89 lacs as at 31st March, 2016, total revenues of Rs. 4,778.66 lacs and net cash outflows amounting to Rs. 437.48 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

   We also did not audit the financial statements of 1 overseas joint venture included in the consolidated financial statements whose financial statements, prepared under Nepal Accounting Standard "NAS", reflect total assets of Rs. 179.92 lacs as at 31 March, 2016, total revenues of Rs. 227.90 lacs and net cash inflow amounting to

Rs. 42.23 lacs for the year ended on that date, as considered in the consolidated financial statements. Further, we did not audit the financial statements of 3 overseas associates included in the consolidated financial statements whose financial statements, prepared under Singapore Financial Reporting Standards "SFRS", reflect net loss of Rs. 4,477.82 lacs, for the year ended 31 March 2016, as considered in the consolidated financial statements. The financial statements of the joint venture and associates have been prepared in accordance with NAS and SFRS respectively and have been audited by other auditors who have submitted their conclusions, prepared under generally accepted auditing standards of their respective countries. The Management of the Holding Company has converted these financial statements of the joint venture and associate to accounting principles generally accepted in India, for the purpose of the preparation of the Holding Company's consolidated financial statements under accounting principles generally accepted in India. Our report on the consolidated financial statements, thus in so far it relates to amounts and disclosures included in respect of the joint venture and associates, is based solely on the reports of other auditors and our audit of the conversion process followed by the Management.

b) We did not audit the financial statements of 6 subsidiaries and 1 jointly controlled entities, whose financial statements reflect total assets of Rs. 6,129.76 lacs as at 31 March 2016, total revenues of Rs. 6,372.12 lacs and net cash outflows amounting to Rs. 5310.27 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 1,253.96 lacs for the year ended 31 March 2016, as considered in the consolidated financial statements, in respect of 4 associates, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's, associate company's and jointly controlled company's incorporated in India internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities. – Refer Note 10 to the consolidated financial statements.

   ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366 W / W-100018)

Sd/-
V. SRIKUMAR
Partner
(Membership No. 84494)

Mumbai, 26 May 2016
VS/RT/2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **FORTIS HEALTHCARE LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 3 subsidiary companies, and 1 jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors and in so far it relates to the unaudited 2 subsidiaries and 1 associate company is based on representation received from the management (also refer paragraph b under other matter of the independent auditors report above).

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366 W / W-100018)

V. SRIKUMAR
Partner
(Membership No. 84494)

Mumbai, 26 May 2016
VS/RT/2016

Consolidated Balance Sheet as at March 31, 2016

	Notes	As At March 31, 2016 ₹ in Lacs	As At March 31, 2015 ₹ in Lacs
EQUITY AND LIABILITIES			
1 **Shareholders' funds**			
(a) Share capital	4 (i)	**46,312.99**	46,280.54
(b) Reserves and surplus	4 (ii)	**353,415.43**	358,482.40
		399,728.42	404,762.94
2 **Minority Interest**		**14,309.56**	15,294.24
3 **Compulsorily convertible preference shares issued by subsidiary companies outside the Group**	24	**67,000.00**	67,000.00
4 **Non-current liabilities**			
(a) Long-term borrowings	4 (iii)	**84,114.85**	100,439.57
(b) Deferred tax liabilities (net)	4 (iv)	**35.37**	2,387.70
(c) Other long-term liabilities	4 (v)	**5,921.50**	6,760.43
(d) Long-term provisions	4 (vi)	**4,503.85**	4,686.16
		94,575.57	114,273.86
5 **Current liabilities**			
(a) Short-term borrowings	4 (vii)	**51,866.82**	2,699.19
(b) Trade payables	4 (viii)	**57,529.02**	52,786.22
(c) Other current liabilities	4 (ix)	**32,594.40**	98,804.32
(d) Short-term provisions	4 (x)	**5,630.56**	6,346.81
		147,620.80	160,226.54
TOTAL		**723,234.35**	761,557.58
ASSETS			
1 **Non-current assets**			
(a) Fixed assets			
- Tangible assets	4 (xi) (a)	**146,440.86**	174,305.08
- Intangible assets	4 (xi) (b)	**60,483.00**	58,079.88
- Capital work-in-progress		**19,657.11**	22,431.19
- Intangible assets under development		**442.95**	386.09
		227,032.92	255,202.24
(b) Goodwill on consolidation	4 (xi)(b)	**170,632.01**	189,384.27
(c) Non-current investments	4 (xii)	**107,843.13**	84,768.18
(d) Deferred tax assets (net)	4 (xiii)	**5,094.93**	3,099.38
(e) Long- term loans and advances	4 (xiv)	**65,276.44**	61,881.46
(f) Other non-current assets	4 (xv)	**3,997.02**	3,587.00
		579,867.45	597,922.53
2 **Current assets**			
(a) Current investments	4 (xvi)	**56,590.51**	61,581.74
(b) Inventories	4 (xvii)	**6,190.48**	6,396.88
(c) Trade receivables	4 (xviii)	**44,377.81**	40,937.53
(d) Cash and bank balances	4 (xix)	**17,098.75**	18,965.28
(e) Short- term loans and advances	4 (xx)	**11,193.70**	26,887.76
(f) Other current assets	4 (xxi)	**7,915.65**	8,865.86
		143,366.90	163,635.05
TOTAL		**723,234.35**	761,557.58
See accompanying notes forming part of the consolidated financial statements	1-34		

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
V. SRIKUMAR
Partner

Place : Mumbai
Date : May 26, 2016

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

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurgaon
Date : May 26, 2016

Consolidated Statement of Profit and Loss as at March 31, 2016

	Notes	Year Ended March 31, 2016 ₹ in Lacs	Year Ended March 31, 2015 ₹ in Lacs
CONTINUING OPERATIONS			
1 Income			
(a) Revenue from operations	4 (xxi)	**426,513.83**	396,586.18
(b) Other income	4 (xxii)	**14,701.97**	9,583.20
Total revenue		**441,215.80**	406,169.38
2 Expenses			
(a) Purchase of medical consumables and drugs [Net of the amount capitalised (refer note 21)]		**92,471.87**	93,672.21
(b) (Increase)/ decrease in inventories of medical consumables and drugs	4 (xxiii)	**3,252.59**	(221.50)
(c) Employee benefits expense	4 (xxiv)	**82,599.28**	76,460.27
(d) Other expenses	4 (xxv)	**226,496.15**	213,611.38
Total expenses		**404,819.89**	383,522.36
3 Earnings before interest, tax, depreciation and amortization (EBITDA) (1-2)		**36,395.91**	22,647.03
4 Finance costs	4 (xxvi)	**12,487.05**	15,177.85
5 Profit/ (loss) before tax, depreciation and amortisation (3-4)		**23,908.86**	7,469.18
6 Depreciation and amortisation expense	4 (xxvii)	**22,947.52**	23,456.28
7 Profit/ (loss) before exceptional items and tax (5-6)		**961.34**	(15,987.10)
8 Exceptional items	4 (xxviii)	**(3,318.94)**	33.15
9 Profit/ (loss) before tax (7-8)		**(2,357.60)**	(15,953.95)
10 Tax expenses:			
(a) Current tax (including MAT payable) [including reversal of earlier years tax of ₹ 279.40 lacs (Previous year ₹ 230.53 lacs)] (refer note 26)		**8,319.09**	4,539.47
(b) Less: MAT credit entitlement		**(154.41)**	(132.00)
(c) Deferred tax charge / (credit) (net)		**(3,507.91)**	(3,954.37)
Total tax expenses		**4,656.77**	453.10
11 Loss after tax and before minority interest and share in profits of associate companies (9-10)		**(7,014.37)**	(16,407.05)
12 Share in profits of associate companies (net)		**6,555.81**	5,933.32
13 Loss after tax and before minority interest (11-12)		**(458.56)**	(10,473.73)
14 Profits attributable to minority interest		**2,127.73**	1,387.20
15 Loss for the year from continuing operations (A) (13-14)		**(2,586.29)**	(11,860.93)
DISCONTINUING OPERATIONS	28		
16 Profit/ (loss) before tax from discontinuing operations		**127.73**	(2,374.47)
17 Tax expense of discontinuing operations		**26.68**	172.48
18 Profit/ (loss) after tax and before minority interest from discontinuing operations (16-17)		**101.05**	(2,546.95)
19 Profits/ (losses) attributable to minority interest		**2.01**	(12.86)
20 Share in profits/ (losses) of associate companies		**2.08**	25.03
21 Profit/ (loss) for the year from discontinuing operations (B) (18-19-20)		**101.12**	(2,509.06)
TOTAL OPERATIONS			
22 Profit/ (loss) for the year attributable to the shareholders of the Company (A+B)		**(2,485.17)**	(14,369.99)
23 Earnings/ (loss) per share [Nominal value of shares ₹ 10/- each (Previous year ₹ 10/- each)]	4 (xxix)		
- Basic (on continuing operations)		**(0.56)**	(2.56)
- Basic (on total operations)		**(0.54)**	(3.11)
- Diluted (on continuing operations)		**(0.99)**	(2.77)
- Diluted (on total operations)		**(0.97)**	(3.31)
See accompanying notes forming part of the consolidated financial statements	1-34		

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
V. SRIKUMAR
Partner

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

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Mumbai
Date : May 26, 2016

Place : Gurgaon
Date : May 26, 2016

Consolidated Cash Flow Statement for the year ended March 31, 2016

Particulars		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
A.	**Cash flow from operating activities**		
	Profit/(Loss) before tax from continuing operations	**5,389.37**	(11,407.81)
	Profit/ (loss) before tax from discontinuing operations	**127.72**	(2,336.58)
		5,517.09	(13,744.39)
	Adjustments for:		
	Depreciation and amortization expense on continuing operations	**22,947.52**	23,456.28
	Depreciation and amortization expense on discontinuing operations	**104.77**	2,822.24
	Loss on sale of fixed assets	**209.36**	238.59
	Profit on redemption of mutual funds	**(1,823.92)**	(2,302.17)
	Provision for doubtful receivables	**4,277.79**	4,485.88
	Provision for doubtful advances	**297.97**	1,494.71
	Provision for contingencies	**81.09**	230.95
	Bad debts and advances written off	**104.34**	1,664.69
	Arrangement fees written off	**8.22**	-
	Finance charges	**52.12**	169.52
	Foreign exchange fluctuation loss (net)	**(743.19)**	(3,540.16)
	Forward cover premium amortised	**(168.74)**	(1,429.81)
	Unclaimed balances and excess provisions written back	**(1,336.83)**	(1,250.83)
	Wealth tax	**-**	30.93
	Interest income	**(5,582.25)**	(3,781.20)
	Dividend income	**-**	(912.85)
	Interest expenses	**11,403.14**	14,095.11
	Profits transferred to Minority Interest	**2,129.73**	1,374.34
	Share in profits of associate companies	**(6,557.90)**	(5,958.35)
	Operating profit before working capital changes	**30,920.31**	17,143.48
	Movements in working capital :		
	Increase in trade receivables	**(7,822.41)**	(4,960.40)
	Increase in inventories	**206.40**	(199.31)
	(Increase)/ decrease in loans and advances	**5,112.37**	(4,078.46)
	Increase in other assets	**(379.06)**	(300.65)
	Increase in trade payables, other liabilities and provisions	**4,143.82**	6,740.92
	Cash generated from operations	**32,181.43**	14,345.58
	Direct taxes paid (net of refunds)	**(15,439.76)**	(11,931.45)
	Net cash flows from/ (used in) operating activities (A)	**16,741.67**	2,414.13
B.	**Cash flows from investing activities**		
	Capital expenditure on fixed assets, including capital advances	**(21,576.95)**	(24,347.06)
	Proceeds from sale of fixed assets	**3,252.08**	3,829.73
	Investment in bank deposits	**(3,393.62)**	(175.38)
	Loans to body corporates and others (given)/ repayments (net)	**9,828.47**	1,263.45
	Proceeds/ (purchase) of investments in subsidiaries and associates	**31,556.43**	(7,730.00)
	Redemption of investments in mutual funds (net)	**(13,924.56)**	40,974.26
	Interest received	**6,995.46**	3,403.75
	Dividend received from associates	**9,363.59**	4,041.05
	Net cash flows from/ (used in) investing activities (B)	**22,100.90**	21,259.80

Particulars		March 31, 2016 ₹ in Lacs	March 31, 2015 ₹ in Lacs
C.	**Cash flows from financing activities**		
	Proceeds from issuance of equity share capital [including securities premium of ₹ 287.90 lacs (Previous Year ₹ 12.29 lacs)	**320.35**	14.20
	Proceeds from long-term borrowings	-	12,500.00
	Repayments of long term borrowings	**(17,668.38)**	(25,830.56)
	Repayments 5% Foreign currency convertible bonds	**(65,608.28)**	-
	Proceeds/ (repayments) of short-term borrowings (net)	**50,726.91**	(2,057.51)
	Loan arrangement fees (paid)/ refunded (net)	**335.55**	(980.33)
	Interest paid	**(12,484.18)**	(13,998.41)
	Net cash flows from/ (used in) financing activities (B)	**(44,378.03)**	**(30,352.61)**
	Net decrease in cash and cash equivalents (A + B + C)	**(5,535.46)**	**(6,678.68)**
	Add: Cash and cash equivalents at the beginning of the year	**18,280.17**	24,921.90
	Add: Cash and cash equivalents in respect of subsidiaries acquired/ (disposed off) during the year (refer note 28)	**936.02**	36.95
	Cash and cash equivalents at the end of the year	**13,680.73**	**18,280.17**
	*** Cash and cash equivalents at the end of the year comprises:**		
	Cash on hand	**600.30**	**704.82**
	Cheques on hand	**82.09**	181.34
	Balances with banks on current and cash credit accounts	**12,998.34**	14,708.68
	Balances with banks on deposit accounts	**2,989.73**	3,370.44
		16,670.46	18,965.28
	Less: Deposits not considered as cash equivalents	**2,989.73**	685.11
	Total cash and cash equivalents	**13,680.73**	18,280.17

In terms of our report attached.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Sd/-
V. SRIKUMAR
Partner

Place : Mumbai
Date : May 26, 2016

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

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer

Place : Gurgaon
Date : May 26, 2016

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1. Nature of operations

Fortis Healthcare Limited (the 'Company' or 'FHL') was incorporated in the year 1996 and commenced its hospital operations in the year 2001. As part of its business activities, the Company holds interests in its subsidiaries, joint ventures and associate companies through which it manages and operates a network of multi-specialty hospitals and diagnostics centers. The Company's equity shares are listed on both BSE Limited and National Stock Exchange of India Limited. The Company's 4.66%+ LIBOR foreign currency convertible bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

2. Summary of significant accounting policies

(a) Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements ("CFS") have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013. The CFS has been prepared on an accrual basis and under the historical cost convention.

The accounting policies have been consistently applied by the 'Fortis Group' (as defined under 'Principles of Consolidation' in note (b) below) and are consistent with those used in the previous year.

(b) Principles of Consolidation

The CFS relates to FHL and its subsidiaries, joint ventures and associates ('Fortis Group' or 'Group') more fully described in "Composition of Group" in note 3 below. In the preparation of the CFS, investments in subsidiaries, associates and joint ventures are accounted for in accordance with the requirements of Accounting Standard (AS) 21 (Consolidated Financial Statements), AS 23 (Accounting for Investments in Associates) and AS 27 (Accounting for Interest in Joint Ventures) notified under Section 133 of the Companies Act, 2013. The CFS is prepared on the following basis:

(i) Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses. The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship comes into existence.

(ii) The difference between the cost to the Company of its investment in the subsidiary and its proportionate share in the equity of the subsidiary as at the date of acquisition of stake is recognized as goodwill or capital reserve, as the case may be. Goodwill is tested for impairment at the end of each accounting year or if there is any indication of impairment. For impairment, the carrying value of goodwill is compared with the present value of discounted cash flows of the respective subsidiaries and loss, if any, is adjusted to the carrying value of the goodwill.

(iii) Minorities' interest in net profits/losses of the subsidiaries for the year is identified and included in the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same are accounted for by FHL, being the holding company.

(iv) Investments in associates are accounted for using the equity method. The difference between the cost of investment in associate and the proportionate share in equity of the associate as at the date of acquisition of stake is identified as goodwill or capital reserve, as the case may be and included in the carrying value of the investment in the associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. However, the share of losses is accounted for only to the extent of the cost of investment except where the Company has contractual

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

obligation to share the losses beyond the cost of investment. Subsequent profits of such associates are not accounted for unless the accumulated losses (not accounted for by FHL) are recouped.

(v) The Company reports its interest in a jointly controlled entity using proportionate consolidation method wherein the assets, liabilities, income and expenses of the jointly controlled entity are proportionately consolidated.

(vi) As far as possible, the CFS are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements, Where it is not practicable to use uniform accounting policies, differences in accounting policies are disclosed separately in accordance with AS 21 (Consolidated Financial Statements).

(vii) The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. year ended March 31, 2016.

(c) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Change in Estimate

Till the year ended March 31, 2014, depreciation was provided as per rates prescribed under Schedule XIV of the Companies Act, 1956. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the consolidated financial statements.

Considering the applicability of Schedule II, the management re-estimated the useful lives and residual values of all its fixed assets in India. The management believes that depreciation rates currently used based on schedule II fairly reflect its estimate of the useful lives and residual values of fixed assets.

Where the asset has zero remaining useful life on the date of Schedule II becoming effective, i.e., April 1, 2014, its carrying amount, after retaining any residual value, was charged to the opening balance of surplus in the consolidated statement of profit and loss, as a result an amount of ₹ 1,290.57 lacs (net of deferred tax credit amounting to ₹ 324.02 lacs) has been charged to the opening balance of surplus as on April 1, 2014 in the consolidated statement of profit & loss. The carrying amount of other assets, i.e., assets whose remaining useful life was not nil on April 1, 2014, is depreciated over their remaining useful life.

Had the Company continued to depreciate the assets at the earlier rates, depreciation and loss for the previous year would have been lower by ₹ 2,206.95 lacs.

(d) Tangible fixed assets

Fixed assets are stated at cost (or fair value at the time of acquisition under slump sale or revalued amounts, as the case may be) less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(e) Depreciation on tangible fixed assets

(i) Except as stated in para (ii), (iii) and (iv) below, depreciation on all fixed assets within the Fortis Group is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Group has used the following useful lives to provide depreciation on its fixed assets.

S.No.	Assets	Useful Lives
1	Plant & machinery	15 years
2	Medical equipments	13 years
3	Furniture and fittings	10 years
4	Computers	3 years
5	Office equipments	5 years
6	Vehicles*	4- 8 years

(ii) Depreciation on leasehold improvements is provided over the period of lease or over the useful lives of the respective fixed assets, whichever is shorter.

(iii) Leasehold land is amortized over the period of lease except in respect of one subsidiary (Previous year one subsidiary) where the same is available on perpetual lease basis [100% (Previous year 100%) of net block of leasehold land of the Fortis Group aggregating to ₹ 398.22 lacs (Previous year ₹ 398.22 lacs) as at March 31, 2016].

(iv) In respect of a subsidiary, depreciation is being provided for using the Written Down Value method based on the re-estimated useful lives as mentioned above [amounts is determined at 8.00 % (Previous year 5.28%) of the total net block of fixed assets (excluding leasehold and freehold land) of the Group aggregating to ₹ 129,567.64 lacs (Previous year ₹ 142,769.29 lacs) as at March 31, 2016].

* Management has re-estimated useful lives and residual values of all its vehicles in India. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

Change in Accounting policy

a. Till year ended March 31, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Group was charging 100% depreciation on assets costing less than ₹5,000/- in the year of purchase. However, Schedule II to the Companies Act, 2013, applicable from April 1, 2014, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Group has changed its accounting policy for depreciations of assets costing less than ₹5,000/-. As per the revised policy, the Group is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 1, 2014.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

The change in accounting for depreciation of assets costing less than ₹ 5,000/- did not have any material impact on financial statements of the Group for the current year.

b. The Group till year ended March 31, 2015 had not identifying components of fixed assets separately for depreciation purposes; rather a single useful life/ depreciation rate was used to depreciate each item of fixed asset. Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed assets. Since previous year ended March 31, 2015, the Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. This change in accounting policy did not have any material impact on financial statements of the Group for the current year and previous year.

(f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs which meet capitalization criteria, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Intangible assets are tested for impairment annually, either individually or at the cash-generating unit level.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Technical Know-how Fees

Technical know-how fees are amortized over a period of 3 – 5 years from the date of commencement of commercial operation by the respective entity.

Software

Cost of software is amortized over the useful life of the software.

License fee

License fees capitalized as an intangible asset is amortised over a period of 4-10 years, being the management estimate of the useful life of the asset.

Right of Use of Land

Right of use of land capitalized as an intangible asset and is not amortized, considering the right is available on perpetual basis.

Non-Compete fee

Non-compete fee which is valued based on the incremental cash flows attributable to the non-compete covenant entered during the acquisition of business by a subsidiary is capitalized and amortized over an estimated useful life of 3-5 years over which the benefits are likely to accrue, on a straight line basis.

Internally generated assets costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.

- its intention to complete the asset.

- its ability to use or sell the asset.

- the asset will generate future economic benefits.

- the availability of adequate resources to complete the development and to use or sell the asset.

- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Expenditure on development activities, whereby research findings are applied to a plan or design for the new or substantially improved tests, is capitalized, if the cost can be reliably measured, the test is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset. The expenditure capitalized includes the cost of materials, direct labour and an appropriate proportion of overheads including rent that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognized in the statement of profit and loss as an expense as incurred. During the period of development, the asset is tested for impairment annually.

Capitalized development expenditure is stated at cost less accumulated amortization and impairment losses. Fixed assets used for research and development are depreciated in accordance with the Company's policy as stated below. Materials identified for use in research and development process are carried as inventories and charged to statement of profit and loss on issuance of such materials for research and development activities.

Fixed assets used for research and development are amortized over a period of five years being the useful life, as estimated by the management.

Goodwill on acquisition

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in the statement of profit and loss.

(h) Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(i) Impairment of Tangible and Intangible assets

a. The carrying amounts of assets are reviewed at each balance sheet date or if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to asset. This rate is estimated from the rate implicit in current market transactions for similar assets or from the weighted average cost of capital of the Company. Impairment loss is recognised in the statement of profit and loss.

b. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

c. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

d. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(j) Leases

Where a group entity is lessee

a) Finance leases, which effectively transfer to a Group entity substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized. If there is no reasonable certainty that the Group entity will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the lower of the estimated useful life of the asset or the lease term.

b) Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where a group entity is lessor

a) Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

b) Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight line basis over the lease term.

Costs, including depreciation, are recognized as expense in the statement of profit and loss.

(k) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(l) Inventories

Inventory of medical consumables, drugs and stores and spares are valued at lower of cost and net realizable value. Cost is determined on Weighted Average basis, except up to the previous year ended March 31, 2015 for four of the subsidiaries where it was determined on First-in First-out basis [Nil (Previous year 36.48 %) of total inventories of Fortis Group aggregating NIL (Previous year ₹ 6,222.07 lacs) as at March 31, 2015]. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs incurred to make the sale.

(m) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Service Income from operations

Operating income including inpatient and outpatient services, laboratory/ clinical services, management fees from hospitals, management fees from laboratories and income from satellite centers are recognized as and when the services are rendered. Management fee from hospitals and income from medical services is recognised as and when the contractual obligations arising out of the contractual arrangements with respective hospitals are fulfilled.

Income from Clinical Research

Revenue is recognized as and when the services are rendered in accordance with the terms of the respective agreements.

Income from Rehabilitation Centre

Revenue is recognised as and when the services are rendered at the rehabilitation centre.

Rental Income and Equipment Lease Rentals

Revenue is recognized in accordance with the terms of lease agreements entered into with the respective lessees on a straight line basis.

Income from Academic Services

Revenue is recognized on pro-rata basis on completion of such services over the duration of the program.

Income from medical, dental and other service contracts

The Group has certain medical, dental and other service contracts, in which the Group agrees to provide specific services over the terms of the contracts for a fixed-fee in which the level of services depends on uncertain future events (the “Fixed-fee Contracts”). Fees received or receivable under the Fixed-fee Contracts

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

are recognized on a time proportion basis over the terms of the Fixed-fee Contracts. Expenses incurred in connection with the Fixed-fee Contracts are charged to the statement of profit and loss as incurred. Deficiency in the contract liabilities is immediately charged to the statement of profit and loss by establishing a provision for losses.

Sale of pharmacy items

Revenue from sale of goods is recognized when all significant risks and rewards of ownership of goods have been passed to the buyer, usually on delivery of the goods.

Income from sale of scrap and plasma

Revenue from sale of scrap and plasma is recognized when all significant risks and rewards of ownership of goods have been passed to the buyer, usually on delivery of the goods.

Export benefits

Income from 'Served from India Scheme' is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis.

Income from sponsorship fees

Sponsorship income is recognized when the underlying obligations are completed as per contractual terms.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the right to receive dividend is established by the reporting date.

(n) Unamortized finance charges

Cost incurred in raising funds is amortized on straight line basis over the period for which the funds are obtained.

(o) Foreign Currency Transactions and balances

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined

(iii) Exchange Differences

The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on a monetary item that, in substance, forms part of the Group's net investment in a non-integral foreign operation is accumulated in the foreign currency translation reserve until the disposal of the net investment. On the disposal of such net investment, the cumulative amount of the exchange differences which have been deferred and which relate to that investment is recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

2. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.

3. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

4. All other exchange differences are recognized as income or as expenses in the period in which they arise.

For the purpose of 2 and 3 above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 9, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period. Any gain/ loss arising on forward contracts which are long-term foreign currency monetary items is recognized in accordance with paragraph (iii)(2) and (iii)(3) above.

(v) Translation of Integral and non-integral foreign operation

The Company classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average - rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(p) Retirement and other employee benefits:

(I) In respect of Companies incorporated in India.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(i) Contributions to Provident Fund

The entities comprised within the Fortis Group make contributions to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when an employee renders the related service.

The provident fund contribution of certain employees of the group is being deposited with "Fortis Healthcare Limited Provident Fund Trust" and "Escorts Heart Institute and Research Centre Limited Provident Fund Trust"; such contribution to the trust additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall, if any has to be provided for as at the balance sheet date. There are no other obligations other than the contribution payable to the fund.

(ii) Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the year using the projected unit credit method.

Two of the subsidiaries of the Company have taken insurance policy under the Group Gratuity scheme with the Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees and the amount paid/ payable in respect of present value of liability of past services is charged to the statement of profit and loss every year. The difference between the amount paid/payable to LIC and the actuarial valuation made at the end of each financial year is charged to the statement of profit and loss.

(iii) Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(iv) Actuarial gains/ losses

Actuarial gains/losses are recognized in the statement of profit and loss as they occur.

(II) In respect of Companies incorporated outside India

(i) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations.

A defined contribution plan is a plan under which the Group pays fixed contributions into an independent fund administered by the local authority. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed in the period that relevant employee services are received.

(ii) Short term employee benefits

Short term employee benefits comprise employee costs such as salaries, bonuses and paid annual leave and sick leave are accrued in the year in which the associated services are rendered by employees of the Group.

The liability in respect of compensated absences becoming due or expected to be availed within one year from the reporting date are considered as short term benefits and are recognized on the basis of the estimated value of benefit expected to be availed by the employees.

(q) Income Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(r) Employee Stock Compensation Cost

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

(s) Earnings Per Share

Basic earnings per share are calculated by dividing the net consolidated profit for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net consolidated profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(t) Provisions and Contingencies

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

(u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(v) Cash and Cash Equivalents (for the purpose of cash flow statement)

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

(w) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items, extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

(x) Derivative instruments

In terms of the announcement made by the Institute of Chartered Accountants of India, the accounting for derivative contracts (other than those covered under AS-11) is done based on the "marked to market" principle. If there is a mark to market loss then same is charged to the statement of profit and loss. Net gains are ignored as a matter of prudence.

(y) Segment reporting

Business segments

The Company is primarily engaged in the business of healthcare services which is 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. Healthcare services include various patient services delivered through clinical establishment, medical service companies, pathology and radiology services etc.

Geographical segments

The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter-segment transfers

The group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(z) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III to the Companies Act, 2013), the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, Group includes other income, but does not include depreciation and amortization expense, finance costs and tax expense.

(aa) Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

3. Composition of the Group

	Name of the Group Company	Country of Incorporation	Proportion of ownership interest as at March 31, 2016	Proportion of ownership interest as at March 31, 2015
a)	**Subsidiaries**			
	Hiranandani Healthcare Private Limited (HHPL)	India	85.00%	85.00%
	Fortis Hospotel Limited (FHTL) (Refer note a below)	India	64.72%	64.72%
	Fortis Lafemme Limited (FLFL) (formely known as Fortis Health Management (West) Limited)	India	100.00%	100.00%
	Fortis Health Management (East) Limited (FHM(E)L)	India	88.00%	88.00%
	Fortis Cancer Care Limited (FCCL) (formerly known as Fortis Health Management (South) Limited)	India	100.00%	100.00%
	Fortis Healthcare International Limited (FHIL)	Mauritius	100.00%	100.00%
	Escorts Heart Institute and Research Centre Limited (EHIRCL)	India	100.00%	100.00%
	Lalitha Healthcare Private Limited (LHPL)	India	79.43%	67.23%
	Fortis Malar Hospitals Limited (FMHL)	India	63.17%	63.20%
	Fortis Hospitals Limited (FHsL)	India	100.00%	100.00%
	Fortis Global Healthcare (Mauritius) Limited (FGHL)	Mauritius	100.00%	100.00%
	Malar Stars Medicare Limited (MSML)	India	63.17%	63.20%
	Fortis Asia Healthcare Pte. Limited (FAHPL)	Singapore	100.00%	100.00%
	Fortis C-Doc Healthcare Limited (C-Doc)	India	60.00%	60.00%
	Birdie & Birdie Realtors Private Limited	India	100.00%	100.00%
	Stellant Capital Advisory Services Private Limited	India	100.00%	-
	Religare Health Trust Trustee Manager Pte Limited	Singapore	100.00%	-
	Fortis Health Staff Limited (FHSL)	India	29.00%	29.00%
	SRL Limited	India	75.58%	71.49%
	SRL Diagnostics Private Limited	India	75.58%	71.49%
	SRL Reach Limited	India	75.58%	-
	Fortis Healthcare International Pte Limited (FHIPL)	Singapore	100.00%	100.00%
	Fortis Healthcare Singapore Pte Ltd	Singapore	-	100.00%
	Radlink-Asia Pte Limited (Radlink)	Singapore	-	100.00%
	Drs Thompson & Thompson (Radlink Medicare) Pte Limited	Singapore	-	85.00%

	Name of the Group Company	Country of Incorporation	Proportion of ownership interest as at March 31, 2016	Proportion of ownership interest as at March 31, 2015
	Radlink Medicare Pte Limited	Singapore	-	100.00%
	Radlink Medicare (Bishan) Pte Limited	Singapore	-	70.00%
	Radlink Medicare (Woodlands) Pte Limited	Singapore	-	70.00%
	Radlink Medicare (Tampines) Pte Limited	Singapore	-	100.00%
	Radlink Medicare (Jurong East) Pte Limited	Singapore	-	100.00%
	Clinic 1866 Pte Limited	Singapore	-	100.00%
	Radlink Diagnostic Imaging (s) Pte Limited	Singapore	-	100.00%
	Drs Lim Hoe & Wong Radiology Pte limited	Singapore	-	100.00%
	Healthcare Diagnostic Services Pte Limited	Singapore	-	100.00%
	Radlink Women & Fetal Imaging Centre Pte Limited	Singapore	-	100.00%
	Radlink Pet & Cardiac Imaging Centre Pte Limited	Singapore	-	100.00%
	Singapore Radiopharmaceutic Als Pte Limited	Singapore	-	100.00%
	Singapore Molecular Therapy Centre Pte Limited	Singapore	-	100.00%
	Healthcare Clinic and Surgery Pte. Limited	Singapore	-	100.00%
	Mena Healthcare Investment Company Limited	British Virgin Islands	82.54%	82.54%
	Super Religare Laboratories International FZ LLC	UAE	100.00%	100.00%
	Medical Management Company Limited	British Virgin Islands	82.54%	82.54%
	Fortis Healthcare Middle East LLC	United Arab Emirates	49.00%	49.00%
b)	**Associates**			
	Sunrise Medicare Private Limited	India	31.26%	31.26%
	Medical and Surgical Centre Limited	Mauritius	28.89%	28.89%
	Fortis Medicare International Limited	Mauritius	49.00%	49.00%
	Fortis Emergency Services Limited	India	49.00%	49.00%
	Lanka Hospitals Corporation Plc	Sri Lanka	28.60%	28.60%
	Town Hall Clinic	Singapore	-	25.50%
	International Hospital Limited (IHL)	India	28.88%	28.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	Name of the Group Company	Country of Incorporation	Proportion of ownership interest as at March 31, 2016	Proportion of ownership interest as at March 31, 2015
	Escorts Heart and Super Speciality Hospital Limited (EHSSHL)	India	28.88%	28.00%
	Fortis Global Healthcare Infrastructure Pte. Limited (FGHIPL)	Singapore	28.88%	28.00%
	Hospitalia Eastern Private Limited (HEPL)	India	28.88%	28.00%
	Religare Health Trust (RHT)	Singapore	28.88%	28.00%
	Fortis Health Management Limited (FHML)	India	28.88%	28.00%
c)	**Joint Ventures**			
	Fortis Cauvery	India	51.00%	51.00%
	DDRC SRL Diagnostics Services Private Limited (DDRC)	India	50.00%	50.00%
	Super Religare Reference Laboratories (Nepal) Private Limited (SRRLPL)	Nepal	50.00%	50.00%

Notes:-

a) As per Shareholders Agreement ('SHA') signed between FHML, the Company and FHTL, the Company has agreed to divest its stake of 51% in FHTL to FHML on receiving of certain regulatory approvals. However, as per the SHA, there are severe long term restrictions on transfers of funds to the Company by FHTL; accordingly FHTL is not being consolidated w.e.f. October 19, 2012 by the Company. (Refer note 23(c)).

b) During the previous year ended March 31, 2015, the Company incorporated Fortis Charitable Trust a non-profit Company under section 8 of the Companies Act, 2013 for carrying out Corporate Social Responsibilities ('CSR') of the Group. Since the objective of control over the entity by the Group is not to obtain economic benefits from its activities, it is not considered for preparation of consolidated financial statement of the Group.

c) During the previous year ended March 31, 2015, Fortis Hospitals Limited, a wholly owned subsidiary of the Company has acquired 100% stake in Birdie & Birdie Realtors Private Limited on May 6, 2014, thus effective May 6, 2014 it has become wholly owned subsidiary of the Company.

d) During the current year ended March 31, 2016, Fortis Hospitals Limited, a wholly owned subsidiary of the Company has acquired 100% stake in Stellant Capital Advisory Services Private Limited on November 3, 2015, thus effective November 3, 2015 it has become wholly owned subsidiary of the Company.

e) During the current year, ended March 31, 2016 Stellant Capital Advisory Services Private Limited, a wholly owned subsidiary of the Fortis Hospitals Limited has acquired 100% stake in Religare Health Trust Trustee Manager Pte Limited on February 3, 2016, thus effective February 3, 2016 it has become wholly owned subsidiary of the Company.

f) Fortis HealthStaff Limited and Fortis Healthcare Middle East LLC are Board control subsidiaries of the Group.

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (i)	**Share capital**		
	Authorised Shares		
	600,000,000 (Previous year 600,000,000) Equity shares of ₹ 10 each	**60,000.00**	60,000.00
	200 (Previous Year 200) Class 'A' Non- Cumulative Redeemable Preference Shares of ₹ 100,000 each	**200.00**	200.00
	11,498,846 (Previous Year 11,498,846) Class 'B' Non- Cumulative Redeemable Preference Shares of ₹ 10 each	**1,149.88**	1,149.88
	64,501,154 (Previous Year 64,501,154) Class 'C' Cumulative Redeemable Preference Shares of ₹ 10 each	**6,450.12**	6,450.12
	Total authorised share capital	**67,800.00**	67,800.00
	Issued, subscribed and fully paid up shares		
	463,129,994 (Previous year 462,805,414) Equity shares of ₹ 10 each	**46,312.99**	46,280.54
	Total issued, subscribed and fully paid up share capital	**46,312.99**	46,280.54

Notes :

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Number	Value ₹ in Lacs	Number	Value ₹ in Lacs
At the beginning of the year	**462,805,414**	**46,280.54**	462,786,314	46,278.63
Issued during the year: Employee Stock Option Plan (ESOP) (refer note 14)	**324,580**	**32.45**	19,100	1.91
Outstanding at the end of the year	**463,129,994**	**46,312.99**	462,805,414	46,280.54

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Where dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the current and previous year, there has been no dividend proposed by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries

Equity Shares

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	Number	Value ₹ in Lacs	Number	Value ₹ in Lacs
Fortis Healthcare Holdings Private Limited, the holding Company	**329,591,529**	**32,959.15**	329,591,529	32,959.15
RHC Holding Private Limited, the ultimate holding Company	**218,250**	**21.83**	218,250	21.83

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

Equity Shares

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Healthcare Holdings Private Limited, the holding Company	**329,591,529**	**71.17%**	329,591,529	71.22%
International Finance Corporation	**19,345,462**	**4.18%**	25,793,949	5.57%

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.

(e) Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option plan (ESOP) of the Company (refer note 14).

(f) Shares reserved for issue on conversion

For details of shares reserved for issue on conversion of bonds, please refer note 16, 17 & 18 regarding terms of conversion/ redemption of bonds.

	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (ii) Reserves and surplus		
(A) Securities premium account		
Opening balance	**294,534.99**	294,973.45
Add : Premium on shares issued during the year	**287.90**	12.29
Less: Amount utilized for accrual of premium payable on redemption of 5% foreign currency convertible bonds	**(91.86)**	(450.75)
Closing balance	**294,731.03**	294,534.99
(B) Amalgamation reserve		
Opening balance	**156.00**	156.00
Closing balance	**156.00**	156.00
(C) Debenture redemption reserve		
Opening balance	**15,174.63**	11,622.54
Transferred (to)/ from Surplus balance in the statement of profit and loss	**(15,174.63)**	3,552.09
Closing balance	**-**	15,174.63
(D) General reserves		
Opening balance	**41,964.89**	41,964.89
Closing balance	**41,964.89**	41,964.89

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
(E)	**Foreign currency translational reserve**		
	Opening balance	**(16,917.01)**	(8,999.09)
	Effect of foreign exchange rates variation during the year	**(4,005.08)**	(7,917.92)
	Closing balance	**(20,922.09)**	(16,917.01)
(F)	**Foreign currency monetary item translation difference account**		
	Opening balance	**(61.34)**	(714.67)
	Effect of foreign exchange rates variation during the year	**(1.88)**	653.33
	Closing balance	**(63.22)**	(61.34)
(G)	**Other reserves**		
	Opening balance	**(1,432.06)**	(1,432.06)
	Closing balance	**(1,432.06)**	(1,432.06)
(H)	**Capital redemption reserve**		
	Opening balance	**-**	-
	Transfer from surplus in Statement of Profit and Loss	**337.50**	-
	Closing balance	**337.50**	-
(I)	Surplus in the statement of profit and loss		
	Opening balance	**25,062.30**	44,386.79
	Loss for the year	**(2,485.17)**	(14,369.99)
	Impact of Depreciation (refer note 2(c)) (net of deferred tax Nil (Previous year ₹ 324.02 lacs))]	**-**	(1,290.58)
	Transfer from/(to) Debenture redemption reserve	**15,174.63**	(3,552.09)
	Transfer to capital redemption reserve	**(337.50)**	-
	Minority interest adjustment	**1,291.23**	-
	Proposed final equity dividend [amount per share ₹ 0.50 (Previous year ₹ 0.50)]	**(22.30)**	(92.99)
	Dividend distribution tax on dividend	**(39.62)**	(18.59)
	Dividend accrued on compulsory convertible preference shares	**(0.19)**	(0.25)
	Net surplus in the statement of profit and loss	**38,643.38**	25,062.30
	Total (A+B+C+D+E+F+G+H+I)	**353,415.43**	358,482.40

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (iii)	**Long-term borrowings**		
	Secured (refer note 8)		
	(a) Term loan from banks	**26,953.45**	31,792.86
	(b) Term loans from body corporates	-	14,108.12
	(c) Hire purchase loans from banks	-	4.04
	(d) Finance lease obligations	**38.23**	61.76
	(e) Deferred payment liabilities	**213.63**	647.66
	(f) Buyers credit	**473.53**	642.20
		27,678.84	47,256.64
	Unsecured (refer note 8)		
	(a) Bonds		
	- 4.66%+LIBOR Foreign currency convertible bonds	**19,852.58**	18,700.66
	- 4.86%+LIBOR Foreign currency convertible bonds	**36,396.39**	34,284.54
	(b) Finance lease obligations	**85.62**	104.16
	(c) Loans from an associate	**101.42**	93.57
		56,436.01	53,182.93
		84,114.85	100,439.57
4 (iv)	**Deferred tax assets / (liabilities) (net)***		
	(a) Tax effect of items constituting deferred tax liabilities		
	On difference between book balance and tax balance of fixed assets	**171.01**	14,826.63
	Others	-	4.70
	Gross deferred tax liability	**171.01**	14,831.33
	(b) Tax effect of items constituting deferred tax assets		
	On difference between book balance and tax balance of fixed assets	**135.64**	744.87
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	-	8,937.94
	On carry forward business losses and unabsorbed depreciation	-	2,689.93
	Provision for doubtful debts / advances		70.99
	Others	**135.64**	12,443.63
	Net deferred tax assets/ (liabilities)	**35.37**	2,387.70

* Aggregate of deferred tax assets (net) and deferred tax liabilities (net) for respective entities in the group is included under respective heads in the balance sheet.

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (v)	**Other long-term liabilities**		
	(a) Security deposits	**16.68**	12.24
	(b) Payables on purchase of fixed assets	**2,318.54**	2,922.98
	(c) Lease equalisation reserve	**3,565.76**	3,809.35
	(d) Interest accrued but not due on borrowings	**-**	1.46
	(e) Others	**20.52**	14.40
		5,921.50	6,760.43
4 (vi)	**Long-term provisions**		
	(a) Provision for employees benefits		
	- Provision for gratuity (refer note 15)	**4,503.85**	3,868.39
		4,503.85	3,868.39
	(b) Others		
	- Provision for restoration and maintenance (refer note (i) below)	**-**	817.77
		-	817.77
		4,503.85	4,686.16
	Notes :		
	(i) Provisions for restoration and maintenance		
	Opening balance	**817.77**	857.56
	Add/ (less): exchange translation adjustments	**-**	(39.79)
	Less: Deletion due to disposal of subsidiaries	**(817.77)**	-
	Closing balance	**-**	817.77

At the end of certain leases, costs are expected to be incurred in restoring the leased premises. The Group recognizes the provision for the cost of restoration and maintenance on estimated basis, where such obligation exists as per contract. There are no such obligation which exist as at March 31, 2016

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (vii)	**Short-term borrowings**		
	Secured (refer note 8)		
	(a) Loan from bank	**3,521.41**	39.59
	(b) Bank overdrafts	**1,881.87**	0.72
	(c) Bill discounting	**2,000.00**	-
	(d) Cash credits	**1,056.25**	1,079.13
		8,459.53	1,119.44

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
	Unsecured (refer note 8)		
	(a) Commercial papers	**42,500.00**	-
	(b) Loan from ultimate holding company	**794.50**	794.50
	(c) Loans from an associate	**112.79**	106.25
	(d) Loan from holding company	**-**	341.50
	(e) Zero percent preference shares of ₹ 10 each. Nil (Previous year 6,750,000) (proportionate share of the Company) (issued by DDRC SRL Diagnostics Services Private Limited, a Joint Venture)	**-**	337.50
		43,407.29	1,579.75
		51,866.82	2,699.19
4 (viii)	**Trade payables**		
	(a) Trade payables (other then acceptances)	**57,529.02**	52,876.22
		57,529.02	52,876.22
4 (ix)	**Other current liabilities**		
	(a) Current maturities of long-term debt (refer note 8)	**13,614.56**	75,288.01
	(b) Book overdrafts	**12.68**	1,729.85
	(c) Advances from patients/ customers	**5,061.48**	4,799.91
	(d) Security deposits received	**1,863.81**	1,798.46
	(e) Interest accrued but not due on borrowings	**1,401.71**	2,481.29
	(f) Unpaid dividend [refer note 9(h)]	**9.52**	5.80
	(g) Deferred revenue*	**225.38**	27.57
	(h) Liability against indemnification**	**133.10**	133.10
	(i) Premium payable on redemption of 5% foreign currency convertible bonds	**-**	1,922.85
	(j) Payables on purchase of fixed assets	**3,178.56**	3,615.70
	(k) Technology renewal fund***	**72.41**	120.73
	(l) Payable against losses of associates (refer note 35)	**1,667.86**	1,147.02
	(m) Payable to joint venture	**1.22**	2.23
	(n) Lease equalisation reserve	**253.51**	79.76
	(o) Statutory payables	**4,708.90**	4,702.09
	(p) Advance against sale of assets	**-**	120.00

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
(q)	Payable to gratuity fund	**54.46**	36.72
(r)	Other liabilities	**335.54**	293.23
		32,594.40	98,304.32

* Deferred revenue represents payment received in advance for fixed fees contracts for which services had not been rendered at the end of the reporting period.

**At the time of acquisition of Piramal labs (SRLD), it was agreed that any charge relating to tax litigations before the date of acquisition shall be indemnified to the group. Accordingly, the amount paid by Piramal to the group, has been shown under liability against indemnification.

*** Technology renewal fund represents fund maintained from the Basic service Fee payable to the Hospital Service Companies, for funding the replacement refurbishment and/or upgrade of radiology and other medical equipment owned/used by Hospital Service Companies.

4 (x)	**Short-term provisions**		
(a)	**Provision for employee benefits**		
	- Provision for gratuity (refer note 15)	**359.96**	452.04
	- Provision for compensated absences	**3,136.88**	2,966.31
		3,496.84	3,418.35
(b)	**Others**		
	- Provision for tax (net of advance tax)	**1,226.02**	1,648.68
	- Provision for wealth tax	**-**	29.72
	- Provision for ESIC [refer note 13 (iii)]	**98.00**	87.25
	- Provision for proposed equity dividend	**22.30**	92.99
	- Provision for tax on proposed equity dividend	**18.94**	18.59
	- Provision for contingencies (Refer note (i) below)	**438.09**	463.97
	- Provision for litigation	**330.39**	330.37
	- Provision for restoration and maintenance (Refer note (ii) below)	**-**	256.89
		2,133.72	2,928.46
		5,630.56	6,346.81
Notes :			
(i)	**Provision for contingencies**		
	(a) Provision for Imdenification	**205.03**	205.03
	(b) Others		
	Opening balance	**258.94**	58.45
	Add: provision made during the year	**81.09**	230.95
	Less: utilized during the year	**(106.97)**	(30.46)
	Closing balance	**233.06**	258.94
	Total-Provisions for contingencies	**438.09**	463.97

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
(ii) Provision for restoration and maintenance		
Opening balance	**256.89**	366.50
Add: provision made during the year	-	648.65
Add/ (less): exchange translation adjustments	-	(12.95)
Less: Deletion on disposal of subsidiary	**(256.89)**	-
Less: utilized during the year	-	(745.31)
Closing balance	-	256.89

At the end of certain leases, costs are expected to be incurred in restoring the leased premises. The Group recognizes the provision for the cost of restoration and maintenance on estimated basis, where such obligation exists as per the lease arrangement. There is no such obligation which exist as at March 31, 2016

Note 4(xi) (a) : Tangible assets (At Cost)

(₹ in lacs)

	Leasehold land (refer note 2 and 4 below)	Freehold land	Building	Leasehold improvements	Plant & machinery	Medical equipments	Furniture & fittings	Computers	Office equipments	Vehicles	Total
Gross Block											
As at April 1, 2014	398.22	36,251.61	45,526.75	17,892.73	18,792.32	120,174.54	10,998.73	7,739.52	3,165.21	4,024.91	264,964.54
Additions	-	-	285.11	581.31	1,525.00	10,583.74	297.81	590.77	130.56	601.74	14,596.04
Additions on acquisition of subsidiaries	-	8,744.60	510.52	-	247.27	-	465.29	-	-	-	9,967.68
Disposals	-	-	-	(3,238.41)	(2,369.99)	(7,359.71)	(523.17)	(486.16)	(201.73)	(475.47)	(14,654.64)
Other adjustments (refer note 1 below)	-	-	-	-	-	-	-	(156.85)	-	-	(156.85)
Exchange translation adjustments	-	(632.46)	84.54	4.33	(91.00)	(738.61)	(163.97)	(40.53)	-	0.38	(1,577.32)
As at March 31,2015	**398.22**	**44,363.75**	**46,406.92**	**15,239.96**	**18,103.60**	**122,659.96**	**11,074.69**	**7,646.75**	**3,094.04**	**4,151.56**	**273,139.45**
Additions	-	-	132.68	5,214.75	1,493.71	14,142.22	1,235.73	1,351.36	869.31	827.94	25,267.71
Additions on acquisition of subsidiary	-	-	-	89.86	-	-	17.72	35.25	2.43	-	145.25
Disposals	-	-	-	(4,011.04)	(993.43)	(5,943.16)	(413.81)	(285.77)	(207.03)	(636.70)	(12,490.94)
Disposals on sale of subsidiaries	-	(13,445.93)	(7,605.11)	(70.50)	(2,365.27)	(16,365.30)	(3,385.58)	(654.17)	-	-	(43,891.86)
Exchange translation adjustments	-	445.94	1,045.29	157.22	111.88	598.30	120.12	49.98	-	0.85	2,529.55
As at March 31,2016	**398.22**	**31,363.76**	**39,979.78**	**16,620.25**	**16,350.49**	**115,092.03**	**8,648.87**	**8,143.40**	**3,758.75**	**4,343.61**	**244,699.16**
Accumulated Depreciation											
As at April 1, 2014	-	-	8,449.96	9,062.22	10,011.19	45,773.28	5,155.92	4,572.14	863.72	1,656.99	85,545.42
Charge for the year	-	-	1,510.70	2,901.42	938.32	14,206.31	1,261.99	2,054.95	1,111.28	503.36	24,488.33
Additions on acquisition	-	-	71.66	-	91.00	-	242.92	-	-	-	405.58
Disposals	-	-	-	(2,349.02)	(1,497.19)	(5,925.00)	(395.32)	(468.00)	(151.08)	(249.71)	(11,035.32)
Other adjustments (refer note 1 below)	-	-	-	-	-	-	-	(43.39)	-	-	(43.39)
Exchange translation adjustments	-	-	33.99	22.69	(1.01)	(428.74)	(120.29)	(33.05)	-	0.16	(526.25)
As at March 31,2015	**-**	**-**	**10,066.31**	**9,637.31**	**9,542.31**	**53,625.85**	**6,145.22**	**6,082.65**	**1,823.92**	**1,910.80**	**98,834.37**
Charge for the year	-	-	805.68	4,462.08	897.44	9,237.00	938.02	1,066.85	631.12	1,191.73	19,229.92
Impairment [refer note 27(b) and 27(c)]	-	-	-	-	-	2,238.85	-	-	-	-	2,238.85
Additions on acquisition of subsidiary	-	-	-	78.43	-	-	2.03	26.89	2.39	-	109.74
Disposals	-	-	-	(3,662.18)	(385.12)	(3,842.49)	(280.71)	(263.08)	(147.18)	(448.72)	(9,029.48)
Disposals on sale of subsidiaries	-	-	(418.28)	(46.19)	(648.88)	(9,735.24)	(2,590.09)	(513.73)	-	-	(13,952.41)
Exchange translation adjustments	-	-	114.60	137.52	63.38	376.32	92.34	42.78	-	0.37	827.31
As at March 31,2016	**-**	**-**	**10,568.31**	**10,606.97**	**9,469.13**	**51,900.29**	**4,306.81**	**6,442.36**	**2,310.25**	**2,654.18**	**98,258.30**
Net Block											
As at March 31,2015	**398.22**	**44,363.75**	**36,340.61**	**5,602.65**	**8,561.29**	**69,034.11**	**4,929.47**	**1,564.10**	**1,270.12**	**2,240.76**	**174,305.08**
As at March 31,2016	**398.22**	**31,363.76**	**29,411.47**	**6,013.28**	**6,881.36**	**63,191.74**	**4,342.06**	**1,701.03**	**1,448.50**	**1,689.43**	**146,440.86**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Notes

1. Other adjustments include necessary reclassifications, rectifications and inter head transfers and adjustments to depreciation thereof.
2. Leasehold Land includes ₹ 398.22 lacs (Previous year ₹ 398.22 lacs) in respect of a subsidiary, for which, during the financial year 2005-06, Delhi Development Authority has terminated all the allotment letter lease/ deeds for which the subsidiary has filed appeal in the Delhi High Court. Repossession of land has been stayed by an interim stay order passed by Delhi High Court (refer note 11(A) and 11(B)).
3. The above assets include certain fixed assets leased pursuant to operating lease agreement (refer note 7 (c)).
4. No amortisation is being made in respect of lease hold land, since it has been taken on a perpetual lease.
5. The above assets include certain assets taken on financing lease, the details of the same as follows:-

Particulars	Plant & machinery	Medical equipments	Furniture & fittings	Computers	Office equipments	Total
Gross Block						
As at April 1, 2014	32.92	882.76	9.79	5.40	10.65	941.52
As At March 31, 2015	**32.92**	**882.76**	**9.79**	**5.40**	**10.65**	**941.52**
Additions	-	-	-	-	-	-
As At March 31, 2016	**32.92**	**882.76**	**9.79**	**5.40**	**10.65**	**941.52**
Accumulated depreciation						
As at April 1, 2014	9.81	413.46	1.73	3.64	3.31	431.95
Charge for the year	7.38	141.15	3.21	1.76	6.31	159.81
As At March 31, 2015	**17.19**	**554.61**	**4.94**	**5.40**	**9.62**	**591.76**
Charge for the year	1.46	28.90	0.87	-	0.65	31.89
As At March 31, 2016	**18.65**	**583.51**	**5.81**	**5.40**	**10.27**	**623.65**
Net Block						
As at March 31, 2015	**15.73**	**328.15**	**4.85**	-	**1.03**	**349.76**
As at March 31, 2016	**14.27**	**299.25**	**3.98**	-	**0.38**	**317.87**

Note 4(xi) (b) : Intangible assets (At Cost)

(₹ in lacs)

Particulars	Technical know how fees	Non compete fees	License fee	Software	Goodwill	Goodwill on consolidation	Total
Gross Block							
As at April 1, 2014	**961.85**	**1,550.00**	**1,860.90**	**8,176.47**	**49,092.15**	**188,633.03**	**250,274.40**
Additions	467.79	-	-	6,031.83	-	10,661.33	**17,160.95**
Deletions	-	-	-	(10.97)	-	-	**(10.97)**
Other adjustments (refer note 1 below)	-	-	-	156.85	-	-	**156.85**
Exchange translation adjustments	-	-	-	(39.83)	-	(1,655.11)	**(1,694.94)**
As at March 31,2015	**1,429.64**	**1,550.00**	**1,860.90**	**14,314.35**	**49,092.15**	**197,639.25**	**265,886.29**
Additions	440.23	-	330.70	6,059.03	-	17,869.40	**24,699.36**
Deletions	-	-	-	(23.99)	-	-	**(23.99)**
Disposals on sale of subsidiaries	-	-	-	(728.18)	-	(31,319.43)	**(32,047.61)**
Exchange translation adjustments	-	-	-	33.52	-	-	**33.52**
As at March 31,2016	**1,869.87**	**1,550.00**	**2,191.60**	**19,654.73**	**49,092.15**	**184,189.22**	**258,547.57**
Amortization and impairment							
As at April 1, 2014	532.26	1,550.00	965.60	4,132.33	-	7,835.76	**15,015.95**
Charge for the year	427.98	-	335.99	1,770.27	-	-	**2,534.24**
Impairment	-	-	-	-	451.32	419.22	**870.54**
Deletions	-	-	-	(4.64)	-	-	**(4.64)**
Other adjustments (refer note 1 below)	-	-	-	43.39	-	-	**43.39**
Exchange translation adjustments	-	-	-	(37.34)	-	-	**(37.34)**
As at March 31,2015	**960.24**	**1,550.00**	**1,301.59**	**5,904.01**	**451.32**	**8,254.98**	**18,422.14**
Charge for the year	523.84	-	429.67	2,764.07	-	-	**3,717.59**
Impairment (refer note 2 and 3 below)	91.25	-	-	-	609.41	5,302.23	**6,002.89**
Deletions	-	-	-	(16.48)	-	-	**(16.48)**
Disposals on sale of subsidiaries	-	-	-	(726.34)	-	-	**(726.34)**
Exchange translation adjustments	-	-	-	32.76	-	-	**32.76**
As at March 31,2016	**1,575.33**	**1,550.00**	**1,731.26**	**7,958.03**	**1,060.73**	**13,557.21**	**27,432.56**
Net block							
As at March 31,2015	**469.40**	**-**	**559.31**	**8,410.34**	**48,640.83**	**189,384.27**	**247,464.15**
As at March 31,2016	**294.54**	**-**	**460.34**	**11,696.70**	**48,031.42**	**170,632.01**	**231,115.01**

Notes:

1. Other adjustments include necessary reclassifications, rectifications and inter head transfers and adjustments to depreciation thereof.
2. During the current period, one of the subsidiary companies (SRLD) closed certain laboratories and sold its laboratory equipments pertaining to those laboratories, which resulted in impairment of goodwill aggegating to ₹ 609.41 lacs and technical know how fees aggregating ₹ 91.25 lacs.
3. Amount aggregating to ₹ 5,302.23 lacs relates to impairment recognised in respect of two subsidiaries. Refer note 27(c) and 27(d) for details.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		As at March 31, 2016 ₹ in Lacs		As at March 31, 2015 ₹ in Lacs
4 (xii) Non-current investments (valued at cost unless stated otherwise)				
Trade investments				
Investment in equity instruments (fully paid up instruments)				
(a) Investment in subsidiaries (Unquoted)				
Fortis CSR Foundation				
50,000 (Previous year 50,000) shares of ₹ 10 each, fully paid up (refer note 3(b))		**5.00**		5.00
Of the above, 6 (Previous year 6) shares are held by nominee shareholders				
Fortis Hospotel Limited (refer note 3 (a) and note 23(c))		**20,739.71**		-
[149,822,782 (Previous year 149,822,782) Equity Shares of ₹ 10/- each]				
(of the above, 6 shares are held by nominee shareholders)				
(b) Investment in associate companies (Unquoted)				
Fortis Medicare International Limited				
98,000 (Previous year 98,000) Ordinary Shares of US$ 1 each, fully paid up (refer note 31)		-		-
Sunrise Medicare Private Limited				
3,126 (Previous year 3,126) Equity Shares of ₹ 10/- each)		**0.31**		0.31
Town Hall Clinic Pte. Limited				
Nil (Previous year 100) Equity Shares of SGD 1 each, fully paid up	-		112.50	
Add: Share in post acquisition profits upto the beginning of the year	-		42.02	
Add: Share in profits for the current year	-		24.89	
Add: Exchange translation adjustments	-	-	(21.94)	157.47
(c) Investment in associate companies (Quoted)				
Religare Health Trust (refer note 25)				
220,676,943 (Previous year 220,676,943) units of SGD 0.90 each, fully paid up	**57,904.71**		57,904.71	
Add: Acquired during the current year [9,710,000 (Previous year Nil) units of SGD 0.90 each, fully paid up] (including goodwill of ₹ 2,290.69 lacs)	**4,437.97**		-	
Add: Share in post acquisition profits upto the beginning of the year	**1,901.03**		-	

		As at March 31, 2016 ₹ in Lacs		As at March 31, 2015 ₹ in Lacs
Add: Share in profits for the current year	**5,303.94**		5,002.91	
Less: Dividend received during the year	**(7,945.56)**		(3,772.17)	
Add: Other adjustments	**83.97**		-	
Add: Exchange translation adjustments	**121.92**	**61,807.98**	670.29	59,805.74
Lanka Hospitals Corporate Plc				
64,120,915 (Previous year 64,120,915) Equity Shares of Lankan ₹ (LKR) 62 each (including goodwill of ₹ 16,102.33 lacs)	**19,762.82**		19,762.82	
Add: Share in pre acquisition profits upto the date of acquisition	**568.70**		568.70	
Add: Share in post acquisition profits upto the beginning of the year	**1,431.56**		1,635.82	
Add: Share in profits for the current year	**915.13**		698.46	
Less: Dividend received during the year	**(474.22)**		(140.84)	
Add: Exchange translation adjustments	**(453.39)**	**21,750.60**	(339.34)	22,185.63
Medical And Surgical Centre Limited				
164,670,801 (Previous year 164,670,801) Ordinary Shares of MUR 10 each (including capital reserve of ₹ 4,224.26 lacs)	**1,312.69**		1,312.69	
Add: Share in post acquisition profits upto the beginning of the year	**1,141.66**		956.28	
Add: Share in profits for the current year	**426.36**		313.42	
Less: Dividend received during the year	**(181.93)**		(128.04)	
Add: Other adjustments	**580.01**		-	
Add: Exchange translation adjustments	**260.75**	**3,539.53**	159.68	2,614.03
		107,843.13		84,768.18

Notes :

(i) Non-current investment comprises:

Aggregate amount of quoted investments - at cost	**87,098.11**	84,605.40
Aggregate amount of quoted investments - at market value	**132,619.76**	123,899.49
Aggregate amount of unquoted investments - at cost	**20,745.02**	162.79

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (xiii)	**Deferred tax assets (net)***		
	(a) Tax effect of items constituting deferred tax liabilities		
	Others	-	86.75
	Deferred tax liability	-	86.75
	(b) Tax effect of items constituting deferred tax assets		
	On difference between book balance and tax balance of fixed assets	**2,081.69**	802.48
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	**1,134.02**	930.80
	On carry forward business losses and unabsorbed depreciation	-	-
	Provision for doubtful debts / advances	**1,838.89**	1,410.05
	Others	**40.34**	42.80
		5,094.93	3,186.13
	Deferred tax assets	**5,094.93**	3,099.39
	* Aggregate of deferred tax assets (net) and deferred tax liabilities (net) for respective entities in the group is included under respective heads in the balance sheet.		
4 (xiv)	**Long-term loans and advances**		
	Unsecured, considered good		
	(a) Capital advances	**2,100.47**	3,142.45
	(b) Security deposits	**6,314.16**	6,349.43
	(c) Loans to an associate	**3,481.51**	3,276.80
	(d) Loan to bodies corporate and others (refer note 1 below)	**4,750.00**	-
	(e) Technology renewal fund advance	**1,052.48**	359.44
	(f) Loan to employees	**462.49**	13.96
	(g) Advances recoverable in cash and kind or for value to be received	**2,058.33**	4,265.13
	(i) Advance income tax (net of provision for taxation)	**32,809.60**	28,874.94
	(h) MAT credit entitlement	**12,097.41**	11,942.74
	(i) Balances with government authorities		
	- Amount paid under protest to Income tax authorities	-	5,139.62
	- Amount paid under protest to Cutoms, excise and other authorities	**150.00**	516.95
		65,276.44	61,881.46
	Unsecured - doubtful		
	(a) Capital advances	**8.96**	-
	(b) Security deposits	**50.00**	50.00
	(c) Loan to body corporate and others	**70 .00**	70.00
		128.96	120.00
	Less: Provision for doubtful advances	**(128.96)**	(120.00)
		65,276.44	61,881.46

Note 1

An unsecured advance of ₹ 10,000 lacs was given to a body corporate in an earlier year against acquisition of immovable property which was shown as capital advance under long term loans and advances in FY 2013-14. During the year ended 31 March, 2015, the group entered into a MOU where the amount of ₹ 500 lacs was refunded to the Company and the later party agreed to repay the balance amount of ₹ 9,500 lacs by September, 2015. Accordingly, the amount was considered as Short-term loans and advances.

During the current year, the MOU has been further amended and the loan of ₹ 9,500 lacs is now repayable in 4 quarterly equal installment of ₹ 2,375 payable on half year rest starting from September, 2016. Accordingly, 2 installments, repayable after 31 March, 2017, amounting to ₹ 4,750 lacs has been reclassified Long-term loans and advances.

Based on the Management's engagement with the said party, the entire amount recoverable from party has been considered good and fully recoverable by the Management.

Interest accrued on such loan up to March 31, 2015 amounting to ₹ 1,473.53 lacs and interest accrued on loan up to March 31, 2016 is ₹ 327.20 lacs which is included in interest accrued but not due on loans and bank deposits under Other current assets in note 4(xxi).

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (xiv)	**Other non-current assets**		
	Unsecured, considered good		
	(a) Interest accrued but not due on loans and advance	-	224.00
	(b) Interest accrued on bank deposit	**91.97**	164.90
	(c) Unamortised finance charges	**76.73**	148.61
	(d) Bank deposits with original maturity of more than 12 months	**1,761.67**	1,100.97
	(e) Long-term trade receivable	**2,066.65**	1,951.52
		3,997.02	3,587.00

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (xvi)	**Current investments (At lower of cost and fair value, unless otherwise stated)**		
	(a) Investment in equity instruments of a subsidiary company (Unquoted)		
	Fortis Hospotel Limited (refer note 3 (a) and note 23(c))	-	20,739.71
	[149,822,782 (Previous year 149,822,782) Equity Shares of ₹ 10/- each]		
	(of the above, 6 shares (Previous year 6 shares) are held by nominee shareholders)		
	(b) Investment in mutual funds (Quoted)		
	Nil (Previous year 9,078,941) units of ₹ 10 each in HDFC Banking & PSU Debt Fund - Direct Growth Option	-	102.81
	72,599 (Previous year Nil) units of ₹ 1000 each in UTI Liquid Cash Plan Institutional- Growth Option	**1,800.00**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
	242,371 (Previous year Nil) units of ₹ 1000 each in Religare Liquid Fund Super Institutional Growth	**5,050.00**	-
	Nil (Previous year 9,078,941) units of ₹ 10 each in HDFC Banking & PSU Debt Fund - Direct Growth Option	-	1,000.00
	2,253,537 (Previous year 821,247) units of ₹ 10 each in ICICI Prudential Flexible Income - Direct Plan - Growth	**5,050.00**	1,700.00
	274,507 (Previous year 41,189) units of ₹ 10 each in IDFC Cash Fund Growth	**5,050.00**	700.00
	Nil (Previous year 4,300,619) units of ₹ 10 each in IDFC Money Manager Fund - Treasury Plan - Growth - Direct Plan	-	950.00
	Nil (Previous year 20,531) units of ₹ 10 each in Reliance Liquid Fund-Treasury plan Growth	-	700.00
	Nil (Previous year 23,468) units of ₹ 10 each in L & T Liquid Fund-Growth Direct Plan	-	450.00
	Nil (Previous year 51,939) units of ₹ 10 each in Reliance Money Manager Fund	-	1,000.00
	Nil (Previous year 3,260,893) units of ₹ 10 each in HDFC Liquid Fund	-	900.00
	169,029 (Previous year Nil) units of ₹ 1,000 each in HDFC Liquid Fund	**5,050.00**	-
	Nil (Previous year 51,585) units of ₹ 10 each in Religare Invesco Ultra Short Term Fund	-	1,000.00
	Nil (Previous year Nil 913,111) units of ₹ 100 each in Birla Sun Life Floating Rate Fund - Growth Direct Plan	-	1,700.00
	500,000 (Previous year 500,000) shares of USD 100 each in Global Dynamic Opportunity Fund	**34,590.26**	30,638.97
	(c) Investment in government or trust securities		
	National saving certificates	**0.25**	0.25
	Aggregate amount of unquoted investments	**56,590.51**	61,581.74
4 (xvii)	**Inventories (valued at lower of cost and net realisable value)**		
	(a) Medical consumables and drugs*	**6,113.85**	5,915.04
	(b) Linen**	-	100.53
	(c) Stores and spares	**76.63**	381.31
		6,190.48	6,396.88

* Includes Reagents, chemicals and consumables ₹ 2,652.84 lacs (Previous year ₹ 2,539.55 lacs). The Group's business does not involve any conversion process for materials. Reagents and chemicals are used to conduct various pathology and radiology procedures and are consumed in the process.

	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (xviii) Trade receivables		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Secured, considered good	**28.40**	26.22
- Unsecured, considered good	**12,157.99**	8,722.43
- Doubtful	**11,406.00**	12,664.50
	23,592.39	21,413.15
Less: Provision for doubtful receivables	**11,406.00**	12,664.50
	12,186.39	8,748.65
(b) Other receivables		
- Secured, considered good	**250.18**	236.96
- Unsecured, considered good	**31,941.25**	31,951.92
- Doubtful	**1,694.13**	1,668.13
	33,885.55	33,857.01
Less: Provision for doubtful receivables	**1,694.13**	1,668.13
	32,191.42	32,188.88
	44,377.81	40,937.53
4 (xix) Cash and bank balances		
Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
(a) Cash on hand	**600.30**	704.82
(b) Cheques on hand	**82.09**	181.34
(c) Balances with banks	-	
- on current accounts	**12,770.17**	14,405.00
- on cash credit accounts	**228.17**	300.42
- deposits with original maturity of less than 3 months	**428.30**	2,685.33
- on exchange earners foreign currency accounts	-	3.26
Other bank balances		
(a) Deposits with original maturity of more than 3 months but less than 12 months	**2,317.81**	159.74
(b) Deposits with original maturity of more than 12 months	**256.21**	386.42
(c) Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments	**406.19**	133.15
(d) On Unpaid Dividend Account [refer note 9(h)]	**9.51**	5.80
	17,098.75	18,965.28

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (xx) Short-term loans and advances		
Unsecured, considered good		
(a) Security deposits	**771.46**	1,035.98
(b) Technology renewal fund advance	**239.74**	157.70
(c) Loan to employees	**178.38**	117.07
(d) Advances recoverable in cash or in kind or for value to be received	**4,279.03**	2,744.60
(e) Advance to Gratuity fund	**6.34**	-
(f) Loans to body corporates and others [refer note 4(xiv)]	**5,216.82**	20,000.00
(g) Advance income tax (net of provision for taxation)	-	2,128.93
(h) Balances with government authorities	-	
- Amount paid under protest to Income tax authorities	-	349.57
- CENVAT, VAT and Service Tax Credit receivable	**501.93**	353.91
	11,193.70	26,887.76
Unsecured, considered doubtful		
(a) Balances with customs excise and other authorities	**76.36**	78.65
(b) Advances recoverable in cash or in kind or for value to be received	**1,370.17**	1,125.91
(c) Security Deposit	**42.80**	
(d) Loans to body corporates and others	**996.42**	808.93
	2,485.75	2,013.49
Less : Provision for doubtful advances	**2,485.75**	2,013.49
	-	-
	11,193.70	26,887.76
4 (xxi) Other current assets		
Unsecured, considered good		
(a) Interest accrued on loans and advances	**327.20**	1,478.53
(b) Interest accrued on bank deposits	**113.77**	86.72
(c) Unamortized premium on forward contracts	-	866.39
(d) Unamortized finance charges	**759.38**	48.27
(e) Accrued income	**6,654.35**	6,377.23
(f) Assets held for sale	**60.95**	0.53
(g) Others	-	13.19
	7,915.65	8,865.86

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (xxi)	**Revenue from operations**		
A	**Sale of services**		
	Revenue from domestic operations		
	(a) In patient services	**291,359.74**	272,787.65
	(b) Out patient services	**48,737.41**	45,919.57
	(c) Laboratory/ clinical services	**74,973.06**	71,499.97
	(d) Income from medical services	**4,154.38**	917.39
	(e) Management fees from hospitals [includes prior period income of nil (previous year ₹ 88.01 lacs)] (refer note 26)	**2,159.69**	692.04
	(f) Income from satellite centers	**124.19**	132.10
	(g) Income from clinical research	**189.55**	221.72
		421,698.02	392,170.44
	Less: Trade discounts	**10,322.79**	7,470.40
		411,375.23	384,700.04
	Revenue from International operations		
	(a) Hospital operations	**968.88**	797.74
	(b) Laboratory/ clinical services	**4,615.32**	2,790.96
		5,584.20	3,588.70
B	**Sale of Goods**		
	Out Patient Pharmacy	**3,194.19**	3,387.34
	Less: Trade discounts	**-**	62.53
		3,194.19	3,324.81
C	**Other operating income**		
	(a) Income from academic services	**154.99**	164.01
	(b) Income from rent	**385.32**	414.64
	(c) Equipment lease rental (refer note 7)	**1,324.77**	1,218.91
	(d) Export benefits [net of prior period reversal of ₹ 241.10 lacs (Previous year Nil), includes prior period income of Nil (Previous year ₹ 22.04 lacs)]	**585.92**	214.82
	(e) Sponsorship income	**317.17**	285.33
	(f) Scrap sale	**73.77**	63.60
	(g) Sale of plasma	**35.73**	40.72
	(h) Excess provisions / liabilities no longer required written back	**1,336.83**	1,250.83
	(i) Miscellaneous income	**2,145.71**	1,319.77
		6,360.21	4,972.63
		426,513.83	396,586.18

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

			Year ended March 31, 2016 ₹ in Lacs	Year ended March 31, 2015 ₹ in Lacs
4 (xxii)	**Other income**			
	(a)	Profit on redemption of mutual funds (current investments)	**2,793.29**	2,302.17
	(b)	Interest on bank deposits	**488.94**	323.71
	(c)	Interest on loan - others (net of prior period reversal of ₹ 447.12 lacs (Previous year ₹ Nil))	**3,381.97**	2,969.80
	(d)	Interest on income tax refund	**1,711.34**	487.70
	(e)	Net gain on foreign currency transactions and translation	**5,442.35**	713.88
	(f)	Remission of liability	**224.06**	-
	(g)	Dividend income from mutual funds	**-**	912.85
	(h)	Forward cover premium amortisation	**168.74**	1,429.81
	(i)	Commitment fees no longer payable	**-**	250.00
	(j)	Miscellaneous income	**491.28**	193.28
			14,701.97	**9,583.20**
4 (xxiii)	**(Increase)/ decrease in inventories of medical consumables and drugs**			
	(a)	Inventory at the beginning of the year	**6,118.29**	5,672.06
	(b)	Inventory at the end of the year	**2,865.70**	5,893.56
			3,252.59	(221.50)
4 (xxiv)	**Employee benefits expense**			
	(a)	Salaries, wages and bonus	**74,591.09**	68,037.61
	(b)	Contribution to provident and other funds	**4,123.51**	3,730.77
	(c)	Gratuity expense (refer note 15)	**1,182.19**	1,663.98
	(d)	Leave encashment	**891.45**	1,493.86
	(e)	Staff welfare expenses	**3,013.88**	2,414.33
			83,802.12	77,340.56
		Less: Expenses capitalized (refer note 21)	**1,202.84**	880.29
			82,599.28	**76,460.27**
4 (xxv)	**Other expenses**			
	(a)	Contractual manpower	**6,968.24**	5,127.38
	(b)	Power, fuel and water	**10,763.43**	10,316.29
	(c)	Housekeeping expenses including consumables	**2,785.14**	2,869.49
	(d)	Patient food and beverages	**4,695.90**	4,076.27
	(e)	Pathology laboratory expenses	**977.70**	1,034.36
	(f)	Radiology expenses	**808.48**	752.41
	(g)	Consultation fees to doctors	**29,006.55**	28,630.38
	(h)	Professional charges to doctors	**48,320.74**	38,508.58
	(i)	Hospital service fee expense	59,199.38	56,386.41
	(j)	Cost of medical services	**305.17**	216.58
	(k)	Repairs and maintenance		
		- Building	**768.42**	1,997.55
		- Plant and machinery	**6,441.30**	3,955.87
		- Others	**1,667.95**	2,195.93

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		Year ended March 31, 2016 ₹ in Lacs	Year ended March 31, 2015 ₹ in Lacs
(l)	Rent		
	- Hospital buildings, offices and labs	**7,708.00**	8,720.95
	- Equipments	**1,041.74**	1,369.37
	- Others	**1,342.56**	1,540.02
(m)	Donations and contributions	**240.99**	29.18
(n)	Expenditure on Corporate Social Responsibility	**304.63**	1.18
(o)	Legal and professional fee	**7,471.34**	10,054.97
(p)	Travel and conveyance	**5,660.35**	5,450.97
(q)	Rates and taxes	**683.49**	504.13
(r)	Printing and stationary	**2,728.31**	2,350.44
(s)	Communication expenses	**3,306.24**	1,455.36
(t)	Directors' sitting fees	**152.03**	56.28
(u)	Insurance	**1,398.32**	1,180.58
(v)	Marketing and business promotion	**16,644.30**	16,388.62
(w)	Recruitment & trainings	**596.62**	354.47
(x)	Wealth tax	**-**	30.93
(y)	Loss on sale of assets (net)	**209.36**	357.76
(z)	Payment to auditor*	**443.35**	378.35
(aa)	Bad debts and advances written off	**104.34**	1,644.25
(ab)	Provision for doubtful receivables	**4,277.79**	4,400.35
(ac)	Provision for doubtful advances	**297.97**	1,494.71
(ad)	Provision for contingencies	**81.09**	230.95
(ae)	Provision for dimunition in value of investment	**-**	134.53
(af)	Miscellaneous expenses	**1,310.62**	2,298.15
		228,711.84	216,494.00
	Less: Expenses capitalized (refer note 21)	**2,215.69**	2,882.62
		226,496.15	**213,611.38**

[* Payment made to auditor for the previous year related to amounts paid to previous auditors]

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (xxvi)	**Finance costs**		
	(a) Interest expense		
	- on term loans	**11,303.26**	11,025.33
	- on cash credit	**51.53**	172.31
	- on others	**48.35**	2,767.99
		11,403.14	13,965.63
	(b) Bank charges	**1,023.57**	1,051.84
	(c) Other borrowing costs		
	- Amortization of finance charges	**60.34**	160.38
		60.34	160.38
		12,487.05	15,177.85

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
4 (xxvii)	**Depreciation and amortization expense**		
	Depreciation of tangible assets	**19,229.93**	21,912.43
	Amortization of intangible assets	**3,717.59**	2,739.22
	Impairment on intangible assets	**-**	419.22
		22,947.52	25,070.87
	Less: Adjusted with opening balance of surplus in the statement of profit and loss (includes deferred tax ₹ 324.02 lacs)[refer note 2(c)]	**-**	1,614.59
		22,947.52	23,456.28
4 (xxviii)	**Exceptional (loss)/gain**		
	Gain:		
	Gain on sale of investment in Radlink Asia Pte Limited (Refer note 28(i))	**7,832.35**	-
	Gain on sale of investment in Fortis Healthcare Singapore Pte Limited (Refer note 28(ii))	**881.00**	-
	Gain on sale of Mohali clinical establishment to Escorts Heart and Super Speciality Hospital Limited, one of the subsidiary of RHT (Refer note 23(d))	**-**	190.82
		8,713.35	190.82
	Loss:		
	Loss on sale of Kangra clinical establishment (Refer note 27(a))	**(1,257.18)**	-
	Loss on closure of diagnostic labs, dialysis and healthcare centres (Refer 27(b))	**(2,942.31)**	-
	Loss on impairment of goodwill and assets held in Lalitha Healthcare Private Limited (Refer note 27(c))	**(919.00)**	-
	Loss on impairment of goodwill and assets held in SRL Diagnostics FZ-LLC (Refer note 27(d))	**(5,332.00)**	-
	Loss on dissolution of partnership firm Fortis Cauvery (Refer note 23(d))		(157.67)
	Statutory bonus (refer note 27 (e))	**(1,581.80)**	-
		(12,032.29)	(157.67)
		(3,318.94)	**33.15**
4 (xxix)	**Loss per share (EPS)**		
	Continuing operations		
	Profit/ (loss) as per statement of profit and loss	**(2,586.33)**	(11,860.91)
	Weighted average number of equity shares in calculating Basic EPS	**462,789,218**	462,789,218
	Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against stock option granted under ESOP 2007 and ESOP 2011	**173,614**	691,157
	Weighted average number of equity shares in calculating Diluted EPS	**462,962,831**	463,480,374
	Basic EPS	**(0.56)**	(2.56)
	Diluted EPS	**(0.99)**	(2.77)
	Total profits for the year	**(2,485.21)**	(14,369.97)

	As at March 31, 2016 ₹ in Lacs	As at March 31, 2015 ₹ in Lacs
Weighted average number of equity shares in calculating Basic EPS	**462,789,218**	462,789,218
Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against stock option granted under ESOP 2007 and ESOP 2011	**173,614**	691,157
Weighted average number of equity shares in calculating Diluted EPS	**462,962,831**	463,480,374
Basic EPS	**(0.54)**	(3.11)
Diluted EPS	**(0.97)**	(3.31)

5. 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.

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 primarily operates in Singapore and Mauritius

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

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

(₹ in lacs)

Region	Year Ended	
	March 31, 2016	March 31, 2015
India	421,986.99	392,967.50
Outside India	5,588.60	21,044.82
Total	**427,575.59**	**414,012.32**

Carrying value of Assets and additions to tangible and intangible fixed assets- by location of assets

The following table shows the carrying amount of segment assets and additions to tangible and intangible fixed assets by geographical area in which the assets are located:

(₹ in lacs)

Region	Carrying amount of Segment assets		Additions to Tangible & Intangible assets	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
India	586,333.62	552,032.92	50,045.52	46,329.46
Outside India	136,900.73	209,524.66	66.80	1,435.01
Total	**723,234.35**	**761,557.58**	**50,112.32**	**47,764.47**

Notes:

1) The revenue outside India includes ₹ 1,066.35 lacs (Previous year ₹ 17,426.14 lacs) relating to discontinued operations.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

6. Related party disclosures

Names of Related parties and names of related party relationship

a)	Ultimate Holding Company	RHC Holding Private Limited (Holding Company of Fortis Healthcare Holdings Private Limited)
b)	Holding Company	Fortis Healthcare Holdings Private Limited (FHHPL)
c)	Subsidiary	Fortis Hospotel Limited [refer note 3(a) above]
		Fortis CSR Foundation [refer note 3(f) above] (w.e.f. September 22, 2014)
d)	Fellow Subsidiaries (parties with whom transactions have taken place)	RHC Financial Services (Mauritius) Limited
		Fortis Healthcare Global Pte Limited
		Escorts Heart Centre Limited
		RWL Healthworld Limited (formerly known as Religare Wellness Limited)
		Fortis Hospital Management Limited
		Medsource Healthcare Private Limited
e)	Associates	Medical and Surgical Centre Limited
		Fortis Medicare International Limited
		Sunrise Medicare Private Limited
		Fortis Emergency Services Limited
		International Hospital Limited* (IHL)
		Lanka Hospitals Corporation Plc
		Town Hall Clinic Pte Limited
		Escorts Heart and Super Speciality Institute Limited* (EHSSIL)
		Escorts Hospital and Research Centre Limited* (EHRCL)
		Escorts Heart and Super Speciality Hospital Limited (EHSSHL)
		Religare Health Trust (RHT)
		Hospitalia Eastern Private Limited (HEPL)
		Fortis Health Management Limited (FHML)
f)	Joint Ventures	DDRC SRL Diagnostics Services Private Limited
		SRL Diagnostics (Nepal) Private Limited (formerly known as Super Religare Reference Laboratories (Nepal) Private Limited)
		Fortis Cauvery
g)	Key Management Personnel ('KMP') and their Relatives	Mr. Malvinder Mohan Singh - Executive Chairman at FHL
		Mr. Shivinder Mohan Singh - Executive Vice Chairman at FHL
		Mr. Aditya Vij - Chief Executive Officer at FHL (upto December 31, 2014) and Managing Director at FHsL (from August 29, 2013 to October 1, 2014)
		Ms. Ritu Vij- relative of Mr. Aditya Vij (upto December 31, 2014)
		Mr. Ashish Bhatia - Wholetime Director at FHsL

		Mr. Sunil Kapoor - Wholetime Director at EHIRCL (from February 01, 2014 upto December 22, 2014)
		Dr. Anoop Misra- Chairman and Wholetime Director at C-Doc
		Dr. Angeli Misra- relative of Dr. Anoop Misra
		Dr. Lakshminarayana Raju - Wholetime Director at LHPL
		Dr. Mohan Keshavamurthy - Wholetime Director at LHPL
		Mr. Karthik Rajagopal - Wholetime Director at LHPL
		Mr. Venkatramana Raju- relative of Dr. Lakshminarayana Raju
		Dr. Seetha Beladevi- relative of Dr. Mohan Keshavamurthy
		Dr. Sanjeev K. Chaudhry- Managing Director at SRL
		Mr. Kiran C. Vaidya- Chief Operating Officer at SRL (up to September 15, 2014)
		Mr. Sanjeev Vashishta- Chief Executive Officer of SRL
		Ms. Nagarathan- relative of KMP
		Mr. Vijayarathna - Wholetime Director at FMHL (up to July 26, 2014)
		Mr. Raghunath P - Whole time Director at FMHL (w.e.f July 26, 2014)
		Dr. Chandrasekhar G .R.- Partner in Fortis Cauvery
		Dr. Sarla Chandrasekhar- Partner in Fortis Cauvery
		Additional related parties as per Companies Act, 2013
		Mr. Gagandeep Singh Bedi - Chief Financial Officer at FHL (w.e.f September 24, 2014)
		Mr. Sandeep Puri - Chief Financial Officer at FHL (upto September 24, 2014)
		Mr. Rahul Ranjan - Company Secretary at FHL
		Mr. Akshaya Kumar Singh- Chief Financial Officer at FMHL
		Mr. Sumit Goel- Company Secretary at FMHL (w.e.f. September 5, 2014)
		Mr. Dinesh Gupta- Company Secretary at FMHL (upto June 2, 2014)
		Mr. Rakesh Laddha- Chief Financial Officer at FHsL (w.e.f. August 14, 2014)
		Ms. Meetu Gulati- Company Secretary at FHsL
		Mr. Saurabh Chadha - Chief Financial Officer at SRL
		Mr. Ankush Agarwal - Company Secretary at SRL (up to October 14, 2014)
		Mr. Ravi Batra (KMP)- Company Secretary at SRL (from November 01, 2014)
		Mr. Lalit Yadav (KMP)- Company Secretary at SRL Diagnostics Private Limited
		Dr. Brian William Tempest - Non-Executive Director
		Mr. Gurcharan Das - Non-Executive Director (upto September 24, 2014)
		Mr. Harpal Singh - Non-Executive Director
		Ms. Joji Sekhon Gill - Non-Executive Director
		Mr. Bhavdeep Singh - Cheif Executive Officer (w.e.f. July 24, 2015)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

		Ms. Lynette Joy Hepburn Brown - Non-Executive Director (w.e.f. May 29, 2014)
		Mr. Pradeep Ratilal Raniga - Non-Executive Director
		Dr. Preetinder Singh Joshi - Non-Executive Director
		Mr. Ravi Umesh Mehrotra - Non-Executive Director (w.e.f. March 26, 2015)
		Ms. Shradha Suri Marwah - Non-Executive Director (w.e.f. March 26, 2015)
		Mr. Sunil Godhwani - Non-Executive Director
		Mr. Udai Dhawan - Non-Executive Director
h)	Enterprises owned or significantly influenced by KMP or their Relatives	Aarushi Lithotripsy Private Limited
		AEGON Religare Life Insurance Company Limited
		Balaji School of Nursing
		Bar Chem
		Cauvery Hospital
		Chethana Foundation
		Dion Global Solutions Limited
		Dr. Chandrashekar Foundation
		Fortis Clinical Research Limited
		Fortis Healthcare Global II Pte Limited
		Fortis Nursing and Education Society
		Fortis RM Pharma
		Hale & Tempest Company Limited
		Indira Priyadarshani School of Nursing
		Krishna Institute of Medical Sciences Limited
		Ligare Aviation Limited (formerly known as Religare Aviation Limited)
		Ligare Travels Limited (formerly known as Religare Travels (India) Limited)
		Quality Healthcare Medical Services Limited
		R. M. Educational Trust
		Ranibennur College of Nursing
		Religare Capital Market Limited
		Religare Finvest Limited
		Religare Health Insurance Company Limited
		Religare Technova IT Services Limited
		Religare Wealth Management Limited
		RMCRS Health Management Limited
		Healthfore Technologies Limited
		Srinivasa Education Society

The schedule of Related Party Transactions and closing balances are as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Transactions during the year		
Operating income (including Income from medical services, Management fees from hospitals, Rental and Pharmacy income)		
AEGON Religare Life Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	0.16
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	**118.35**	146.98
Escorts Heart Centre Limited (Fellow Subsidiary)	-	66.60
Fortis Clinical Research Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	27.18
Fortis Charitable Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	**123.12**	-
Fortis Health Management Limited (Associate)	**130.61**	114.54
Fortis Hospital Management Limited (Fellow Subsidiary)	-	10.32
Fortis Nursing & Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	**24.00**	24.87
International Hospital Limited (Associate)	**129.71**	114.30
Medical and Surgical Centre Limited (Associate)	**968.88**	797.74
Religare Health Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	**95.98**	55.79
Religare Wealth Management Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	0.06
Reliant Healthcare Consultancy Private Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	**7.12**	-
HealthFore Technologies Limited (formerly Religare Technologies Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	**1.93**	-
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	**499.69**	638.92
SRL Diagnostic (Nepal) Private limited (Joint Venture)	**66.02**	63.79
Sunrise Medicare Private Limited (Associate)	**6.87**	6.00
Interest income		
Fortis Emergency Services Limited (Associate)	-	453.50
Bhavdeep Singh (KMP)	**25.43**	-
Dividend Income		
Medical and Surgical Centre Limited (Associate)	**181.93**	128.04
Religare Health Trust (Associate)	**7,945.56**	3,772.17
Hospital Service Fees		
Fortis Hospotel Limited (Subsidiary)	**23,043.29**	22,084.97

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Transactions during the year		
International Hospital Limited (Associate)	**24,540.67**	23,376.85
Fortis Health Management Limited (Associate)	**1,884.04**	1,762.34
Escorts Heart and Super Speciality Hospital Limited (Associate)	**9,726.38**	9,162.26
Commitment fee no longer payable		
International Hospital Limited (Associate*)	-	250.00
Investment made		
Fortis CSR Foundation (Subsidiary)	-	5.00
Purchase of goods/ services		
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	**3.01**	-
Fortis Health Management Limited (Associate)	**0.38**	0.41
International Hospital Limited (Associate)*	-	27.91
Medsource Healthcare Private Limited (Fellow Subsidiary)	**1,518.10**	1,246.80
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	**431.77**	517.02
Professional Charges Paid		
Hale & Tempest Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	**26.52**	24.60
Dr. Mohan Keshavamurthy (KMP)	**22.00**	26.95
Fortis RM Pharma (Enterprise owned/ significantly influenced by KMP/ their relatives)	**12.95**	20.77
License user agreement fees		
RHC Holding Private Limited (Ultimate Holding Company)	**206.83**	1.00
Rent Expenses		
Bar Chem (Enterprise owned/ significantly influenced by KMP/ their relatives)	**391.82**	364.46
Chethana Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	**20.51**	20.22
Mr. Aditya Vij (KMP)	-	20.25
Ms. Ritu Vij (relative of KMP)	-	20.25
Travel and conveyance		
Fortis Emergency Services Limited (Associate)	**153.69**	150.90
Ligare Travels Limited (formerly known as Religare Travels (India) Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	**325.68**	369.65
Ligare Aviation Limited (formerly known as Religare Aviation Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	**201.88**	405.93

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Transactions during the year		
Marketing Expenses		
Fortis Emergency Services Limited (Associate)	**10.48**	3.72
Managerial Remuneration		
Mr. Sanjeev Vashishta (KMP)	**211.81**	151.33
Dr. Anoop Misra (KMP)	**132.00**	141.22
Mr. Shivinder Mohan Singh (KMP)	**351.33**	535.27
Dr. Sanjeev K. Chaudhry (KMP)	**148.95**	148.95
Mr. Malvinder Mohan Singh (KMP)	**157.57**	532.03
Mr. Gagandeep Singh Bedi (KMP)	**214.35**	55.81
Mr. Sandeep Puri (KMP)	-	146.04
Mr. Rahul Ranjan (KMP)	**48.68**	38.44
Mr. Bhavdeep Singh (KMP)	**1,115.40**	-
Mr Raghunath P (KMP)	**41.10**	36.41
Mr. Vijayarathna (KMP)	-	17.03
Mr. Akshaya Kumar Singh (KMP)	**16.54**	9.51
Mr. Aditya Vij (KMP)	-	233.52
Mr. Saurabh Chadha (KMP)	**71.20**	65.83
Mr. Ankush Agarwal (KMP)	-	6.09
Mr. Ravi Batra (KMP)	**50.07**	16.23
Mr. Lalit Yadav (KMP)	**6.41**	3.85
Purchase of fixed assets		
HealthFore Technologies Limited (formerly Religare Technologies Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	**413.65**	-
Sale of fixed assets		
International Hospital Limited (Associate)	**26.43**	-
Healthfore Technologies Limited (Enterprise owned or significantly influenced by KMP or their relatives)	**53.54**	-
Sale of clinical establishment/fixed assets		
Escorts Heart and Super Speciality Hospital Limited (Associate)	-	1,578.82
Loans/ advances taken		
Fortis Healthcare Holdings Private Limited (Holding company)	-	341.50
Loans/advances given		
Fortis Emergency Services Limited (Associate)	-	450.60
Hospitalia Eastern Private Limited (Associate)	**789.66**	773.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Transactions during the year		
Bhavdeep Singh (KMP)	**430.18**	-
Loans/ Advances Received Back		
Fortis Emergency Services Limited (Associate)	**64.00**	-
Fortis Healthcare Global Pte Limited (Fellow Subsidiary)	-	454.78
Fortis Healthcare Global II Pte Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	171.42
Expense incurred on behalf of		
Dion Global Solutions Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	1.57
SRL Diagnostics (Nepal) Private Limited (Joint Venture)	**7.34**	-
Escorts Heart Centre Limited (Fellow Subsidiary)	-	11.17
Fortis Emergency Services Limited (Associate)	**0.34**	9.87
Fortis Health Management Limited (Associate)	**13.30**	31.65
Fortis CSR Foundation (Subsidiary)	**3.57**	-
Fortis Hospital Management Limited (Fellow Subsidiary)	-	116.88
Fortis Hospotel Limited (Subsidiary)	**5.17**	-
Fortis Nursing & Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	16.86
International Hospital Limited (Associate)	**330.16**	-
Medical and Surgical Centre Limited (Associate)	**6.27**	-
Hospitalia Eastern Private Limited (Associate)	**34.89**	-
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	-	4.04
Religare Capital Markets Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	**1.58**	-
DDRC SRL Diagnostics Private Limited (Joint Venture)	**0.01**	1.93
Mr. Malvinder Mohan Singh (KMP)	-	4.91
Mr. Shivinder Mohan Singh (KMP)	-	11.36
Expenses incurred on behalf of Group by		
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	**40.23**	35.89
Escorts Heart and Super Speciality Hospital Limited (Associate)	**1,018.46**	987.70
Escorts Heart Centre Limited (Fellow Subsidiary)	-	1.87
Fortis Health Management Limited (Associate)	**307.58**	208.71
Fortis Healthcare Global Pte Limited (Fellow Subsidiary)	-	9.29
Fortis Healthcare Global II Pte Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	25.87

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Transactions during the year		
Fortis Hospotel Limited (Subsidiary)	**1,234.04**	1,165.16
Fortis Charitable Foundation (Enterprise owned/ significantly influenced by KMP/ their relatives)	**180.37**	
Hale & Tempest Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	**14.10**	21.94
International Hospital Limited (Associate*)	**1,405.71**	1,250.54
SRL Diagnostic (Nepal) Private limited (Joint Venture)	**5.69**	6.68
Collection on behalf of related party		
Escorts Heart and Super Speciality Hospital Limited (Associate)	**-**	35.78
Escorts Heart Centre Limited (Fellow Subsidiary)	**-**	0.21
Fortis Emergency Services Limited (Associate)	**0.64**	-
Fortis Health Management Limited (Enterprise owned or significantly influenced by KMP or their relatives)	**9.01**	-
International Hospital Limited (Associate*)	**3.65**	-
Collection on behalf of Group by related party		
Escorts Heart and Super Speciality Hospital Limited (Associate)	**-**	2.95
Fortis Hospotel Limited (Subsidiary)	**1.86**	-
Sunrise Medicare Private Limited (Associate)	**-**	1.87
Escorts Heart Centre Limited (Fellow Subsidiary)	**0.58**	4.34
International Hospital Limited (Associate)*	**537.68**	1,125.11
Director Sitting Fees (excluding Service Tax)		
Brian William Tempest (KMP)	**18.00**	6.50
Harpal Singh (KMP)	**11.50**	6.05
Gurcharan Das (KMP)	**-**	1.25
Joji Sekhon Gill (KMP)	**7.00**	5.05
Pradeep Ratilal Raniga (KMP)	**9.00**	4.72
Preetinder Singh Joshi (KMP)	**12.50**	7.20
Sunil Godhwani (KMP)	**4.00**	3.74
Udai Dhawan (KMP)	**5.00**	3.03
Lynette Joy Hepburn Brown (KMP)	**10.00**	3.92
Ravi Umesh Mehrotra (KMP)	**6.00**	0.89
Shradha Suri Marwah (KMP)	**7.00**	0.89
Shivinder Mohan Singh (KMP)	**2.00**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Balance Outstanding at the year end (₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Loans/Advance Recoverable		
Balaji School of Nursing (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	0.44
Dion Global Solutions Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	**0.93**	0.93
Escorts Heart Centre Limited (Fellow Subsidiary)	**6.52**	-
Escorts Heart and Super Speciality Hospital Limited (Enterprise owned or significantly influenced by KMP or their relatives)	**227.00**	-
Fortis Nursing and Education Society (Enterprise owned or significantly influenced by KMP or their relatives)	**235.07**	-
Fortis Emergency Services Limited (Associate)	**3,374.00**	3,539.26
Fortis Health Management Limited (Associate)	**5.85**	35.63
Fortis Hospital Management Limited (Fellow Subsidiary)	**160.09**	171.65
Hospitalia Eastern Private Limited (Associate)	**1,562.66**	773.00
Fortis Medicare International Limited (Associate)	**104.85**	101.26
Fortis Nursing & Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	1.80
International Hospital Limited (Associate*)	**489.38**	662.86
R.M. Educational Trust (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	1.25
Ranibennur College of Nursing (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	1.05
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	**98.34**	0.85
RMCRS Health Management Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	24.41
Bar Chem (Enterprise owned/ significantly influenced by KMP/ their relatives)	**70.14**	70.14
Srinivasa Education Society (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	2.36
Sunrise Medicare Private Limited (Associate)	-	3.92
Fortis Hospotel Limited (Subsidiary)	-	38.52
Bhavdeep Singh (KMP)	**430.18**	-
Unsecured Loans		
Fortis Healthcare Holdings Private Limited (Holding company)	-	341.50
Fortis Medicare International Limited (Associate)	**214.21**	199.82
RHC Holding Private Limited (Ultimate Holding Company)	**794.50**	794.50
Investments		
Sunrise Medicare Private Limited (Associate)	**0.31**	0.31

Balance Outstanding at the year end (₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Loans/Advance Recoverable		
Town Hall Clinic(Associate)	-	112.50
Fortis Hospotel Limited (Subsidiary)	**20,739.71**	20,739.71
Lanka Hospitals Corporation Plc (Associate)	**19,762.82**	19,762.82
Medical and Surgical Centre Limited (Associate)	**1,312.69**	1,312.69
Religare Health Trust (Associate)	**62,342.68**	57,904.71
Fortis CSR Foundation (Subsidiary)	**5.00**	5.00
Trade Receivables		
AEGON Religare Life Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	0.07
DDRC SRL Diagnostics Services Private Limited (Joint Venture)	**15.16**	24.01
Fortis Clinical Research Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	0.06
Fortis Health Management Limited (Associate)	**15.41**	21.86
International Hospital Limited (Associate*)	**24.46**	26.16
Medical and Surgical Centre Limited (Associate)	**321.35**	162.11
Religare Capital Market Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	-	1.86
Religare Health Insurance Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	**54.75**	23.40
Religare Wealth Management Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	**0.03**	0.03
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	**92.64**	189.08
SRL Diagnostic (Nepal) Private limited (Joint Venture)	**7.81**	14.59
Sunrise Medicare Private Limited (Associate)	**12.89**	11.23
Trade Payables and Other Liabilities		
Bar Chem (Enterprise owned/ significantly influenced by KMP/ their relatives)	**28.19**	2.54
Fortis Charitable Foundation (Subsidiary)	**1.55**	-
Dr. Anoop Misra (KMP)	**15.31**	19.80
Escorts Heart and Super Speciality Hospital Limited (Associate)	**610.75**	1,916.58
Fortis Emergency Services Limited (Associate)	**22.75**	6.73
HealthFore Technologies Limited (formerly Religare Technologies Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	**0.10**	-
Fortis Health Management Limited (Associate)	**577.41**	323.15
Fortis Hospotel Limited (Subsidiary)	**6,454.36**	4,606.74

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Particulars	March 31, 2016	March 31, 2015
Trade payable and other liabities		
Fortis RM Pharma (Enterprise owned/ significantly influenced by KMP/ their relatives)	**0.88**	1.89
International Hospital Limited (Associate)	**2,529.63**	4,314.48
Hale & Tempest Company Limited (Enterprise owned/ significantly influenced by KMP/ their relatives)	**-**	1.30
Ligare Travels Limited (formerly known as Religare Travels (India) Limited) (Enterprise owned/ significantly influenced by KMP/ their relatives)	**6.54**	18.61
SRL Diagnostic (Nepal) Private limited (Joint Venture)	**1.22**	2.23
Medsource Healthcare Private Limited (Fellow Subsidiary)	**296.28**	226.85
RWL Healthworld Limited (formerly known as Religare Wellness Limited) (Fellow Subsidiary)	**137.05**	197.37
Interest Accrued but not due (Liability)		
Fortis Medicare International Limited (Associate)	**36.12**	-

7. Leases

(a) Assets taken on Finance Lease

The Group has finance leases and hire purchase contracts for various items of plant and machinery and medical equipments. These leases have terms of renewal as agreed between the parties at the option of the Group. There is no escalation clause in the agreement. The total finance charges paid in respect of such leases recognize in the statement of profit and loss during the year is ₹ 23.60 lacs (Previous year ₹ 30.04 lacs). Future minimum lease payments (MLP) under finance leases together with the present value of the net MLP are as follows:

(₹ in lacs)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
Not later than one year	71.88	43.13	207.10	180.76
Later than one year but not later than five years	189.80	93.10	229.94	124.01
Later than five years	108.08	30.75	138.08	42.01
Total minimum lease payments	**369.76**	**166.98**	**575.12**	**346.78**
Less: amount representing finance charges	202.79	-	228.34	-
Present value of minimum lease payments	**166.97**	**166.98**	**346.78**	**346.78**

(b) Assets taken on Operating Lease

In respect of the Group, hospital/ office premises and certain medical equipments are obtained on operating lease. The leases are both cancellable and non- cancellable in nature and the total lease payments in respect of such leases recognized in the statement of profit and loss for the year are ₹ 8,900.45 lacs (Previous year

₹ 10,915.63 lacs) and capitalized during the year ₹ 1,284.78 lacs (Previous year ₹ 1,921.78 lacs). The total future minimum lease payments under the non-cancelable operating leases are as under:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Minimum lease payments :		
Not later than one year	3,749.64	4,011.37
Later than one year but not later than five years	9,782.37	8,148.97
Later than five years	2,456.20	1,997.98

(c) **Assets given on Operating Lease**

(i) The Group has sub-leased some portion of hospital premises and certain medical equipments. In all the cases, the agreements are renewable at the option of the respective group company. The total lease income received / receivable in respect of the above leases recognized in the consolidated statement of profit and loss for the year are ₹ 385.32 lacs (Previous year ₹ 468.13 lacs).

(ii) The Company and one of its subsidiary has leased out certain capital assets on operating lease to Trusts managing hospital operations. The lease terms are for 3 years and thereafter renewable at the option of the Company and its subsidiary. The lease arrangement is non-cancellable in nature. Details of such capital assets given on non-cancellable operating lease are disclosed as under:

(₹ in lacs)

Particulars	As at March 31, 2016			As at March 31, 2015		
	Gross Block	Accumulated Depreciation	Net Block	Gross Block	Accumulated Depreciation	Net Block
Plant & Machinery	96.66	96.66	-	96.66	96.66	-
Medical Equipments	5,266.56	2,386.20	2,880.36	4,887.89	2,042.60	2,845.29
Furniture & Fittings	161.21	133.85	27.36	177.73	134.91	42.81
Computers	99.29	99.29	-	120.69	120.61	0.08
Office Equipments	27.19	24.70	2.49	33.16	29.52	3.64
Vehicles	36.69	28.60	8.09	48.70	26.99	21.70
Total	**5,687.60**	**2,769.30**	**2,918.30**	**5,364.83**	**2,451.30**	**2,913.53**

The total lease payments received in respect of such leases recognized in the consolidated statement of profit and loss for the year are ₹ 1,324.77 lacs (Previous year ₹ 1,218.91 lacs).

The total of future minimum lease income receivable under the non-cancellable operating leases is as under:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Minimum lease payments:		
Not later than one year	**1,303.49**	498.22
Later than one year but not later than five years	**1,606.30**	425.23
Later than five years	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

8. Borrowings

(₹ in lacs)

(I) Long term borrowings including current maturities			As at March 31, 2016		As at March 31, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non current	Current	Non current	Current
A. Term loan from banks-Secured						
The loan is secured against immovable properties, stocks and book debts of LHPL. The loan is further guaranteed by FHsL.	The loan is repayable over twenty quarterly installments, commencing from November 20, 2011 amounting to ₹ 57.49 lacs per quarter.	Base Rate + 200 bps	-	170.94	172.92	228.01
The loan is secured by hypothecation of current assets Cash flow and equitable mortgage of 9 residential tower of HHPL. It is further secured by Corporate Guarantee issued by the Fortis Healthcare Limited.	Loan amount is repayable in 60 equated monthly equal installments of principal amount. Interest to be served monthly with monthly rests.	BR + 175 BPS (floating)	1,533.33	800.00	2,333.33	800.00
The loan is secured by way of first pari passu charge on the moveable fixed assets and current assets of the subsidiary and equitable mortgage of the property of certain hospital those owned by one of subsidiaries of the Company. These loans are further secured by Corporate Guarantee issued by Fortis Healthcare Limited.	Term Loan is repayable in 18 structured quarterly installments within a period of 60 months with repayment being start after 6 months from the date of disbursement (i.e. moratorium period of 6 months).	Base Rate (BR)+1.25%	8,739.72	2,997.94	10,416.67	2,084.93
The loan is secured by way of a first charge on the laboratories equipments, which have been purchased against these loans.	Loan amount is repayable in 57 monthly equal installments with moratorium period of three months commencing from March 1, 2012.	12.25% p.a.	-	93.32	93.32	130.10
The loan is secured by way of a first charge on all present and future moveable fixed assets and exclusive charge by way of english morgage over the property.	Loan amount is repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., December 27, 2013. 80% of total loan of Rs 500,000,000 taken from GE Capital Services India had transferred to Abu Dhabi Commercial Bank Ltd. by way of assignment agreement dated December 10, 2013.	11.25% (State Bank of India BR + 1.25%)	-	2,285.13	2,285.72	761.90

(₹ in lacs)

(I) Long term borrowings including current maturities			As at March 31, 2016		As at March 31, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non current	Current	Non current	Current
The loan is secured by way of a first charge on the movable and immovable assets which have been purchased against these loans.	Loan amount was repayable in 8 quarterly equal installments commencing from October 01, 2013. Loan was fully paid during the current year.	12.25% (BR+2.25%)	-	-	-	500.00
The loan is secured by way of a first charge on all fixed assets of a 50% joint venture of a subsidiary company and personal guarantee of Directors.	Loan amount was repayable in 48 monthly installments commencing from February 15, 2013. Loan was fully paid during the current year.	11.45% (BR + 1.45 %)	-	-	76.19	50.57
The loan is secured by first pari passu charge over movable assets and the second pari passu charge over the current assets of the EHIRCL. Same is further secured by irrevocable and unconditional corporate guarantee from the company.	The above term loan is to mature on March 27, 2019. The loan is repayable in 18 quarterly installments.	11.5% p.a.	2,800.00	1,200.00	4,000.00	600.00
The loan is secured by a first pari passu charge by way of hypothecation of the Fortis Healthcare Limited movable fixed assets.	Loan amount is repayable in 52 monthly installments commencing from October 1, 2015.	Base Rate+ 0.85 BPS	5,323.43	1,547.20	-	-
Term loan of ₹ 15,000 lacs have been taken in two Tranches from ICICI Bank, ₹ 10,300 were received during the year ended March 31, 2013 and rest ₹ 4,700 were received during the year ended on March 31, 2014. The loan is secured by first pari-passu charge over moveable assets upto 1x cover and second pari-passu charge over current assets, exclusive charge over DSRA/Fixed Deposit.	The above term loan is to mature on March 27, 2019. The Loan is repayable in 18 quarterly installments beginning at the end of seven quarters from first draw down date (March 29, 2013) 8% in the 1st year, 12% in the 2nd year, 24% in 3rd year, 24% in 4th year and balance 32% in the 5th year.	11.5% p.a.	8,400.00	3,600.00	12,000.00	1,800.00
The loan is secured by way of exclusive charge on all fixed & secondary charge over current assets of Fortis C-Doc, both present and future along with corporate guarantee of the Company and personal guarantee of Dr. Anoop Misra and Angeli Misra	The Loan is repayable on 20 quarterly installments beginning from June 30, 2014, 5% in the 1st year, 20% in the 2nd year, 25% in 3rd year, 25% in 4th year, 19% in the 5th year and balance 6% in the 5th year.	12.5% - 12.75% p.a.	156.97	257.76	414.71	265.51

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

(I) Long term borrowings including current maturities			As at March 31, 2016		As at March 31, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non current	Current	Non current	Current
		Total (A)	26,953.45	12,952.29	31,792.86	7,221.02
B. Term loan from body corporate - Secured:						
Term loan from L&T Infrastructure Finance Company Limited ("Lender") was taken in financial year 2011-2012 and is secured by a first pari passu charge by way of mortgage of the Company's immovable properties, present and future. Further secured by a first pari passu charge by way of hypothecation of the Company's movable assets, including movable machinery, machinery spares, tools and accessories, present and future. Also, secured by a second pari passu charge by way of hypothecation on the Company's book debts, operating cash flows and the receivables and revenues, current assets commissions and revenues of whatsoever nature and wherever arising, both present and future. Further, there was an exclusive pledge of shareholding of the Company in SRL Limited in favour of the lender, to the extent of at least 2 times of the facility amount, to be maintained at all times during the subsistence of the facility.	The loan was repayable in 84 structured monthly instalments, after a moratorium of 12 months from the date of first disbursement to the Company. On July 31, 2013, L&T Infrastructure Finance Company Limited (Lender) assigned ₹ 10,000 lacs to L&T Fincorp Limited out of outstanding amount of ₹ 16,683.33 lacs as on that date. The remaining loan from the lender has been fully repaid during the year.	12.25% p.a.	-	-	6,748.25	1,328.67
The loan is secured by way of a first charge on the fixed assets, which have been purchased against these loans.	Loan amount was repayable in 60 monthly equal installments along with interest from the date of loan viz., October 5, 2010. Loan was fully paid during the current year.	8% p.a.	-	-	-	173.45

(₹ in lacs)

(I) Long term borrowings including current maturities			As at March 31, 2016		As at March 31, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non current	Current	Non current	Current
The loan is secured by way of first charge on the fixed asset, which has been purchased against this loan.	The loan was repayable in 60 monthly installments of ₹ 9.08 lacs each along with interest from the date of loan viz., December 6, 2010. Loan was fully paid during the current year.	9.75% p.a.	-	-	-	35.85
The loan is secured by way of first charge on the fixed asset, which has been purchased against this loan.	The loan is repayable in 60 monthly installments of ₹ 10.95 lacs each along with interest from the date of loan viz., June 21, 2011.	9.75% p.a.	-	15.33	15.33	123.38
The loan is secured by way of first charge on the fixed asset, which has been purchased against this loan.	The loan was repayable in 48 monthly installments of ₹ 7.36 lacs each along with interest from the date of loan viz., September 28, 2011. Loan was fully paid during the current year.	10.25% p.a.	-	-	-	70.17
The loan is secured by hypothecation of fixed assets of SRDPL.	Loan was taken on January 25, 2012 with moratorium period of 12 months towards repayment of principal and carried interest. The loan was repayable in 1 7 quarterly installments of ₹ 264.70 lacs each after the moratorium period along with interest. Loan was fully paid during the current year.	11.92% p.a.	-	-	1,058.83	1,058.82
The loan is secured by way of a first charge on all present and future moveable fixed assets and exclusive charge by way of English mortgage over the property.	The loan was repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., March 26, 2013. Loan was fully paid during the current year.	11.50% p.a.	-	-	5,714.29	1,904.76

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

(I) Long term borrowings including current maturities			As at March 31, 2016		As at March 31, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non current	Current	Non current	Current
The loan is secured by way of a first charge on all present and future moveable fixed assets and exclusive charge by way of English mortgage over the property.	The loan was repayable in 21 equal quarterly installments with monthly interest from the date of loan viz., March 26, 2013. 80% of total loan of ₹ 5,000.00 lacs taken from GE Capital Services India had been transferred to Abu Dhabi Commercial Bank Limited by way of assignment agreement dated December 10, 2013. Loan was fully paid during the current year.	11.50% p.a.	-	-	571.42	190.48
		Total (B)	-	**15.33**	**14,108.12**	**4,885.58**
C. Hire purchase loans from banks - Secured:						
The loan is secured against hypothecation of the specific vehicles purchased.	The loan is repayable in monthly equal installments along with interest commencing from date of loan.	8% to 12% p.a.	-	4.04	4.04	4.38
		Total (C)	-	**4.04**	**4.04**	**4.38**
D. Finance lease obligation - Secured:						
Loan is secured by Medical Equipment taken on lease.	The loan is repayable over seven years in equated monthly installments.	10.52% p.a.	38.23	24.59	61.76	27.29
The loan is secured by the lessor's title to the leased assets and a corporate guarantee by a subsidiary of FHIPL.	Repayable in 48-60 monthly installments.	6% p.a.	-	-	-	132.58
		Total (D)	**38.23**	**24.59**	**61.76**	**159.87**
E. Deferred payment liabilites - Secured:						
Deferred payment facility was taken in the financial year 2011-2012 and carries interest @ 9% per annum for the first year and SBI base rate + 0.50% for subsequent years. Deferred credit payment facility is secured by first charge by way of hypothecation of specific equipment of the Company.	The loan is repayable in two parts, one is in 20 structured quarterly installments commencing from April 2012 and other one is in 20 structured quarterly installments commencing from May 2013.	9% p.a. for 1st year and SBI base rate + 50 BP for subsequent years	81.45	375.90	457.35	419.31

(₹ in lacs)

(I) Long term borrowings including current maturities			As at March 31, 2016		As at March 31, 2015	
Security and guarantee details	**Repayment terms**	**Interest rate**	**Non current**	**Current**	**Non current**	**Current**
Deferred payment facility has been taken in the current year and is secured by first charge by way of hypothecation of specific equipment of the Company.	The loan is repayable in 60 structured monthly installments commencing from June 2014.	Not Applicable	132.18	58.12	190.31	51.91
		Total (E)	**213.63**	**434.03**	**647.66**	**471.22**
F. Buyers credit facility - Secured:						
Buyer's credit facility from HDFC Bank was taken in the year 2012-13 for finance of various medical equipments imported.	It is repayable within 3 years from the date of import of medical equipment.	(3%-3.5%) + 6 months LIBOR	473.53	165.73	642.20	160.73
		Total (F)	**473.53**	**165.73**	**642.20**	**160.73**
G. 5% Foreign currency convertible bonds - Unsecured:						
The Company had issued Foreign currency convertible bonds which were convertible at the option of the holder at any time on or after May 18, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) upto May 11, 2015 into fully paid equity shares. The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions. (Refer note 17). Bonds were have been redeemed on due date during the current year.		5% p.a.	-	-	-	62,335.53
		Total (G)	**-**	**-**	**-**	**62,335.53**
H. (4.66% + LIBOR) Foreign currency convertible bonds - Unsecured:						
The Company had issued 150 Foreign currency convertible bonds aggregating to US $ 30,000,000 at the rate of (4.66% + LIBOR) which are convertible at the option of the holder upto US $ 24,000,000 of principal amount at any time on or after September 17, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) upto August 1, 2018 into fully paid equity shares. The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions. (refer note 18)		4.66% + LIBOR p.a.	19,852.58	-	18,700.66	-
		Total (H)	**19,852.58**	**-**	**18,700.66**	**-**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

(I) Long term borrowings including current maturities			As at March 31, 2016		As at March 31, 2015	
Security and guarantee details	Repayment terms	Interest rate	Non current	Current	Non current	Current
I. (4.86% + LIBOR) Foreign currency convertible bonds - Unsecured:						
The Company had issued 550 Foreign currency convertible bonds aggregating to US $ 55,000,000 at the rate of (4.86% + LIBOR) which are convertible at the option of International Finance Corporation (the holder) giving 7 days' notice to the Company at any time on or after June 07, 2013 (or such earlier date as is notified to the holders of the Bonds by the Company) up to June 08, 2018 into fully paid equity shares. The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions. (refer note 19)		4.86% + LIBOR p.a.	36,396.39	-	34,284.54	-
		Total (I)	**36,396.39**	-	**34,284.54**	-
J. Finance lease obligations - Unsecured:						
The lease obligation along with interest is payable in monthly installments of ₹ 2,50,000 each over the period of 12 years		12.50% p.a.	85.62	18.56	104.16	21.00
		Total (J)	**85.62**	**18.56**	**104.16**	**21.00**
K. Term loans from body corporate and others - Unsecured:						
The loan is repayable to Fortis Medicare International Ltd (Associate) by March 2016.			101.42	-	93.58	-
The loan was repayable to Fortis Global Healthcare Infrastructure Pte. Ltd (Associate) by March 2016. The loan has been fully repaid in the current year.			-	-	-	24.07
		Total (K)	**101.42**	-	**93.58**	**24.07**
L. Deferred payment liabilities - Unsecured:						
Deferred payment facility taken on March 02, 2012 with moratorium period of 9 months towards repayment of loan. The loan is repayable in 27 monthly installments of ₹ 4.64 lacs each after the moratorium period along with interest. Loan was fully paid during the current year.			-	-	-	4.60
		Total (L)	-	-	-	**4.60**
TOTAL (I=A+B+C+D+E+F+G+H+I+J+K+L)			**84,114.85**	**13,614.56**	**100,439.57**	**75,288.01**

(₹ in lacs)

	II. Short term borrowings Security and guarantee details	Repayment terms	Interest rate	As at March 31, 2016	As at March 31, 2015
M.	**Bank overdrafts - Secured:**				
	Secured against the first charge on current assets of EHIRCL and the second charge on the Corporate Guarantee given by the FHL.	Not Applicable	10.25%	1,500.00	-
	The bank overdraft facility limit of ₹ 4,000.00 lacs has been taken from Standard Chartered Bank Limited chargeable to interest at base rate + margin as agreed time to time, secured against the first charges on current assets of the Company. The same is repayable on demand	Not Applicable	Rate of interest of 1.50% over base rate	381.87	-
	The bank overdraft facility limit of ₹ 720.00 lacs has been taken from Axis Bank Limited chargeable to interest at base rate + 1.50%, secured against the first charges on current assets of the Company. The same is repayable on demand	Not Applicable	Rate of interest of 1.50% over base rate	-	0.72
			Total (N)	**1,881.87**	**0.72**
N.	**Cash credit - Secured:**				
	The facility is secured by way of first charge on SRL entire current assets. They are further secured by way of a second charge on the SRL's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future.	Not Applicable	12.25%	999.15	770.50
	The facility is secured by way of first charge on SRL entire current assets. They are further secured by way of a second charge on the SRL's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future.	Not Applicable	12.25%	57.10	299.08
	The facility is secured by way of first charge on the SRL's entire current assets. They are further secured by way of a second charge on the SRLDPL's fixed assets, excluding specific vehicles and equipments financed by the bodies corporate and others, both present and future. The facility is guaranteed by the company.	Not Applicable	11.50% to 13%	-	9.55
			Total (O)	**1,056.25**	**1,079.12**
O.	**Bill discounting - Secured:**				
	Buyer's credit facility for finance of various medical equipments imported.	Repayable within one year from the date of import.	(3%-3.5%) + 6 months LIBOR	2,000.00	-
		Total (P)		**2,000.00**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

II.	(i) Short term borrowings Security and guarantee details	Repayment terms	Interest rate	March 31, 2016	March 31, 2015
P.	**Short term loan from Bank - Secured:**				
	Repayable within one year from the date of loan taken. Secured with future dividend Income.	Repayable within one year from the date of loan taken.	3.86% to 4.20%	3,307.80	-
	Secured by (i) first exclusive and exclusive charge on current assets of the LHPL; (ii) First, sole and exclusive charge on all the fixed assets of LHPL; (iii) Corporate guarantee of Fortis Hospitals Limited; and (iv) General Insurance for entire property, assets and exposure of LHPL to be lien marked in favour of bank as the first loss payee.	Repayable on demand	Rate of interest of 2.80% over the bank base rate	213.61	39.59
			Total (P)	**3,521.41**	**39.59**
Q.	**Commercial Paper from Bank - Unsecured:**				
	Issued to HDFC Bank	May 19,2016	9.00%	10,000.00	-
	Issued to Yes Bank	May 23,2016	9.30%	10,000.00	-
	Issued to EXIM Bank	Jun 12, 2016	10.00%	5,000.00	-
	Issued to Yes Bank	Jun 19, 2016	9.75%	17,500.00	-
			Total (Q)	**42,500.00**	**-**
R.	**Loan from ultimate holding company - Unsecured:**				
	Interest free loan of ` 794.50 lacs has been taken from RHC Holding Private Limited during the year ending March 31, 2007. Further loan of ₹ 341.50 lacs was taken during the current year	The loan is repayable on demand.	Nil	794.50	794.50
			Total (R)	**794.50**	**794.50**
S.	**Loan from an associate - Unsecured:**				
	Interest free loan has been taken from Fortis Medicare International Limited.	The loan is repayable on demand.	Nil	112.79	106.25
			Total (S)	**112.79**	**106.25**
T.	**Loan from holding company - Unsecured:**				
	Loan of ` 341.50 lacs has been taken from Fortis Healthcare Holdings Private Limited during the year	The loan is repayable on demand.	14%	-	341.50
			Total (T)	**-**	**341.50**
U.	**Preference share capital - Unsecured:**				
	Redeemable Preference Shares issued by Joint Venture of one of the subsidiaries of the Group.	Redeemable after 20 years from issuance.	Not Applicable	-	337.50
			Total (U)	**-**	**337.50**
	TOTAL (II=M+N+O+P+Q+R+S+T+U)			**57,866.82**	**2,699.18**

9. Commitments

(₹ in lacs)

Particulars		As at March 31, 2016	As at March 31, 2015
a)	Estimated amount of contracts remaining to be executed on capital account [net of capital advances of ₹ 2,100.47 lacs (Previous year ₹ 2,165.43 lacs)]	**7,420.49**	6,676.99

b) For commitments relating to lease arrangements, refer note 7.

d) For commitments under Shareholders agreement entered between the Fortis Healthcare, FHTL and FHML, refer note 18.

e) Commitments relating to provision for free / subsidised treatment/beds to poor.

f) The Group has entered into individual Hospital and Medical Services Agreement (HMSA) with Religare Health Trust Group of companies ('RHT') wherein the RHT provides and maintains the Clinical Establishments along with other services like out-patient diagnostics and radio diagnostic to the Medical Services Companies. The term of the individual HMSA is 15 years and the Medical Service Company is required to pay a composite service fee i.e. base and variable fee. The base fee is fixed and increase 3% year on year. The variable fee is based on a percentage of the Group' net operating income from Clinical establishment in accordance with the HMSA.

g) The Group has other commitments, for purchase/sales orders which are issued after considering requirements per operating cycle for purchase / sale of services, employee's benefits. The Group does not have any long term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

h) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

10. Contingent Liabilities (not provided for) in respect of :

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Claims against the Group not acknowledged as debts (in respect of compensation demanded by the patients / their relatives for negligence). The cases are pending with various Consumer Disputes Redressal Commissions. Based on expert opinion obtained, the management believes that the Company has good chance of success in these cases	**12,476.60**	14,490.00
The Group was under litigation with the Income Tax Department against certain income tax demands on account of deduction of tax under section 194J of Income Tax Act, 1961 instead of section 192 on payments made to retainer doctors, u/s 201(1)/201(1A) for the assessment years 2010-11, 2011-12, 2012-13 and 2013-14, thereby raising demands of ₹ Nil (Previous year ₹ 239.92 lacs) , ₹ Nil (Previous year ₹ 261.49 lacs), ₹ Nil (Previous year ₹ 77.61 lacs) and ₹ Nil (Previous year Nil) respectively. Company had filed appeals with the Commissioner of Income Tax (Appeals), Chandigarh which passed order in favour of the Group for all assessment years. Department has filed further appeal to the Income Tax Appellate Tribunal (ITAT) for assessment years 2010-11 and 2011-12, during the current year ITAT has decided the case in favour of the group.	-	501.41

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
The Commissioner of Service-tax, Chandigarh has passed an Order dated March 14, 2014 under Service-tax Act alleging that assesse is liable to pay service-tax on support services of business or commerce provided to doctors, thereby raising demand of ₹ 215.34 lacs (Previous year ₹ 215.34 lacs) and ₹ 50.13 lacs (Previous year ₹ 50.13 lacs) for financial years 2007-08 to 2011-12 and 2012-13 respectively. The Group has filed an appeal with Central Excise and Service Tax Appellate Tribunal, which is pending for disposal. Based on management assessment, Group believes that it has good chance of success in these cases.	265.47	265.47
Income tax litigations for various years are pending, as further explained in detail in note 12 below. The amount is after adjusting ₹ 15,653.61 lacs (Previous Year ₹ 15,098.69 lacs) for which the company has a legal right to claim from erstwhile promoters.	8,919.55	10,059.90
In respect of a subsidiary (EHIRCL), Customs duty/ Penalty for mis declaration of imported goods, case for which was pending with Central Excise and Service Tax Appellate Tribunal (refer note 13 below) decided in the favour of the EHIRCL.	-	770.27
A subsidiary company of the Company (SRL) has received a show cause cum demand notice dated April 20, 2007 for ₹ 81.44 lacs (Previous year ₹ 81.44 lacs) in respect of service tax relating to 'Clinical Trial Studies' rendered during the period from July 2003 to April 2006. The Company has responded to the Directorate General of Central Excise Intelligence, Mumbai on May 8, 2007. In the opinion of the management, the said demand is non-tenable and not likely to devolve on the subsidiary. Accordingly, no provision in respect of the said demand is considered in the books.	81.44	81.44
A subsidiary of the Company (SRL) is currently under litigation with the Income tax department against certain income tax demands totaling to ₹ 5,107.36 lacs (net of advances) (previous year ₹ 5,081.27 lacs (net)) in relation to Assessment years (AY) 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11. These demands are for non-deduction of withholding taxes on the payments made by the SRL of discounts to its collection centers and certain other miscellaneous matters, raised by the Income Tax department. SRL has deposited ₹ 350.00 lacs against the said demands out of which ₹ 168.14 lacs were refunded during the previous year ended March 31, 2015. For the AY 2006-07, the Income Tax Appellate Tribunal (ITAT) vide order dated December 16, 2011 had passed an order in favour of SRL against the disallowances of ₹ 158.20 lacs made by CIT (A) (previous year ₹ 158.20 lacs), The department has filed an appeal with Delhi High Court against the order passed by ITAT. For the AY 2007-08, 2008-09, 2009-10 and 2010-11, the management based on its internal evaluation and advice obtained from its tax advisors is of the opinion that the demand is not tenable and does not expect any economic outflow. Accordingly, it has filed an appeal against these orders and has not considered need for any provision for the purpose of preparation of its accounts.	5,107.36	5,081.27

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
A subsidiary of the Company (SRL) has received order under section 201(1) and 201(1A) of the Income Tax Act, 1961 from Deputy Commissioner Income Tax (TDS), Mumbai in relation to Assessment Year 2008-09 and 2009-10 aggregating to ₹ 291.19 lacs and ₹ 134.56 lacs respectively primarily on account of mismatch in the online database of tax department with returns/ challans filed by the Company. The Company has filed an appeal before Commissioner (Appeals) XIV, Mumbai against the said orders. The CIT(A) has already allowed the appeal in favor of Company. Further the Direction has been issued to the Company to revise the return in co-ordination with assesse officer. The Company is in process of rectifying those demand by revising its return for said period. Based on data available on TRACES as on March 31, 2016 demand of ₹ 109.55 lacs and ₹ 6.89 lacs respectively is outstanding. The Company is of the view that the demand is not tenable and no economic outflow is expected against the same.	116.44	115.79
The Group has received order under section 201(1) and 201(1A) of the Income Tax Act, 1961 from Income Tax officer (TDS), Mumbai in relation to Assessment Year 2008-09 , 2009-10 aggregating to ₹ 457.04 and ₹ 531.80 for non-deduction of taxes under the provisions of section 194H and section 195. CIT(A) has passed favourable order dated April 11, 2014. The Group is of the view that the demand is not tenable and no economic outflow is expected against the same.	988.84	988.84
The Group is under litigation with the Income Tax Department against income tax demand on account of disallowance u/s 14A, disallowance of credit card expenditure, disallowance of foreign travelling expenses and interest income not offered to tax for assessment year 2012-13. Based on management assessment, Group believes that it has good chance of success in this case.	332.08	332.08
Service Tax Department issued notice alleging therein that one of the hospitals of the Company is providing services of infrastructure and administrative support to Vendors and thus, is liable to pay service-tax on amounts retained from doctors' fees for the financial years 2008-09 to 2011-12 The Company has filed an appeal with Central Excise and Service Tax Appellate Tribunal, which is pending for disposal. Based on management assessment, Group believes that it has good chance of success in these cases.	294.35	294.35
Bank guarantee issued by the subsidiaries of the company (SRL) as a security deposit to a customer as on March 31, 2016 ₹ 17.25 lacs (Previous year ₹5.00 lacs).	17.25	5.00
Bank guarantee issued by joint venture (DDRC SRL Diagnostics Private Limited) as a security deposit to customer as on March 31, 2016 ₹ 1.33 lacs (Previous year ₹ 1.33 lacs).	1.33	1.33

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Joint venture (DDRC SRL Diagnostics Private Limited) is currently under litigation with the Income Tax department against certain income tax disallowances amounting to ₹ 935.24 lacs as on March 31, 2016 (March 31, 2015 ₹ 935.24 lacs) in relation to assessment year 2008-09, 2009-10, 2010-11, 2011-12, 2012-13. These disallowances represents non-deduction of TDS on the discount offered by the Company to various hospitals, labs & corporate institutions which the assessing officer had taken as commission paid, disallowance of depreciation on goodwill and disallowance of preliminary expenses claimed under section 35D. The management based on its internal evaluation and advice obtained from its tax advisors is of the view that the demand is not tenable and no economic outflow is expected against them.	467.62	467.62
A subsidiary of the Company (FHsL) has received a demand on account of disallowance of expenditure under Section 14A of the Income Tax Act, 1961 pertaining to assessment year 2012-13. Based on management assessment, the Group believes that it has good chances of success in this case.	257.58	257.58
A subsidiary of the Company (FHsL) has received a demand pertaining to financial year 2011-12 raised by Joint Commissioner, Commercial Tax, West Bengal for Value Added Tax (VAT) payable on medicines and foods that are being served to patients. In response to the Assessment Order, the Company has filed a petition to VAT Tribunal in the month of October 2014. The Tribunal has granted a stay and has ordered to pay Rs. 10 lacs on Ad Hoc basis which will be refunded in case the judgement is in the favour of the Company. The affidavit in opposition has already been submitted by the West Bengal Sales tax department but the Company is yet to submit its affidavit in reply to the Tribunal. Based on management assessment, the Company believes that it has good chances of success in these cases.	157.08	157.08
A subsidiary of the Company (FHsL) has received a demand from Jaipur Value Added Tax (VAT) department on account of VAT payable on sale of implants to patients used in procedures performed on them and sale of food and beverages to admitted patient. The order pertains to financial year 2011-12 and 2012-13. The Company has filed a Writ petition before Jaipur High Court where Hon'ble court has granted stay on the matter. Based on management assessment, the Company believes that it has good chances of success in these cases.	502.17	502.17
Regular assessment u/s 143(3) of Income Tax Act, 1961 has been completed in respect of the Hiranandani Healthcare Private Limited, a subsidiary of the Group, for the assessment year 2012-13 by the Dy. Commissioner of Income-tax, Circle 15(2)(1), Mumbai vide order dated 26.03.2015 assessing the total income at ₹ 1,946.33 lacs as against loss of ₹ 753.67 declared by the assesse in the return of income. The Assessing Office has made disallowance u/s 68 of the Income Tax Act, 1961 amounting to ₹ 2,700.00 lacs and raised a demand of ₹ 831.00 lacs. The Company has filed an appeal before the Commissioner of Income-tax (Appeals), Mumbai. Based on the Management assessment, the Group believes that is has good chances of success in these cases	831.00	-
Others	0.20	0.20

11. (A) Delhi Development Authority ('DDA') vide its Order dated October 6, 2005 ('DDA Order') had terminated the lease deeds and allotment letters of a subsidiary of the Company (EHIRCL). EHIRCL had filed an Original Miscellaneous Petition ('OMP') and Civil Suit in the Hon'ble High Court of Delhi seeking a declaration that the DDA Order is illegal and praying for a permanent injunction restraining DDA from dispossessing EHIRCL without the due process of law. The Hon'ble High Court of Delhi had granted a stay restraining DDA from recovering physical possession of the property and had made the interim order granted in the OMP absolute till the award is passed. EHIRCL also filed an application for appointment of sole Arbitrator and reference of disputes to Arbitration in the Hon'ble High Court of Delhi. The arbitration application has been dismissed during the previous year. The Civil Suit and Arbitration application is pending with the Hon'ble High Court of Delhi.

(B) The Estate Officer of the DDA issued a show cause notice dated November 9, 2005 and initiated eviction proceedings against a subsidiary of the Company (EHIRCL). EHIRCL filed a Civil Writ Petition in the Hon'ble High Court of Delhi challenging the show cause notice issued by the Estate Officer, which was dismissed by the Hon'ble Single Judge. EHIRCL thereafter had filed Letters Patent Appeal ('LPA') against the above order before the Hon'ble High Court of Delhi. The Division bench of the Hon'ble High Court of Delhi vide its order dated September 3, 2007 had dismissed the LPA. The Estate Officer thereafter had issued a notice under section 4(1) of Public Premises Act dated October 8, 2007 to EHIRCL for resuming the proceedings under the said Act. EHIRCL had filed an appeal by way of SLP in the Hon'ble Supreme Court against the judgement in the LPA matter. The Hon'ble Supreme Court vide its order dated November 16, 2007 had ordered that proceedings before the Estate Officer may continue but no final order to be passed. The proceedings are pending with the court of law.

(C) In relation to the order of Hon'ble High Court of Delhi relating to provision of free treatment/beds to poor, in respect of a subsidiary EHIRCL, 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 EHIRCL, 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 ₹ 73,266.15 lacs, seeking EHIRCL's comments and inputs if any. EHIRCL has responded to such intimation explaining errors and objections to the calculations. During the current year, EHIRCL has received a notice from DHS to appear for a formal and final hearing raising demand of recoverable amount to ₹ 50,336 lacs for the period till FY 2006 -2007 in terms of above referred judgement. On receipt of hearing notice, the Group responded to such notice explaining errors and objections to the calculations. Based on its internal assessment and advice from its counsels 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 any liability after proper hearing with DHS.

(D) One of the subsidiary HHPL, 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. HHPL 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 again issued another Order to submit original certificate of registration of the subsidiary. HHPL 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 are pending before the HC. During the current year NMMC has cancelled its earlier order of the cancellation of the hospital. The Group has withdrawn its unit petition which has been disposed by High Court vide court order dated July 13, 2015.

(E) One of the subsidiary FMHL had earlier applied to the Chennai Metropolitan Development Authority (CMDA) for regularization of certain deviations in the construction of the Hospital. During the current year, CMDA has issued an Order dated March 18, 2016 stating that the regularization application made

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

by the Company has not been allowed. The Company has preferred an appeal before the Secretary to the Government of Tamil Nadu, Housing and Urban Development Authority against the said Order, which is pending disposal.

On May 3, 2016 CMDA has also served a Locking & Sealing and De-occupation Notice to FMHL stating that in view of CMDA's Order dated March 18, 2016 referred above, the construction at the site of the Hospital premises is unauthorized and has called upon the Company to restore the land to its original position within 30 days from the date of the Notice. The Company has initiated legal action by filing a writ petition before the High Court of Madras to impugn the said notice.

The Company, based on legal advice, believes that the above Order/ Notices issued by CMDA are contestable and the same prima facie would not result in adverse impact on its operations as FMHL has fair chance of success in the aforesaid Appeal / writ petition.

(F) A Public Interest Litigation (PIL) was filed before the Hon'ble Bombay High Court, inter alia, against City and Industrial Development Corporation (CIDCO), Navi Mumbai Municipal Corporation (NMMC) and the Subsidiary of the Company ('HHPL') with regard to the allotment of land by CIDCO to NMMC on lease. HHPL is presently operating its hospital on a portion of the building on the said land based on an agreement with NMMC. The petitioner in the PIL inter alia prayed for issuance of directions to CIDCO to require NMMC to cancel its agreement with HHPL because the same was alleged to be in violation of the agreement for lease entered by CIDCO with NMMC.

The Hon'ble Bombay High Court, vide order dated 16 December 2015, directed the State Government, CIDCO and NMMC to take appropriate steps in view of the terms of the relevant agreement(s) and the provisions of existing law and in larger public interest within 3 months in respect of the lease by NMMC to HHPL.

CIDCO, vide its order dated 18 January 2016 has terminated and revoked the allotment of the plot of land to NMMC and the agreement for lease between CIDCO and NMMC and has directed NMMC to handover the peaceful possession of the said plot alongwith the structures thereon.

HHPL has filed an application in the PIL praying that CIDCO be restrained from taking any steps or actions which may interfere with and/or obstruct the continued operation and functioning of its hospital until a collective decision is taken by the State Government, CIDCO and NMMC in terms of the aforesaid Order dated 16 December 2015. The Hon'ble Bombay High Court has directed CIDCO not to take any coercive steps against NMMC and HHPL.

The State Government is yet to take a decision on the matter. HHPL is vigorously contesting the PIL. In view of the Management and also based on discussion with the Company's legal counsel, HHPL is confident that the aforesaid PIL is not expected to have any adverse effect on the functioning and operations of the Hospital at the aforesaid lease land.

12. Income tax matters

In case of EHIRCL, one of the subsidiaries of the Company:

i) The Income Tax Authorities carried out a survey on August 21, 2003 (certain statutory records of a subsidiary of the Company (EHIRCL) were impounded, which are still in possession of the Authorities), regarding amalgamation of Escorts Heart Institute and Research Centre, Delhi (Delhi Society) with a Society at Chandigarh with a similar name (Chandigarh Society), and later on, registration of the amalgamated Society as a company.

Pursuant to the survey, the Income Tax Authorities have re-opened the assessments of Delhi and Chandigarh Societies. The Assessing Officer, Delhi completed the reopened assessments of the Delhi Society for four assessment years i.e. assessment years 1997-98, 1998-99, 1999-00 and 2000-01 wherein, the exemption availed by the erstwhile Delhi Society by virtue of being an approved scientific research organization had been withdrawn in respect of these years. The past accumulated income up to March 31, 1996 had been brought to tax and the income of the respective years thereafter had been subjected to tax as normal business income, hence raising a cumulative demand of ₹ 10,102.04 lacs (Previous year ₹ 10,102.04 lacs)[including interest of ₹ 6,012.57 lacs (Previous year ₹ 6,012.57 lacs)].

EHIRCL challenged the reopening of assessment for those assessment years before the Hon'ble High Court of Delhi in a Writ Petition. The Writ Petition for assessment year 1997-98 had been decided in favour of EHIRCL vide order dated January 25, 2012. Further, Hon'ble Delhi High Court in its order dated December 10, 2012 directed that all proceedings for the assessment years 1998-99 to 2000-01 are liable to be quashed. The appeals filed by the assessee before the CIT(A)-IV, New Delhi against the aforesaid orders for assessment years 1997-98 to 2000-01 have also been allowed in light of the orders passed by Delhi High Court. Department further filed SLP before the Supreme Court, which has been dismissed.

The Assessing Officer had also assessed the income for assessment year 2001-02, whereby the entire accumulations and allowances made in earlier years have again been brought to tax, raising a demand of ₹ 12,436.90 lacs (Previous year ₹ 12,436.90 lacs) [including interest of ₹ 6,946.00 lacs (Previous year ₹ 6,946.00 lacs)]. EHIRCL has filed an appeal before the Commissioner of Income Tax (Appeals) Delhi against this order, which has been decided in favour of EHIRCL during the previous year ended March 31, 2015. The Income Tax Department further filed appeal to ITAT, New Delhi, which is pending disposal. Vide order u/s 250 giving appeal effect to the appellate order passed by Commissioner of Income Tax (Appeals) Delhi, refund of ₹ 2,543.00 lacs (including interest) allowed on account of payments made under protest/ adjusted out of refunds due to the company in earlier years.

ii) The Additional Commissioner of Income Tax, Chandigarh, had also raised a demand of tax in respect of EHIRCL for the assessment year 2001-02 amounting to ₹ 5,233.05 lacs (Previous year ₹ 5,233.05 lacs) and interest thereon amounting to ₹ 2,915.80 lacs (Previous year ₹ 2,915.80 lacs) by treating the excess of assets over liabilities as short term capital gains on registration of Amalgamated Society as a company. EHIRCL feels that the above registration does not give rise to transfer of assets and consequent capital gains and, therefore, preferred an appeal before the Income Tax Appellate Tribunal (ITAT), Chandigarh. The Tribunal, vide its Order dated March 18, 2008, had remanded the matter back to the Assessing Officer for fresh adjudication. The Assessing Officer, Delhi completed the assessment vide order dated March 31, 2010 and raised a fresh demand of ₹10,532.16 lacs (Previous year ₹ 10,532.16 lacs) [including interest of ₹ 5,465.27 lacs (Previous year ₹ 5,465.27 lacs)]. EHIRCL filed an appeal before the Commissioner of Income Tax (Appeals), Delhi against the said assessment order of the Assessing Officer, which has been decided in favour of EHIRCL during the previous year ended March 31, 2015. The Income Tax Department further filed appeal to ITAT, New Delhi, which is pending disposal.

Pursuant to the share purchase agreement, where Company is a party, dated September 25, 2005, the abovementioned income-tax demands, in respect of (i) and (ii) above, are the responsibility of one of the erstwhile promoters to the extent of ₹ 11,163.51 lacs (Previous year ₹ 10,112.50 lacs) [including interest of ₹ 4,482.71 lacs (Previous year ₹ 3,613.48 lacs)], for which necessary funds were deposited in an escrow account. Further, as per the share purchase agreement, one third of any excess of these demands after adjusting the recovery from escrow account would be borne by the said erstwhile promoters and the rest by the Company, if any. On account of the same, EHIRCL has reduced the contingent liabilities by ₹ 3,935.18 lacs (Previous year ₹ 4,285.52 lacs). During the year 2012-13, Income tax department has recovered the said amount deposited in the escrow account and has adjusted the amount against the aforesaid tax liability relating to Delhi Society. During the year ended 31 March, 2014 Delhi High Court has vide order dated July 24, 2013 held the adjustment to be erroneous and asked the revenue authorities to restore the amount so adjusted back into the escrow account and revenue authorities restored the same along with interest to the escrow account for relevant assessment years. Further, during the previous year, EHIRCL has also

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

deposited ₹ 3,000 lacs under protest against this demand in the year ended March 31, 2013. Further this amount EHIRCL received back vide order u/s 250 giving appeal effect to the appellate order passed by Commissioner of Income Tax (Appeals) Delhi, thereby allowing refund of ₹ 3,753.00 Cr. (including interest) on account of payments made under protests/adjusted out of refunds due to the EHIRCL in earlier years.

iii) Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2003-04 whereby the Assessing Officer had raised demands of ₹ 424.17 lacs (Previous year ₹ 424.17 lacs) [including interest of ₹ 35.10 lacs (Previous year ₹ 35.10 lacs)] by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of EHIRCL. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court which is pending disposal.

Further, the Assistant Commissioner of Income Tax, Delhi has passed an order dated March 31, 2010 under sections 154/ 250/ 143(3) of Income Tax Act, 1961 for the assessment year 2003-04 whereby a demand of ₹ 22.77 lacs (Previous year ₹ 22.77 lacs) [including interest of ₹ 3.95 lacs (Previous year ₹ 3.95 lacs)] has been raised on to EHIRCL by disallowing partial depreciation on electrical installation and transformers, UPS etc. Appeal filed with the Commissioner of Income Tax (Appeals), Delhi, against the disallowances made in the assessment order has been dismissed and the subsidiary has filed appeal before the ITAT, New Delhi, which is pending disposal.

iv) Regular assessment under section 143(3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2004-05 whereby the Assessing Officer had raised demands of ₹ 404.22 lacs (Previous year ₹ 404.22 lacs) [including interest of ₹ 97.55 lacs (Previous year ₹ 97.55 lacs) by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. The Commissioner of Income Tax (Appeals), ITAT and Delhi High Court have allowed these claims in favour of EHIRCL. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2004-05 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 214.67 lacs (Previous year ₹ 214.67 lacs) was raised by disallowing depreciation amounting to ₹ 349.30 lacs (Previous year ₹ 349.30 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 13.85 lacs (Previous year ₹ 13.85 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of EHIRCL during the previous year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

v) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2005-06 whereby the Assessing Officer had raised a demand of ₹ 282.03 lacs (Previous year ₹ 282.03 lacs) [including interest of ₹ 56.79 lacs (Previous year ₹ 56.79 lacs)] on EHIRCL by disallowing the claim of key man insurance premium and holding software development charges as capital expenditure. EHIRCL had filed an appeal with the Commissioner of Income Tax (Appeals) against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated October 31, 2008 had allowed partial relief to EHIRCL and had confirmed the balance amount of demand raised by Assessing Officer. EHIRCL filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has been allowed in favour of EHIRCL and both the disallowances were deleted. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department has filed an appeal with the Hon'ble

High Court of Delhi against the order of the ITAT, which has been decided in favour of EHIRCL. The department has filed further appeal before the Supreme Court against the order of Delhi High Court which is pending disposal.

Assessment for the A.Y. 2005-06 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 83.16 lacs (Previous year ₹ 83.16 lacs) was raised by disallowing depreciation amounting to ₹ 270.40 lacs (Previous year ₹ 270.40 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 6.40 lacs (Previous year ₹ 6.40 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT and ITAT vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of EHIRCL during the previous year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

vi) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2006-07 whereby the Assessing Officer had raised a demand of ₹ 305.16 lacs (Previous year ₹ 305.16 lacs) [including interest of ₹ 44.23 lacs (Previous year ₹ 44.23 lacs)] on EHIRCL by disallowing the claim of keyman insurance premium. EHIRCL had filed an appeal with the Commissioner of Income Tax (Appeals), Delhi against the order of the Assessing Officer. The Commissioner of Income Tax (Appeals) vide its order dated July 23, 2009 had allowed partial relief to EHIRCL and had confirmed the balance amount of demand raised by Assessing Officer. EHIRCL filed an appeal with ITAT against the order of Commissioner of Income Tax (Appeals) which has been allowed in favour of EHIRCL. The Income Tax Department also filed an appeal before the ITAT against the order of Commissioner of Income Tax (Appeals), which has been dismissed. The Income Tax Department had filed an appeal with the Hon'ble High Court of Delhi against the order of the ITAT, which has been decided in favour of EHIRCL. Department has further filed appeal before the Supreme Court against the said orders of Delhi High Court which is yet to be fixed.

Assessment for the A.Y. 2006-07 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand of ₹ 99.33 lacs (Previous year ₹ 99.33 lacs) was raised by disallowing depreciation amounting to ₹ 136.43 lacs (Previous year ₹ 136.43 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 18.79 lacs (Previous year ₹ 18.79 lacs) and including the same in income. An appeal had been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of EHIRCL during the previous year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

vii) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2007-08 vide order dated December 24, 2009, whereby the Assessing Officer had raised a demand of ₹ 96.90 lacs (Previous year ₹ 96.90 lacs) [including interest of ₹ 0.76 lacs (Previous year ₹ 0.76 lacs) on EHIRCL by disallowing the claim of key man insurance premium and software development charges. The Commissioner of Income Tax (Appeals) Delhi, ITAT and Delhi High Court has allowed these claims in favour of EHIRCL. The Income tax department has filed appeal before the Supreme Court against the order of Delhi High Court, which is pending disposal.

Assessment for the A.Y. 2007-08 was reopened vide Notice u/s 148 of the Income Tax Act, 1961 and was completed u/s 143(2) on December 26, 2011 by the Assessing Officer - Chandigarh, whereby a demand

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

of ₹ 56.48 lacs (Previous year ₹ 56.48 lacs) was raised by disallowing depreciation amounting to ₹ 115.96 lacs (Previous year ₹ 115.96 lacs) on assets acquired from erstwhile Chandigarh Society and treating the sale consideration as 'profit' on sale of such assets and working out capital gain amounting to ₹ 10.31 lacs (Previous year ₹ 10.31 lacs) and including the same in income. An appeal has been filed before the Commissioner of Income-tax (Appeals) – Chandigarh, which was dismissed. EHIRCL has filed appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which has been decided in favour of EHIRCL during the previous year ended March 31, 2015. The Income tax department further filed appeal before ITAT, New Delhi, which is pending disposal.

viii) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2008-09 vide order dated December 31, 2010, whereby the Assessing Officer had made additions of ₹ 407.94 lacs (Previous year ₹ 407.94 lacs) including a sum of ₹ 307.63 lacs (Previous year ₹ 307.63 lacs) out of interest expenses holding that outstanding against group companies/subsidiaries were not for business purposes and a sum of ₹ 100.30 lacs (Previous year ₹ 100.30 lacs) out of the depreciation claimed by EHIRCL on its assets. Thus, reducing the loss from ₹ 2,955.28 lacs (Previous year ₹ 2,955.28 lacs) to ₹ 2,547.34 lacs (Previous year ₹ 2,547.34 lacs). During previous year, an appeal was been filed with the Commissioner of Income Tax (Appeals), Delhi which has been decided in favour of EHIRCL. Income Tax Department has further filed an appeal before ITAT which is yet to be fixed for hearing.

ix) The Assessing Officer (TDS) - Jaipur had passed an order dated February 10, 2010, in respect of the Company for the assessment years 2008-09 and 2009-10, thereby raising the following demands:

a) A.Y. 2008-09 - ₹ 16.74 lacs (Previous year ₹ 16.74 lacs) on account of non- deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), payments to retainer doctors (alleging that TDS was deductible u/s 192 instead of 194J) and payment to Fortis Health World Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) – Jaipur and was decided vide order dated January 4, 2011 thereby giving partial relief to EHIRCL and the demand raised has been brought down from ₹ 16.74 lacs (Previous year ₹ 16.74 lacs) to ₹ 5.61 lacs (Previous year ₹ 5.61 lacs) as per order dated December 7, 2011. EHIRCL under protest had paid a sum of ₹ 8.37 lacs (Previous year ₹ 8.37 lacs) and subsequent to appeal effect order dated December 7, 2011, a refund has been received amounting to ₹ 3.36 lacs (Previous year ₹ 3.36 lacs).

b) A.Y. 2009-10 - ₹ 0.37 lacs (Previous year ₹ 0.37 lacs) on account of non -deduction of tax on blood processing charges (holding the same as technical services and alleging that TDS u/s 194J was deductible), and payment to Fortis Health World Limited for managing pharmacy (holding that such payments were commission and alleging that TDS u/s 194H was deductible). An appeal was filed before the Commissioner of Income-tax (Appeals) – Jaipur which was allowed vide order dated August 30, 2011. EHIRCL under protest had paid a sum of ₹ 0.19 lacs (Previous year ₹ 0.19 lacs) and subsequent to appeal effect order dated December 7, 2011, a refund of ₹ 0.42 lacs (Previous year ₹ 0.42 lacs) is receivable.

The company filed an appeal before the Income-tax Appellate Tribunal, Jaipur against balance issues confirmed vide said orders of CIT (A). Department also filed appeal before ITAT against said orders of CIT (A). As per order dated December 16, 2013, appeal has been decided partially in favour of the Company through Third member reference, EHIRCL has filed appeal before the Hon'ble High Court - Jaipur on the issue of tax deducted u/s 194J by EHIRCL on payments made to retainer doctors as against u/s 192 held to be deductible by the department which is pending disposal.

x) Regular assessment under section 143 (3) of Income Tax Act, 1961, had been completed in respect of EHIRCL for assessment year 2009-10, whereby the Assessing Officer had raised a demand of ₹ 109.03 lacs (Previous year ₹ 109.03 lacs) [including interest of ₹ 23.24 lacs (Previous year ₹ 23.24 lacs)] by making (i) disallowance u/s 36(1)(iii) ₹ 307.89 lacs (Previous year ₹ 307.89 lacs), (ii) disallowance of depreciation - ₹ 69.70 lacs (Previous year ₹ 69.70 lacs), (iii) adding profit on sale of assets - ₹ 20.78 lacs (Previous year ₹ 20.78 lacs), (iv) disallowance u/s 14A - ₹ 54.69 lacs (Previous year ₹ 54.69 lacs), (v) disallowance of short term capital loss - ₹ 592.80 lacs (Previous year ₹ 592.80 lacs) and (vi) addition of exempt income ₹ 640.10 lacs (Previous year ₹ 640.10 lacs). An appeal was filed with the Commissioner of Income Tax (Appeals), Chandigarh, against the disallowances made in the assessment order, which was dismissed. EHIRCL filed appeal before ITAT, which vide its orders dated August 23, 2013 has restored back the matter to the Commissioner of Income-tax (Appeals) for fresh adjudication which is pending disposal.

xi) Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of EHIRCL for assessment year 2010-11, whereby the Assessing Officer has raised a demand of ₹ 83.25 lacs (Previous year ₹ 83.25 lacs) by making i) disallowance u/s 36(1)(iii) ₹ 33.67 lacs (Previous year ₹ 33.67 lacs), ii) disallowance of depreciation - ₹ 59.14 lacs (Previous year ₹ 59.14 lacs) and iii) adding profit on sale of assets ₹ 6.31 lacs (Previous year ₹ 6.31 lacs). An appeal against the above order is filed to Commissioner of Income Tax (Appeals) – New Delhi, which is in the favour of EHIRCL. Income Tax Department further filed appeal before ITAT, New Delhi, which is pending disposal.

xii) Regular assessment under section 143 (3) of Income Tax Act, 1961, has been completed in respect of EHIRCL for assessment year 2011-12, whereby the Assessing Officer has raised a demand of ₹ 8.00 lacs (Previous year ₹ 8 lacs) by making i) disallowance u/s 36(1)(iii) ₹ 105.00 lacs (Previous year ₹ 105 lacs), ii) disallowance of interest on Capital work in progress for ₹ 26.86 lacs (Previous year ₹ 26.86 lacs), iii) disallowance of depreciation of ₹ 50.68 lacs (Previous year ₹ 50.68 lacs), iv) adding profit on sale of assets ₹ 4.20 lacs (Previous year ₹ 4.20 lacs). An appeal against the above order is filed to Commissioner of Income Tax (Appeals) – New Delhi, which is decided in the favour of EHIRCL. Income Tax Department further filed appeal before ITAT, New Delhi, which is pending disposal.

13. i) The Commissioner of Customs (Import and General), Delhi had raised a demand on a subsidiary of the Company (EHIRCL) of ₹ 770.27 lacs [Previous year ₹ 770.27 lacs (including ₹ 347.64 lacs (Previous year ₹ 347.64 lacs as penalty] for mis-declaration of the imported surgical machine with a redemption fine of ₹ 75.00 lacs (Previous year ₹ 75.00 lacs) for release of the said machine) on June 8, 2007. The mis-declaration refers to the classification of the underlying machine for customs duty purposes. EHIRCL had filed a stay application with the Central Excise and Service Tax Appellate Tribunal against the above order and deposited ₹ 347.64 lacs (Previous year ₹ 347.64 lacs) under protest. The Central Excise and Service Tax Appellate Tribunal has passed order dated February 17, 2016 waiving penalty & interest and restricted demand to ₹ 347.64 lacs.

ii) The Assistant Collector of Customs had issued an assessment order in earlier year raising a demand of ₹ 330.39 lacs (Previous year ₹ 330.39 lacs) holding EHIRCL, a subsidiary of the company to be a commercial establishment in relation to the import of medical equipments, spares and consumables. EHIRCL had filed an appeal with the Collector of Customs (Appeals), against the order of the Assistant Collector of Customs, which has been rejected. EHIRCL filed a further appeal and an application for stay before the Central Excise and Service Tax Appellate Tribunal. The Tribunal had ordered for the stay and had asked EHIRCL to deposit a sum of ₹ 150.00 lacs (Previous year ₹ 150.00 lacs) with the customs authority. EHIRCL had deposited the amount with the customs authority and has also made a provision of ₹ 330.39 lacs (Previous year ₹ 330.39 lacs) in the books of accounts.

(iii) A subsidiary of the Company ('SRLD') has disputed the coverage of Employees State Insurance Corporation (ESIC) for its Kolkata unit from inception till November 2002 as "Pathlabs" were not covered for Employee State Insurance Corporation (ESIC). Pending outcome of the hearing, an amount of ` 98.00 lacs (Previous year ₹ 87.25 lacs) has been provided in the books from the period commencing December 1, 2000 being the date from which the ESIC sent a notice claiming liability of ESIC on subsidiary company Kolkata unit.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

14. Employee Stock Option Plan

i) The Company has provided share-based payment scheme to the eligible employees and directors of the Company/ its subsidiaries and holding company. During the year ended March 31, 2008, 458,500 options (Grant I) were granted to the employees under Plan 'A'. Under the same plan, 33,500 options (Grant II) were granted to the employees during the year ended March 31, 2009, 763,700 options (Grant III) were granted during the year ended March 31, 2010, 1,302,250 options (Grant IV) were granted during the year ended March 31, 2011 and 200,000 options (Grant V) were granted during the year ended March 31, 2012. Under plan 'B', 4,050,000 options (Grant VI) were granted during the year ended March 31, 2013, 3,715,000 options (Grant VII) were granted during the year ended March 31, 2014, 240,000 option (Grant VIII) were granted during the year March 31, 2015, 100,000 option (Grant IX) during the current year and 2,500,000 options (Grant X) were granted during the current year. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the Company. The weighted average share price of the Company during the year was ₹ 170.22 (Previous year ₹ 118.67). As at March 31, 2016, the following schemes were in operation:

Particulars	Date of grant	Date of Board Approval	Date of Shareholder's approval	Number of options granted	Vesting Period	Exercise Period up to
Grant I	13-Feb-08	30-Jul-07	27-Sep-07	458,500	February 13, 2009 to February 12, 2013	12-Feb-18
Grant II	13-Oct-08	30-Jul-07	27-Sep-07	33,500	October 13, 2009 to October 12, 2013	12-Oct-18
Grant III	14-Jul-09	30-Jul-07	27-Sep-07	763,700	July 14, 2010 to July 13, 2014	13-Jul-19
Grant IV	1-Oct-10	30-Jul-07	27-Sep-07	1,302,250	October 1, 2011 to September 30, 2015	30-Sep-20
Grant V	12-Sep-11	30-Jul-07	27-Sep-07	200,000	September 12, 2012 to September 11, 2016	11-Sep-21
Grant VI	23-Feb-12	12-Aug-11	19-Sep-11	4,050,000	September 23, 2012 to September 23, 2015	22-Feb-19
Grant VII	10-Jun-13	12-Aug-11	19-Sep-11	3,715,000	June 10, 2013 to June 10, 2016	9-Jun-20
Grant VIII	12-Nov-14	12-Aug-11	19-Sep-11	240,000	November 12, 2014 to November 11, 2017	10-Nov-21
Grant IX	1-Jun-15	12-Aug-11	19-Sep-11	100,000	June 1, 2015 to May 31, 2015	31-May-22
Grant X	5-Aug-15	12-Aug-11	19-Sep-11	2,500,000	August 5, 2015 to August 4, 2018	4-Aug-22

The details of activity under the Plan have been summarized below:

Particulars	March 31, 2016		March 31, 2015	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	**4,704,130**	**108.82**	5,808,230	106.24
Granted during the year	**2,600,000**	**91.00**	240,000	121.00
Forfeited during the year	**509,000**	**104.47**	1,322,600	100.26
Exercised during the year	**322,180**	**98.90**	21,500	73.96
Expired during the year	**-**	**-**	-	-
Outstanding at the end of the year	**6,472,950**	**143.92**	4,704,130	108.82

Particulars	March 31, 2016		March 31, 2015	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Exercisable at the end of the year	-	-	1,353,490	115.57
Weighted average remaining contractual life (in years)	7.15	-	5.48	-
Weighted average fair value of options granted (in ₹)	59.71	-	39.03	-

* Under Grant I, 2,400 options were exercised on March 31, 2015 and allotment was made on April 10, 2015.

The details of exercise price for stock options outstanding at the end of the year are:

Particulars	March 31, 2016	March 31, 2015
Range of exercise prices (in ₹)	**₹ 50.00 to ₹ 193.00**	₹ 50.00 to ₹ 158.00
Number of options outstanding	**6,472,950**	4,704,130
Weighted average remaining contractual life of options (in years)	**7.15**	5.48
Weighted average exercise price (in ₹)	**142.94**	108.82

Stock Options granted

The weighted average fair value of stock options granted during the year is ₹ 98.90. The Black - Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2016	March 31, 2015
Exercise Price (in ₹)	**₹ 50.00 to ₹ 193.00**	₹ 50.00 to ₹ 158.00
Expected Volatility	**6.42% to 34%**	6.42% to 34%
Life of the options granted (Vesting and exercise period) in years	**2 years to 7 years**	3 years to 6.5 years
Expected dividends	-	-
Average risk-free interest rate	**7.31% to 8.70%**	7.31% to 8.70%
Expected dividend rate	-	-

Expected volatility has been determined considering the daily volatility of the stock prices on National Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

The fair value of total option outstanding at the year end is ₹ 3,865.31 lacs (Previous year ₹ 1,835.99 lacs) and these shall vest over a period of 3-5 years. Accordingly, the charge for the current year in relation to employee stock compensation on a straight line basis under fair value method would have been ₹ 1,204.34 lacs (Previous year ₹ 520.61 lacs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

ii) One of the subsidiaries of the Company, FMHL provides share-based payment schemes to its employees. During the year ended March 31, 2016, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

Malar Employee Stock Option Plan 2008 (Scheme) was approved by the board of directors of FMHL on 31st July 2008/28th May 2009 and by shareholders in the annual general meeting held on 29th September, 2008 /21st August 2009. The following are some of the important conditions to the scheme:

Vesting Plan

- 25% of the option shall vest on the completion of 12 months from the grant date.
- 25% of the option shall vest on the completion of 24 months from the grant date.
- 25% of the option shall vest on the completion of 36 months from the grant date.
- 25% of the option shall vest on the completion of 48 months from the grant date.

Exercise Plan

There shall be no lock in period after the options have vested. The vested options will be eligible to be exercised on the vesting date itself. Notwithstanding any provisions to the contrary in this plan the options must be exercised before the end of the tenure of the plan.

Effective Date

The plan shall be deemed to have come to in force on the 21 August 2009 or on such other date as may be prescribed by the board of directors of FMHL subject to the approval of shareholders of the FMHL in general meeting.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2016		March 31, 2015	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	**230,000**	**26.20**	230,000	26.20
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	**(11,250)**	-	-	-
Outstanding at the end of the year	**218,750**	**26.20**	230,000	26.20
Exercisable at the end of the year	**218,750**	**26.20**	230,000	26.20

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2016 is 0.75 years (March 31, 2015: 1.75 years). The range of exercise prices for options outstanding at the end of the year was ₹ 10.00 (March 31, 2015: ₹ 10.00)

The weighted average fair value of stock options granted during the year was Nil (March 31, 2015: Nil). The weighted average fair value of stock options at the last grant date was ₹ 13.45. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

Particulars	March 31, 2016	March 31, 2015
Dividend yield (%)	Nil	Nil
Expected volatility	67.42%	67.42%
Risk-free interest rate	7.50%	7.50%
Weighted average share price (₹)	Nil	Nil
Exercise price (₹)	26.20	26.20
Expected life of options granted in years	5	5

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

iii) A subsidiary of the Company (SRL) has provided share-based payment scheme to the eligible employees and directors of the Company/ its subsidiary. The shareholders of the Company vide their resolution dated August 17, 2009 granted approval to 'Super Religare Laboratories Limited Employee Stock Option Plan 2009' (the 'Scheme'). The grant date for the options is August 22, 2009. Under the said Scheme 1,517,470 options of the equity shares of the Company have been granted to the employees of the Company at an exercise price of Rs. 40 per share. Also the shareholders of the Company vide their resolution dated September 20, 2013 granted approval to 'SRL Limited Employee Stock Option Scheme 2013' (the 'Scheme'). The grant date for the options is September 30, 2013 and November 02, 2015. Under the said Scheme total 1,195,937 options of the equity shares of the Company have been granted to an employees of the Company at an exercise price of ₹ 201 to ₹ 428 per share. The Company has granted these options under Equity Settlement method and there are no conditions for vesting other than continued employment with the SRL.

Particulars	Grant I	Grant II	Grant III
Scheme	ESOP 2009	ESOP 2013	ESOP 2013
Date of grant	August 22, 2009	September 30, 2013	November 02, 2015
Date of Board Approval	August 22, 2009	August 23, 2013	August 23, 2013
Date of Shareholder's approval	August 17, 2009	September 30, 2013	September 30, 2013
Number of options granted	1,517,470.00	200,000	995,937
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period	Over three years - August 22, 2010 to August 22, 2012	Over three years - September 30, 2016 to September 30, 2018	Over three years - September 30, 2018 to September 30, 2020
Exercise Period up to	Up to August 21, 2019	Up to September 30, 2022	Up to September 30, 2022
Exercise Period	August 21, 2019	September 30, 2022	September 30, 2022
Grant value	40	201	428

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

The details of activity under the Plan have been summarized below:

Particulars	March 31, 2016		March 31, 2015	
	Number of options	Weighted average exercise price (Rs)	Number of options	Weighted average exercise price (Rs)
Outstanding at the beginning of the year	1,111,650	68	1,164,968	40
Granted during the period	995,937	428	-	-
Forfeited /Cancelled during the period	36,936	40	23,004	40
Exercised during the period	29,808	40	30,314	40
Outstanding at the end of the year	2,040,843	245	1,111,650	68
Exercisable at the end of the year	844,906	40	911,650	40
Remaining life	6.5		7.5	
Range of exercise price	40 - 428		40 - 201	

The weighted average fair value of stock options granted during the year is ₹ 428. The discounted cash flow valuation model has been used for computing the weighted average fair value considering the following inputs:

Exercise Price (₹)	428
Life of the options granted (Vesting and exercise period) in years	6.5
Expected dividends	-
Average risk-free interest rate	7.86%
Expected dividend rate	0%

iv) In March 2005, the ICAI has issued a guidance note on 'Accounting for Employees Share Based Payments' applicable to employee based share plan, the grant date in respect of which falls on or after April 1, 2005. The said guidance note requires the Proforma disclosures of the impact of the fair value method of accounting of employee stock compensation accounting in the financial statements. Applying the fair value based method defined in the said guidance note, the impact on the reported consolidated net profit/ (loss) and earnings per share of the Group would be as follows:

(₹ in lacs)

Particulars	March 31, 2016	March 31, 2015
Profit as reported	**(2,485.16)**	(14,369.99)
Add: Employee stock compensation under intrinsic value method	**-**	-
Less: Employee stock compensation under fair value method	**(1,204.34)**	(520.61)
Proforma profit	**(3,689.50)**	(14,890.60)
Earnings Per Share (In ₹)		
Basic		
- As reported	**(0.54)**	(2.62)
- Pro forma	**(0.79)**	(3.19)
Diluted		
- As reported	**(0.54)**	(2.62)
- Pro forma	**(0.79)**	(3.19)

15. Disclosures under Accounting Standard - 15 (Revised) on 'Employee Benefits':

Defined benefit plan

The Group companies have a defined benefit gratuity plan, whereby the employees are entitled to gratuity benefit on the basis of last salary drawn and completed number of years of service. The gratuity plan for two subsidiaries of the Company is 100% funded with an insurance policy with Life Insurance Corporation of India.

The companies of the Group also provides leave encashment benefit to its employees, which is unfunded.

The following table summarizes the components of net employee benefit expenses recognized in the consolidated statement of profit and loss:

(₹ in lacs)

Particulars	Gratuity (Unfunded) 2015-2016	Gratuity (Funded) 2015-2016	Gratuity (Unfunded) 2014-2015	Gratuity (Funded) 2014-2015
Statement of Profit and Loss account				
Net employee benefit expenses (recognized in Personnel Expenses / Expenditure during Construction Period)				
Current Service cost	749.26	109.98	646.69	117.25
Interest Cost on benefit obligation	288.30	60.52	261.54	53.38
Expected return on plan assets	0.00	(48.73)	-	(46.04)
Reversal of excess provision	0.00	0.00	-	-
Actuarial loss/(gain) recognized during the year	69.50	19.36	489.95	141.22
Past Service Cost	(52.73)	(13.27)	-	-
Net benefit expense	**1,054.33**	**127.86**	**1,398.18**	**265.80**
Actual return on plan assets			-	-
Balance sheet				
Details of Provision for Gratuity as at year end				
Present value of defined benefit obligation	4,570.34	923.05	4,017.94	861.03
Fair value of plan assets	0.00	585.40	-	558.54
Surplus/(deficit) of funds	(4,570.34)	(337.65)	(4,017.94)	(302.49)
Net asset/ (liability)	**(4,570.34)**	**(337.65)**	**(4,017.94)**	**(302.49)**
Changes in present value of the defined benefit obligation are as follows:				
Opening defined benefit obligation	4,017.94	861.03	3,152.22	676.61
Current Service cost	749.26	109.98	646.69	117.25
Interest Cost on benefit obligation	288.30	60.52	261.54	53.38
Liability transfer on sale of Hospital undertaking	(12.33)	0.00	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Particulars	Gratuity (Unfunded) 2015-2016	Gratuity (Funded) 2015-2016	Gratuity (Unfunded) 2014-2015	Gratuity (Funded) 2014-2015
Plan Amendments Cost/ (Credit)	(52.72)	(13.27)	-	-
Benefits paid	(489.60)	(112.40)	(532.46)	(120.99)
Actuarial (loss)/ gain recognized during the year	69.50	17.19	489.95	134.78
Closing defined benefit obligation	**4,570.34**	**923.05**	**4,017.94**	**861.03**
Changes in the fair value of plan assets are as follows:				
Opening fair value of plan assets	-	558.54	-	516.89
Expected return	-	48.73	-	30.81
Contributions by employer	-	24.12	-	14.32
Benefits paid	-	(43.81)	-	(1.11)
Actuarial gains / (losses)	-	(2.17)	-	(2.37)
Closing fair value of plan assets	**-**	**585.40**	**-**	**558.54**

The Principal assumptions used in determining gratuity obligation for the Group's plan are shown below:

Particulars	As at March 31, 2016	As at March 31, 2015
In case of FHL & FHsL		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	NA	NA
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	18.00%	18.00%
From 31 to 44 years	6.00%	6.00%
Above 44 years	2.00%	2.00%
In case of EHIRCL and FHsL-Faridabad, Agra & Amritsar		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	3.75%	3.75%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.

Particulars	As at March 31, 2016	As at March 31, 2015
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	6.00%	6.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
In case of FHsL-Faridabad		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	9.25%	9.25%
Expected rate of salary increase	3.75%	3.75%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	6.00%	6.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
In case of FMHL		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	9.25%	9.25%
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	18.00%	18.00%
From 31 to 44 years	6.00%	6.00%
Above 44 years	2.00%	2.00%
In case of FHsL –FHKI, Kalyan, Mulund, BG Road, CH Road, Anandpur		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	NA	NA
Expected rate of salary increase	10% for first 3 years & 8% thereafter	10% for first 3 years & 8% thereafter
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	As at March 31, 2016	As at March 31, 2015
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	10.00%	10.00%
Upto 40 years	5.00%	5.00%
Upto 50 years	3.00%	3.00%
Above 50 years	2.00%	2.00%
In case of LHPL		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	8.00%	10.00% p.a for first 3 years and 8.00% p.a thereafter
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	10.00%	10.00%
Upto 40 years	5.00%	5.00%
Upto 50 years	3.00%	3.00%
Above 50 years	2.00%	2.00%
In case of HHPL		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	8.00%	10.00% p.a. for first 3 years starting from April 1, 2012 and 8.00% p.a.thereafter
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	10.00%	10.00%
Upto 40 years	5.00%	5.00%
Upto 50 years	3.00%	3.00%
Above 50 years	2.00%	2.00%

Particulars	As at March 31, 2016	As at March 31, 2015
In case of C-Doc		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	18.00%	18.00%
From 31 to 44 years	6.00%	6.00%
Above 44 years	2.00%	2.00%
In case of SRL		
Discount rate	7.92%	9.10%
Expected rate of return on plan assets	8.00%	8.00%
Expected rate of salary increase	6.50%	6.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
In case of MSML		
Discount rate	8.00%	9.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	4.00%	4.00%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	4.00%	4.00%
From 31 to 44 years	4.00%	4.00%
Above 44 years	4.00%	4.00%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	As at March 31, 2016	As at March 31, 2015
In case of FHM(E)L		
Discount rate	7.75%	9.25%
Expected rate of return on plan assets	N/A	N/A
Expected rate of salary increase	7.50%	7.50%
Mortality table referred	Indian Assured Lives Mortality (2006-08) (Modified) ULT.	Indian Assured Lives Mortality (2006-08) (Modified) ULT.
Withdrawal rate/ Employee Turnover Rate		
Upto 30 years	18.00%	18.00%
From 31 to 44 years	6.00%	6.00%
Above 44 years	2.00%	2.00%

Amounts for the current and the previous four years are as follows:-

(₹ in lacs)

	Year ending				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2013
Defined benefit obligation at the end of the period	**(5,493.39)**	(4,878.97)	(2,619.33)	(3,443.70)	(1,740.00)
Plan assets at the end of the period	**585.40**	558.54	797.84	409.31	181.91
Funded status	**(4,907.99)**	(4,320.43)	(1,821.49)	(3,034.46)	(1,558.09)
Experience gain/ (loss) adjustment on plan liabilities	**(86.68)**	(613.16)	(195.09)	(245.41)	(139.94)
Experience gain/ (loss) adjustment on plan assets	**(2.17)**	(2.59)	32.05	(29.97)	0.28
Actuarial gain/ (loss) due to change on assumptions	-	(373.29)	296.10	(52.84)	-

Notes:

1. The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
2. The Fortis Group's expected contribution to the fund in the next year is not presently ascertainable and hence, the contributions expected to be paid to the plan during the annual period beginning after the balance sheet date as required by Para 120 (o) of the Accounting Standard 15 (Revised) on Employee Benefits are not disclosed.
3. The Group has invested in the schemes with Life Insurance Corporation of India for the plan assets.

16. During the year ended March 31, 2011, the Group had issued 1,000 5% Foreign Currency Convertible Bonds of US Dollar 100,000 each aggregating to US Dollar 100,000,000 due 2015 (the "Bonds"). These Bonds are listed on the Euro MTF market of the Luxembourg Stock Exchange. The Bonds are convertible at the option of the holder at any time on or after May 18, 2013 (or such earlier date as is notified to the holders of the Bonds by the Group) up to May 11, 2015 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Group ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 167 with 26,922.1557 shares being issued per Bond with a fixed rate of exchange on conversion of ₹ 44.96 = US Dollar 1.00. The Conversion Price is subject to adjustment in certain circumstances.

The Bonds were redeemable, in whole or in part, at the option of the Group and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds were redeemable, in whole but not in part, at the option of the Company at any time on or after 18 May, 2013 (subject to the Company having given at least 30 days' notice) at 100 percent of their aggregate principal amount plus accrued but unpaid interest if the closing price of the Shares on each trading day with respect to the shares for a period of at least 30 consecutive such trading days is equal to or greater than 130 per cent of the Accreted Conversion Price (as defined in the terms and conditions of the Bonds).

The Bonds were redeemable in whole, but not in part, at the option of the Group subject to satisfaction of certain conditions including obtaining Reserve Bank of India ("RBI") approval, at certain early redemption amount, as specified, on the date fixed for redemption in the event of certain changes relating to taxation in India.

The Bonds were redeemed by the Group in US Dollars on May 18, 2015 at 103.1681 per cent of its principal amount at exchange rate 63.59357=US Dollar. The Company has utilized Securities premium account and provided for the premium on redemption for the period up to the date of redemption amounting to ₹ 2,014.71 lacs (Previous year ₹ 1,922.85 lacs). Accordingly the corresponding debenture redemtion reserve has been transfer to the surplus in statement of profit & loss.

17. During the year ended March 31, 2014, the Group issued 150 Foreign Currency Convertible Bonds aggregating to US Dollar 300 lacs due 2018 (the "Bonds") at the rate of (4.66%+LIBOR). These Bonds are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The Bonds are convertible upto US Dollar 240 lacs of principal amount at the option of the holder at any time on or after September 17, 2013 (or such earlier date as is notified to the holders of the Bonds by the Group) up to August 01, 2018 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 99.09 with 120,471.29 shares being issued per Bond with a fixed rate of exchange on conversion of ₹ 59.6875 = US Dollar 1.00. The Conversion Price is subject to adjustment in certain circumstances.

Subject to certain conditions, the Bonds may be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond outstanding (but in no event exceeding US Dollar 600 lacs in aggregate principal amount of Bonds), at the option of the Group at any time on or after September 17, 2013 up to August 01, 2018 at the Partial Reset Conversion Price (as defined in the "Terms & Conditions of the Bonds").

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Group and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Group in US Dollars on August 08, 2018 at 100 per cent of its principal amount. These Bonds are considered a monetary liability and are redeemable only if there is no conversion before maturity date.

The Group has incurred expenses of ₹ 542.62 lacs (including ₹ 24.72 lacs paid to Auditors) in connection with this issue.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

The proceeds of the issue amounting to ₹ 18,390.74 lacs have been used for repayment of debts.

Exchange Rate at March 31, 2016 considered for restatement of the Bonds at the year end was ₹ 66.17526 = US Dollar 1 (₹62.33553= US Dollar 1 at March 31, 2015).

18. During the previous year ended March 31, 2014, the Company issued 550 Foreign Currency Convertible Bonds of US Dollar 1 lacs each aggregating to US Dollar 550 lacs due 2018 (the "Bonds") at the rate of (LIBOR + 4.86%). The Bonds are convertible at the option of International Finance Corporation ("IFC") , an international organization established by Articles of Agreement among its member countries including the Republic of India (the holder) giving 7 days' notice to the Company at any time on or after June 07, 2013 up to June 08, 2018 into fully paid equity shares with full voting rights at par value of ₹ 10 each of the Company ("Shares") at an initial Conversion Price (as defined in the "Terms & Conditions of the Bonds") of ₹ 99.09 and number of shares to be issued will be calculated on conversion on the basis of applicable rate of exchange of US Dollar and ₹ on conversion date. The Conversion Price is subject to adjustment in certain circumstances.

The Bonds may be converted on the request of the holder but not less than value of US Dollar 5,000,000 or in multiple of US Dollar 1,000,000 thereafter. Except in certain condition mentioned in the "Terms & Conditions of the Bonds" the holder cannot exercise the Conversion Option in part or in full in respect of twenty per cent (20%) of the original bond value for a period of three (3) years after the Subscription Date.

The Bonds may otherwise be redeemed, in whole or in part, at the option of the Company and holders of the bonds, before the maturity date subject to satisfaction of certain conditions.

Subject to the prior approval of the RBI (or any other statutory or regulatory authority under applicable laws and regulations of India) if required, the Bonds may be converted mandatorily into fully paid equity shares, 20% of the principal amount of bond at the option of the Company at any time on or after June 07, 2013 at Modified Conversion Price (as defined in the "Terms & Conditions of the Bonds").

Unless previously redeemed, converted or purchased and cancelled, the Bonds will be redeemed by the Company in US Dollars on June 08, 2018 at 100 per cent of its principal amount. These Bonds are considered a monetary liability and are redeemable only if there is no conversion before maturity date.

Exchange Rate at March 31, 2016 considered for restatement of the Bonds at the year end was ₹ 66.17526 = US Dollar 1 (₹62.33553= US Dollar 1 at March 31, 2015).

19. Goodwill arising on consolidation appearing in consolidated financial statements is after netting off Capital Reserve aggregating to ₹ 1,288.53 lacs (Previous year ₹ 1,288.53 lacs) arising on acquisition of FMHL, a subsidiary of the Company.

20. During the year ended March 31, 2013, certain shareholders of the SRL had agreed to gift 1,500,000 shares of the SRL to some employees/ directors and consultants of SRL in lieu of motivating them and retaining them over the balance period of engagement agreement with them or for 3 years from the date of execution of gift deed signed with them dated July 7, 2011, whichever is higher. The shares are transferred by the shareholders of SRL in an escrow account which is managed, controlled and operated solely by the escrow agent, in accordance with the provisions of the escrow agreement. At the expiry of the term as mentioned above and on satisfaction of conditions mentioned in the respective gift deeds, the shareholders shall direct the escrow agent to release the subjected shares in favor of such employees/ directors and consultants of SRL. The SRL or its subsidiary does not have any settlement/ other obligation under the arrangements either towards employees/ directors and consultants or shareholders. The Guidance Note on Accounting for Employee Share-based Payments does not provide any specific guidance on accounting of grant of shares by the shareholders. Hence, in the absence of any specific guidance, SRL has not accounted/ disclosed for the grant.

21. During the year, the Group has capitalized the following expenses to the cost of fixed asset/ capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amount capitalized by the Group as per details below:

₹ in lacs

Particulars	As at March 31, 2016	As at March 31, 2015
Opening Balance (A)	8,815.21	5,535.07
Purchase of medical consumables and pharmacy (B)	-	137.02
Employee Benefits Expense		
Salaries, wages and bonus	1,202.84	880.29
Total (B)	**1,202.84**	**880.29**
Other Expenses		
Contractual manpower	139.26	64.51
Power, fuel and water	188.00	162.69
Housekeeping expenses including consumables	41.79	55.00
Consultation fees to doctors	-	294.73
Rent	1,284.78	1,921.78
Legal & professional fee	70.44	169.90
Travel & conveyance	403.59	202.27
Rates & taxes	50.20	-
Printing & stationary	9.55	0.03
Communication expenses	0.52	4.31
Miscellaneous expenses	27.56	7.40
Total (C)	**2,215.69**	**2,882.62**
Total (D= A+B+C)	**12,233.74**	**9,435.00**
Amount capatlized to Fixed Assets (E)	**(4,088.34)**	**(619.79)**
Carried forward to Capital Work in Progress (F=D-E)	**8,145.40**	**8,815.21**

22. Interest in joint ventures

a) The Group, through one of its subsidiary, SRL, has entered into a Joint Venture agreement with Life Care Services Private Limited, Nepal, to carry on the business of operating pathology labs and diagnostics centers in Nepal and, for this purpose, has incorporated SRL Diagnostics (Nepal) Pvt. Ltd. (formerly Super Religare Reference Laboratories (Nepal) Pvt. Ltd.) ("SRRL") with 50% interest in assets, liabilities, expenses and income.

The Group's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, 2016:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES		
Shareholders' funds	145.39	136.74
Non-current liabilities	14.48	12.33
Current liabilities	20.05	21.80
TOTAL	**179.92**	**170.87**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
II. ASSETS		
Non-current assets	42.62	58.73
Current assets	137.30	112.14
TOTAL	**179.92**	**170.87**
Total revenue from operations and other income considered in the consolidated financial statements	**231.04**	**228.52**
Total expenses considered in the consolidated financial statements	**222.39**	**230.50**
Profit/(Loss) considered in the consolidated financial statements	**8.65**	**(1.99)**

b) The Group, through another subsidiary, SRLDPL, had entered into a Joint Venture agreement with DDRC SRL Diagnostics Private Limited with 50% interest in assets, liabilities, expenses and income.

The Group's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, 2016:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES		
Shareholders' funds	1,560.16	1,484.30
Non-current liabilities	95.18	153.83
Current liabilities	443.07	465.59
TOTAL	**2,098.41**	**2,103.71**
II. ASSETS		
Non-current assets	1,506.25	1,447.91
Current assets	592.16	655.80
TOTAL	**2,098.41**	**2,103.71**
Total revenue from operations and other income considered in the consolidated financial statements	**4,658.14**	**3,780.98**
Total expenses considered in the consolidated financial statements	**4,347.23**	**3,615.94**
Profit considered in the consolidated financial statements	**310.91**	**165.04**

c) Fortis Cancer Care Limited (formerly known as Fortis Health Management (South) Limited), a subsidiary of the Company, has entered into a Partnership agreement with Dr. Chandrashekar G.R. and Dr. Sarla Chandershekar on April 27, 2011 with 51% share in assets, liabilities, income and expenses, to provide cardiac care facilities.

The Group's share of the assets, liabilities, income and expenses of the jointly controlled entity for the year ended March 31, 2016:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES		
Shareholders' funds	60.21	30.81
Non-current liabilities	-	1.51
Current liabilities	176.83	65.51
TOTAL	**237.04**	**97.84**
II. ASSETS		
Non-current Assets	0.03	0.02
Current assets	176.81	97.82
TOTAL	**176.84**	**97.84**
Total revenue from operations and other income considered in the consolidated financial statements	-	**130.96**
Total expenses considered in the consolidated financial statements	**0.21**	**498.94**
Exceptional gain	-	**544.75**
(Loss)/Profit considered in the consolidated financial statements	**(0.21)**	**176.77**

23. Restructuring:

a. The group's primary business consists of provision of Hospital Services through various entities. The group initiated internal restructuring within the group with a view to streamline and focus Group companies' resources and energies on different divisions and undertakings and to align the business with the internationally emerging trends by moving towards innovative and cost effective methods such as transformation to asset light models. Subsequent to the internal restructuring completed during the year, the business of certain identified hospitals of the Group are being divided into the following two verticals, such that they are managed under different verticals whilst continuing to have mutual interdependencies:

(i) One vertical (the "Clinical Establishments Division") will own, maintain and operate clinical establishments (being fully air conditioned institutions established, and specifically customized and duly fitted with all fixtures, fittings, certain medical equipment and infrastructure required for running and operating the hospitals), along with providing services under outpatient division and radio-diagnostic services (hereinafter referred to as the "Clinical Establishment Services").

(ii) The other vertical (the "Medical Services Division") will undertake the business of running the hospital operations, being hereinafter referred to as provision of medical services, including in-patient services and emergency services ("Medical Services").

During the year ended March 31, 2012, the Company initiated internal restructuring within the Group with a view to streamline and focus Group companies' resources and energies on different divisions and undertakings and to align the business with the internationally emerging trends by moving towards innovative and cost effective methods such as transformation to asset light model. Subsequent to it RHT, a business trust established in Singapore, was listed on the Singapore Exchange Securities Trading Limited ('SGX-ST') on October 19, 2012.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

RHT made an offering of 567,455,000 common units at $ 0.90 per common unit. Post listing of RHT on SGX-ST on October 19, 2012, Group's shareholding in RHT has been diluted from 100% to 28%. Accordingly, assets and liabilities of Clinical Establishment Division held by RHT Group do not form part of the consolidated assets and liabilities of the Group w.e.f. October 19, 2012. Company recognized gain of ₹ 99,588.79 lacs on dilution of stake in RHT Group during the previous year. Revaluation reserve pertaining to fixed asset of RHT group was transferred to general reserve.

FHL as sponsor of RHT has waived off its right to receive dividend from RHT from the date of listing till March 31, 2014, accordingly, management has not accounted for profits of RHT till year ended March 31, 2014.

The share of such profits waived as well as the reduction in net asset value of the Group's share consequent of dividend distributed to other unit holders is goodwill arising at the time of listing, which has been tested for impairment. Considering the traded price of units being higher than the carrying value of investment in RHT, there is no impairment on the investment in RHT.

b. On completion of the Trial Phase Services Agreement, erstwhile Fortis Health Management (North) Limited ('FHM(N)L') entered into Hospital and Medical Services Agreement ('HSMA') with erstwhile EHSSIL for hospital at Amritsar, erstwhile Escorts Hospital and Research Centre Limited ('EHRCL') for hospital at Faridabad, IHL for hospital at Noida and Fortis Hospotel Limited ('FHTL') for hospital at Shalimar Bagh, which are effective from April 1, 2012.

In addition, FHM(N)L also entered into HSMA with FHTL for hospital at Gurgaon from August 1, 2012. FHsL has entered into HSMA with IHL for hospitals at Anandpur and Kalyan; and with erstwhile KHL for hospitals at Mulund and Bannerghatta Road with effect from October 19, 2012; Fortis Malar Hospitals Limited has entered into HSMA with FHML for hospital at Chennai with effect from October 19, 2012.

IHL, EHSSIL, EHSSHL, KHL, FHML and EHRCL are collectively referred to as Hospital Service Companies. FHM(N)L, FHsL and FMHL are collectively referred as Fortis Operating Companies.

c. On January, 9 2012, FHML entered into Share Purchase Agreement with the Company to acquire its 49% interest in FHTL at an aggregate consideration of ₹ 37,728.39 lacs. FHTL is the owner of Shalimar Bagh Clinical Establishment and Gurgaon Clinical Establishment. FHML on September 17, 2012 entered into Shareholders' Agreement with the Company, pursuant to which FHML has a call option over the Company's 51% interest in FHTL ("FHTL Call Option") at a fixed price, subject to fulfillment of certain conditions, applicable laws including, and receipt of necessary approvals from all third parties. FHML also has the right to appoint 50% of the directors of FHTL, including the chairman of the board of directors who will have the casting vote in case of deadlock on any matter, including all financial and operating policies of the Company, brought to the board of directors for its approval. Additionally, the Company has assigned its right to receive dividends from FHTL in favour of FHML. In addition, FHML has a put option on its 49% interest in FHTL ("FHTL Put Option"), exercisable if FHML is unable to acquire 100% of the issued and paid-up share capital of FHTL within 5 years from the date of transfer of the 49% shareholding of FHTL by the Company to FHML, for any reason outside the control of FHML. The put option shall be exercised at a price that is equal to the fair market value of Put Securities on the date of exercise of put option, determined on a discounted cash flow basis.

During the current year, The Board of Directors of the Company approved the acquisition of 51% economic interest in FHTL. The Management is in process of obtaining the legal and regulatory approvals and intends to hold the investment for a long-term period. Accordingly, management has reclassified the investment in FHTL as non-current as at March 31, 2016 [Refer to note 4(xii)].

d. The Group had completed following restructuring during the previous year ended March 31, 2015:-

In continuance of Company's strategy of Asset Light model, during the current year, the Company has entered in to an agreement with Escorts Heart and Super Specialty Hospital Limited ("EHSSHL"), a subsidiary of Religare Health Trust ('RHT'), for transfer of net assets relating to the Mohali Clinical Establishment (in Punjab) to EHSSHL. Such transaction had resulted in net gain of ₹ 190.82 lacs and disclosed as an exceptional item in the year ended March 31, 2015.

S. No.	Particulars	₹ in lacs
1	Net Fixed Assets	1,508.25
2	Net Current Assets	(194.80)
3	**Total Assets Transferred (1+2)**	**1,313.45**
4	Sale Consideration	1,578.82
5	**Profit on Sale of Undertaking (4-3)**	**265.37**
6	Unrealised gain of pertaining to the Company's share in RHT	74.55
7	**Profit on Sale of Undertaking (5-6) (included under Exceptional items)**	**190.82**

Further, during the previous year ended March 31, 2015, 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 amounting to ₹ 157.67 lacs arising due to this was shown as an exceptional item during the previous year ended March 31, 2015.

(₹ in lacs)

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
a)	Loss on dilution of stake in RHT	-	-
b)	Gain on sale of net assets related to Mohali clinical establishment to EHSSHL	-	190.82
c)	Loss on dissolution of partnership firm Fortis Cauvery	-	(157.67)
Net exceptional items		**-**	**33.15**

24. A) During the year ended on March 31, 2013, EHIRCL has issued 401,769 Compulsorily Convertible Preference Shares ("CCPS") of face value of ₹10 each at a premium of ₹ 7,456.98 per CCPS to Kanishka International Limited (KHL) with a maturity period of 15 years aggregating to ₹ 30,000 lacs. During the year ended 31 March, 2013, KHL merged with International Hospital Limited (IHL). The holder of CCPS shall be entitled to receive, only out of fund legally available for the payment of dividends, dividends in respect of the par value of the invested CCPS at a per annum rate of 0.01%. The fixed dividend shall be payable on a cumulative basis at the end of a period of 15 years. On conversion date, each CCPS will be convertible into one equity share, provided that the price for conversion shall not at any instance be lesser than the investment valuation. Other key terms of CCPS agreement are:-

a) CCPS Put Option – IHL is entitled to exercise an unconditional and irrevocable right to require the Company or its nominee to buy all of CCPS held by KHL in EHIRCL upon occurrence of KHL having exercised Fortis Hospotel Limited ('FHTL') Put Option or FHTL Call Option under shareholders agreement entered between the Company, FHTL and FHML. The considerations payable by the Company to KHL is as follows :-

- In case of FHTL call option - the Company is required to pay sum equal to the fair valuation of Equity Shares of the Company as per DCF Method to KHL.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

- In case of FHTL put option - the Company is required to purchase, subject to due compliance with law, all CCPS at consideration equal to KHL's contribution along with coupon rate agreed.

b) CCPS Call Option - If KHL becomes entitled to exercise the CCPS Put Option, but does not exercise the CCPS Put Option within 90 business days thereof, then the Company shall at any time after the expiry of such 90 business days, be entitled to require KHL to sell all of the CCPS to the Company for a consideration equal to the CCPS Subscription amount along with the coupon of 0.01% accrued thereon as of such date.

B) Pursuant to the Shareholders Agreement dated June 12, 2012 executed by and amongst SRL Limited ("SRL"), the Company, International Finance Corporation (IFC), NYLIM Jacob Ballas India Fund III LLC (NJBIF) and existing investors (Avigo and Sabre Group) of SRL, SRL has allotted 4,000,000 and 8,333,333 Compulsorily Convertible Preference Shares ('CCPS') of ₹ 20/- each at a premium of ₹ 280/- each to IFC and NJBIF respectively, aggregating to ₹ 37,000 lacs.

In the event of liquidation of the subsidiaries before redemption of preference shares, the holder of preference shares will have priority over equity shares in the repayment of capital.

25. As part of Sponsor Agreement entered between The Trustee-Manager of RHT, FGHIPL and Hospital Service Companies (collectively referred as 'Indemnified parties') with the Company, the Company has provided following indemnities:-

i) To RHT and its, directors, officers, employees and agents under the relevant transaction agreements against any losses or liabilities finally determined as payable for any breach of the Consolidated Foreign Direct Investment (FDI) Policy or Foreign Exchange Management Act ('FEMA'), to the extent that such breach has resulted from the acquisition by RHT of the Hospital Services Companies.

Further, the Company has undertaken to transfer or procure additional medical and healthcare services to Hospital Services Companies in the event that any regulatory authority raises concerns over compliance with any applicable law.

However, the Company will not be liable to indemnify the Indemnified Parties for any losses resulting from delay or failure of the Indemnified Parties in completing any statutory filings or similar formalities under the Consolidated FDI Policy, FEMA and other laws in force in India as of the Listing Date i.e. October 19, 2012, required to be undertaken by the Indemnified Parties in relation to the acquisition by RHT or FGHIPL of the equity shares of the Hospital Services Companies.

The Company's obligations under this indemnity shall continue so long as the Company or the Group holds 15.0% or more of the total units from time to time issued in RHT or three years from the Listing Date, whichever is later.

However, the Company will be liable in respect of the indemnity for a maximum period of five years from the Listing Date.

ii) The Company has also undertaken to indemnify ("Tax Indemnity") each of the Hospital Services Companies and their respective directors, officers, employees and agents (the "Investing Parties") against tax liabilities (including interest and penalties levied in accordance with the Income tax Act and any cost in relation thereto) which these Investing Parties may incur due to the non-allowance of interest on Compulsorily Convertible Debentures (CCDs) or Optionally Convertible Debentures (OCDs) in the hands of the Hospital service Companies. Accordingly, Company has accrued ₹ 205.03 lacs (Previous year ₹ 205.03 lacs) as provision for contingency.

iii) Further, as per terms of the various Agreements entered into between Hospital Services Companies and Fortis Operating companies, the Hospital Services Companies have right to recover certain statutory dues levied on them from Fortis Operating Companies. There is a possible present obligation on Hospital Services

Companies to collect certain statutory dues from the Fortis Operating Companies and pay it to the relevant authorities. In view of uncertainty arising from interpretation of the regulations, management believes that value of such statutory dues cannot be measured reliably and therefore has not been considered in these financial statements.

26. The Group has entered into 'Operation and Management' agreement with entities which are into hospital operations, in terms of which, the Group is responsible for developing and providing maintenance support and related services necessary to support, manage and maintain the hospital as may be required. The management fee in this case is generally based on gross billing of the hospital subject to certain conditions as per the underlying agreement. The gross billing of the hospital is considered based on the unaudited financial statements of the respective entity. The management does not anticipate any material changes in the amounts considered in consolidated financial statements.

27. Exceptional Items

a. During the current year, the Group entered into a Business transfer agreement to sell the business of its hospital at Kangra, Himachal Pradesh as a going concern on a slump sale basis with effect from September 1, 2015. Such transaction has resulted in net loss of ₹ 1,257.18 lacs and has been disclosed as an exceptional item.

b. During the current year, the Group has closed certain diagnostic labs, dialysis and healthcare centers at resulting in net loss of ₹ 2,942.31 lacs and has been disclosed as an exceptional item.

c. During the year, the Group has impaired the assets held in one of its subsidiary Lalitha Healthcare Private Limited (LHPL), aggregating to ₹ 919 lac (including goodwill of ₹ 317 lacs), on account of partial closure of operations by LHPL. The same is disclosed as an exceptional item for the year ended 31 March, 2016. The Management has estimated that it will be able to recover the amount considered good in the consolidated financial statements.

d. In relation to one of the overseas subsidiary, SRL Diagnostic FZ LLC, Dubai, the Group has reassessed the recoverable value and recorded an impairment of the carrying value of the goodwill and some of the assets of the subsidiary aggregating to ₹ 4,985 and ₹ 347 lacs respectively. The same is disclosed as an exceptional item for the year ended 31 March, 2016.

e. Statutory bonus amounting to ₹ 1,581.80 lacs has been recorded as an exceptional item which represents the amount accrued 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 amendment of The Payment of Bonus (Amendment) Act, 2015 with retrospective effect from April 1, 2014 for which notification was issued in January, 2016.

28. Discontinuing of operations

i. Radlink-Asia Pte Ltd., Singapore (Radlink)

During the current year, Fortis Healthcare International Pte Ltd. (FHIPL), a wholly owned subsidiary of the Company announced its decision to divest 100% shareholding in Radlink and its subsidiaries to Fullerton Healthcare Group Pte. Limited for SGD 111 million. The transaction was concluded on May 12, 2015. Such transaction resulted in net gain of ₹ 7837.39 lacs and is included as an exceptional item in year ended 31 March, 2015.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

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

(₹ in lacs)

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Total Income	1,061.76	13,546.29
Total expenditure	934.03	11,448.72
Profit before tax	**127.73**	**2,096.57**
Tax expenses	26.68	171.51
Profit after tax	**101.05**	**1,925.06**

The carrying amounts as on March 31, 2016 relating to Radlink are as follows:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Total Assets	-	14,419.10
Total Liabilities	-	3,750.65
Net Assets	-	**10,668.45**

Further, net cash flows attributable to above discontinuing operations included in the consolidated cash flow statement are as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net cash flows from operating activities	-	3,046.82
Net cash flows from investing activities	-	(1,179.37)
Net cash flows from financing activities	-	644.46

ii. Fortis Surgical Hospital, Singapore

During the previous year ended March 31, 2015, Fortis Healthcare International Pte Ltd. (FHIPL), a wholly owned subsidiary of the Company announced its decision to divest 100% shareholding in Fortis Healthcare Singapore Pte Ltd. which holds and operates Fortis Surgical Hospital to Concord Medical Services (International) Pte Ltd. for SGD 55 million. The transaction was concluded on April 7, 2015. Such transaction resulted in net gain of ₹ 881 lacs and is included as an exceptional item in year ended 31 March, 2016.

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

(₹ in lacs)

Particulars	Year ended	
	March 31, 2016	March 31, 2015
Total Income	-	4,072.10
Total expenditure	-	13,302.82
Profit before tax	-	**(9,230.72)**
Tax expenses	-	-
Profit after tax	-	**(9,230.72)**

The carrying amounts as on March 31, 2015 relating to Fortis Surgical Hospital, Singapore are as follows:

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Total Assets	-	59,807.67
Total Liabilities	-	86,330.74
Net Assets	-	**(26,523.07)**

Further, net cash flows attributable to above discontinuing operations included in the consolidated cash flow statement are as follows:

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Net cash flows from operating activities	-	(3,474.44)
Net cash flows from investing activities	-	(33.26)
Net cash flows from financing activities	-	3,285.56

29. Particulars of Unhedged Foreign Currency Exposure:

(Amount in lacs)

Particulars	Foreign Currency	March 31, 2016		March 31, 2015	
		Foreign Currency Amount	₹	Foreign Currency Amount	₹
Trade payables	**USD**	13.86	917.11	12.24	775.73
	Euro	-	-	0.01	0.36
	GBP	-	-	0.01	1.30
Bank balances	**HKD**	0.00	0.04	0.00	0.03
	AUD	-	-	0.02	0.77
	SGD	6.06	297.67	55.58	2,525.06
	VND	0.06	0.00	0.06	0.00
	USD	3.42	226.29	4.23	263.85
	MUR	207.91	390.63	452.84	774.22
Trade receivables	**USD**	22.11	1,462.75	4.99	310.92
	AED	1.67	30.09	1.01	17.10
	MUR	171.03	321.35	130.26	222.70
Advances to Vendors	**USD**	-	-	0.02	1.35
	Euro	-	-	0.10	6.57
Advance from Customers	**Euro**	0.04	3.35	0.04	3.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in lacs)

Particulars	Foreign Currency	March 31, 2016		March 31, 2015	
		Foreign Currency Amount	₹	Foreign Currency Amount	₹
	USD	1.12	74.05	0.81	50.60
EEFC Accounts	USD	-	-	0.05	3.25
Cash balances	AED	0.01	0.18	0.02	0.31
	Euro	0.01	0.77	0.01	0.79
	USD	0.05	3.12	0.04	2.71
	GBP	0.00	0.11	0.00	0.25
	SGD	0.00	0.10	0.00	0.09
	BHD	0.00	0.07	0.00	0.07
	LKR	0.25	0.11	0.25	0.12
Buyers Credit	USD	7.91	523.16	10.69	666.63
	Euro	1.54	116.14	2.05	137.02
Foreign Currency Loans					
- Loans taken	USD	866.49	57,340.18	1,883.91	117,434.77

30. Forward Contract

Subsidiaries of the Company have taken foreign currency derivative instrument to hedge its foreign currency risk. The outstanding position of derivative instruments as on March 31, 2016 is as under:

Particulars	Purpose
Forward Contracts to sell USD :	
Nil (Previous year USD 301lacs) Nil (Previous year ₹ 18,762.99 lacs	Foreign currency loans given

31. The Group has subscribed to 98,000 Ordinary Shares of Fortis Medicare International Limited ('FMIL') of USD 1 each during the year ended March 31, 2011, the details of which are given below:

(₹ in lacs)

Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
Cost of Investment	**47.68**	47.68
Share in losses for the current year	**87.53**	81.32
Share in post-acquisition losses upto the beginning of the year	**1,207.30**	1,125.98
Exchange translation adjustments	**(420.71)**	12.60
Payable against losses of associate	**1,667.86**	1,147.02

The Group has entered into an agreement with the shareholders of FMIL, as per which Group has committed to make payments on behalf of associate to satisfy its obligation.

32. 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). Details of corporate social responsibility expenditures as certified by Management are as follows:

(₹ in lacs)

Particulars	Year ended 31-Mar-16	Year ended 31-Mar-15
Balance to be spent as per previous year (A)	**239.11**	-
Amount required to be spent for current year (B)	**286.74**	240.29
Gross amount required to be spent (A+B)	**525.85**	240.29
Spent during the year	**304.63**	1.18
Balance unspent at end of the year	**221.22**	239.11

33. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

S. No.	Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Fortis Healthcare Limited (Parent)		(8.11%)	(37,855.90)	(734.99%)	(18,265.78)
Subsidiaries					
1.	Escorts Heart Institute And Research Centre Limited	11.25%	52,527.36	92.39%	2,295.95
2.	Fortis Hospitals Limited	28.37%	132,422.77	298.28%	7,412.71
3.	Fortis Asia Healthcare Pte Limited	5.78%	26,999.52	161.40%	4,011.02
4.	Fortis C-Doc Healthcare Limited	0.06%	285.26	(8.16%)	(202.70)
5.	Fortis Healthcare International Limited	(4.82%)	(22,494.96)	22.19%	551.49
6.	Lalitha Healthcare Private Limited	0.08%	377.06	(10.45%)	(259.66)
7.	Fortis Global Healthcare (Mauritius) Limited	4.14%	19,344.52	44.83%	1,114.12
8.	Fortis Malar Hospitals Limited	0.53%	2,493.98	25.31%	628.94
9.	Malar Stars Medicare Limited	0.03%	124.21	(1.71%)	(42.41)
10.	Fortis HealthStaff Limited	(0.15%)	(700.18)	5.77%	143.41
11.	Fortis Health Management (West) Limited	0.00%	(1.23)	(0.14%)	(3.56)
12.	Fortis Health Management (South) Limited	0.01%	31.75	(25.49%)	(633.49)
13.	Fortis Health Management (East) Limited	0.05%	254.13	(2.87%)	(71.41)
14.	Hiranandani Healthcare Private Limited	2.23%	10,406.31	138.71%	3,447.05
15.	SRL Limited	30.25%	141,185.89	(294.48%)	(7,318.33)
16.	Fortis Cauvery	0.01%	37.46	(0.01%)	(0.21)
17.	Fortis Healthcare International Pte Limited	3.59%	16,738.11	2.38%	59.21

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

S. No.	Name of the Entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
18.	Birdie and Birdie Realtors Private Limited	4.31%	20,120.63	(3.32%)	(82.52)
19.	Stellant Capital Advisory Services Private Limited	0.10%	473.43	2.46%	61.17
20.	Religare Health Trust Trustee Manager	2.23%	10,424.74	9.72%	241.67
Minority Interests in all Subsidiaries					
1.	**Fortis Malar Hospitals Limited**	(0.75%)	(3,520.24)	(9.21%)	(228.87)
2.	Malar Star Medicare Limited	(0.01%)	(37.76)	(0.29%)	(7.09)
3.	Fortis Healthstaff Limited	0.15%	684.33	(0.93%)	(23.00)
4.	Hiranandani Healthcare Private Limited	(0.07%)	(326.35)	(12.48%)	(310.20)
5.	SRL Limited	(2.38%)	(11,109.55)	(62.45%)	(1,551.89)
6.	Fortis Healthcare International Pte Limited	-	-	(0.35%)	(8.68)
Associates (Investment as per the equity method)					
1.	**Religare Health Trust**	13.24%	61,807.97	213.42%	5,303.94
2.	Medical And Surgical Centre Limited	0.76%	3,539.53	17.16%	426.36
3.	Lanka Hospitals Corporate Plc	4.66%	21,750.60	36.82%	915.13
4.	Sunrise Medicare Private Limited	0.00%	0.31	0.00%	
6.	Fortis Medicare International Limited	0.00%	-	(3.52%)	(87.53)
7.	Fortis CSR Limited	0.00%	5.00	-	-
8.	Fortis Hospotel Limited	4.44%	20739.71	-	-
	Total	**100.00%**	**466,728.42**	**100.00%**	**(2,485.16)**

34. Previous Year Figures

Previous year figures have been regrouped/ reclassified, where necessary, to conform to this year's classification. Figures for the previous year have been audited by another firm of Charered Accountants.

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

Sd/-
MALVINDER MOHAN SINGH
Executive Chairman
DIN 00042981

Sd/-
SHIVINDER MOHAN SINGH
Executive Vice Chairman
DIN 00042910

Sd/-
RAHUL RANJAN
Company Secretary
Membership No.: A17035

Sd/-
GAGANDEEP SINGH BEDI
Chief Financial Officer
CA Membership No.: 087813

Place : Gurgaon
Date : May 26, 2016

NOTES

Fortis Healthcare Limited

Regd. Office: Escorts Heart Institute and Research Centre, Okhla Road, New Delhi - 110 025

Tel.: +91-11-47135000 / 26825000 Fax: +91-11-26825013

www.fortishealthcare.com