

**Fortis Healthcare Limited**

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FHL/SEC/STEX/RR/2018-19

June 27, 2018

**The National Stock Exchange of India Ltd.
Corporate Communications Department
“Exchange Plaza”, 5th Floor, Bandra-Kurla
Complex, Bandra (East), Mumbai - 400051
Scrip Symbol: FORTIS**

**BSE Limited
Corporate Services Department Phiroze
Jeejeebhoy Towers Dalal Street, Mumbai
– 400 001
Scrip Code:532843**

Sub: Outcome of the Adjourned Board Meeting dated June 26, 2018

Dear Sir(s),

The Board of Directors of the Fortis Healthcare Limited (the “**Company**”) at its meeting, *inter alia*, considered and noted the Un-Audited Financial Results of the Company for the year ended March 31, 2018 and for the quarter ending March 31, 2018; and discussed the aspects considered under the Investigation Report.

The copy of the Un-Audited Financial Results of the Company for the year ended March 31, 2018 and for the quarter ending March 31, 2018 and a press release is attached for your reference and records.

A summary of the key *prima facie* findings of the Investigation Report and the steps undertaken or proposed to be undertaken are included as Annexure to this letter.

Further, this is to inform you that Mr. Rohit Bhasin, Non-Executive Independent Director has tendered his resignation from the directorship of the Company w.e.f. June 26, 2018 due to other personal commitments which was duly accepted by the Board of Directors.

The adjourned board meeting commenced at 19:00 Hours on June 26, 2018 and the same was concluded at 04:00 Hours on June 27, 2018.

You are kindly requested to take the same on record.

Thanking you,
Yours faithfully

**By the order of Board of Directors
Fortis Healthcare Limited**

**Rahul Ranjan
Company Secretary
ACS 17035**

FORTIS HEALTHCARE LIMITED

Regd. Office : Fortis Hospital, Sector 62, Phase – VIII, Mohali – 160062

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Annexure
Preliminary Review of Investigation Report & Next Steps

SECTION A

1. As mentioned in the notice to the stock exchanges on June 11, 2018, pursuant to the reports in the media and enquiries from *inter alia* the stock exchanges, directed to the Company about certain inter-corporate deposits (“**ICDs**”) given by a wholly owned subsidiary of the Company (i.e., Fortis Hospitals Limited), the Audit and Risk Management Committee (the “**Audit Committee**”) of the Company in its meeting on February 13, 2018, decided to carry out an independent investigation through an external legal firm.
2. Subsequently, the Board of Directors has undergone a significant change after the end of financial year 2017-18 and currently comprises of three independent directors.
3. At the outset, the Board would like to state that it is conscious of its responsibility towards timely and accurate disclosures regarding the Company’s operations and is committed to ensuring that robust governance and control frameworks are implemented throughout the organization.
4. The investigation report, as finalized by the external legal firm, was made available to the Board of Directors of the Company on June 8, 2018 (“**Investigation Report**”). Please see Section B for summary of key findings of the Investigation Report.
5. Considering the detailed nature of the Investigation Report and given the fact that the Board has only been recently appointed, the Board required certain reasonable time to consider the contents of the Investigation Report and discuss the same with its legal advisors.
6. The steps undertaken or proposed to be undertaken are as follows:
 - (i) The Company has submitted the Investigation Report with Securities and Exchange Board of India and Serious Fraud Investigation Office (Ministry of Corporate Affairs).
 - (ii) The Company has initiated legal action for recovery of these outstanding ICDs and other advances. Also, the Company has made appropriate provisions in the Un-audited Financial Results in relation to the ICDs and certain other matters identified in the Investigation Report, pending outcome of the relevant recovery proceedings initiated by the Company.
 - (iii) The Company having considered all necessary facts and taken into account legal advice that it has received, has decided to treat as *non est* the Letter of Appointment dated 27.09.2016, as amended (“**LoA**”) issued to the erstwhile Executive Chairman in relation to his role as ‘Lead: Strategic Initiatives’ in Strategy Function. The Company is in the process of taking suitable legal measures to recover the payments made to him under the LoA as also to recover all Company assets in his possession.
 - (iv) The Board continues to evaluate the implications and impact of the contents of the Investigation Report and is discussing the same with its legal advisors. The Board will also assess the requisite steps that need to be taken in relation to certain matters in light of the Investigation Report, including, *inter alia*, initiate further enquiry.

- (v) With respect to the matters identified in the Investigation Report, the Company will appoint an external agency of repute to undertake a scrutiny of the internal controls and compliance framework in order to strengthen processes and build a robust governance framework. Towards this end, the Company will also evaluate internal organizational structure and reporting lines, the delegation of powers of the Board or any committee thereof, the roles of authorized representatives and terms of reference of executive committees and their functional role.
 - (vi) The Board is committed to fully co-operate with the relevant regulatory authorities to enable them to make a final determination on these matters and to undertake the remedial action, as required under, and to ensure compliance with, applicable Indian law.
7. The Board would like to assure the Shareholders that it is committed to restoring the highest level of governance and internal controls within the Company and towards ensuring that the interests of Shareholders are not compromised.

SECTION B

The Board discussed and considered the Investigation Report and noted certain key *prima facie* findings of the external legal firm as follows:

- i. The Investigation Report, on the basis of documents / emails reviewed and interviews conducted, revealed that the ICDs were not given under the normal treasury operations of the Company/ FHsL including under the treasury policy and the mandate of the Treasury Committee; and were not specifically authorized by the Board of FHsL. All ICDs from December 2011 were repaid until March 31, 2016. However, from the first quarter of financial year 2016-17, it has been observed that a roll-over mechanism was devised whereby, ICDs were repaid by cheque by the borrower companies at the end of each quarter and fresh ICDs were released at the start of succeeding quarter under separately executed ICD agreements. In respect of the roll-overs of ICDs placed on July 1, 2017 with the borrower companies, FHsL utilized the funds received from the Company for the purposes of effecting roll-over.
- ii. In respect of ICDs granted, the Investigation Report revealed that there were certain systemic lapses and override of controls including shortcomings in executing documents and creating a security charge while the Company/ FHsL was under financial stress. The charge was later on created in February 2018.
- iii. While the Investigation Report did not conclude on utilization of funds by the borrower companies, there are findings in the report to suggest that ICDs were utilized by the borrower companies for granting/ repayment of loans to certain additional entities including those whose current and/ or past promoters/ directors are known to/ connected with the promoters of the Company.
- iv. In terms of the relationship with the borrower companies, there was no direct relationship between the borrower companies and Company and / or its subsidiaries during the period in which ICDs were granted (i.e. December 2011 till December 14, 2017). The Investigation Report has made observations where promoters were evaluating certain transactions concerning certain assets owned by them for the settlement of ICDs thereby indirectly implying some sort of affiliation with the borrower companies. Given the substance, the Investigation Report has observed that the borrower companies could possibly qualify as related parties of the Company and/ or FHsL. In this regard, reference was made to Indian accounting standards dealing with related party disclosures, which states that for considering each possible related party relationship, attention is to be directed to the substance of the relationship and not merely the legal form.
- v. Objections on record indicate that management personnel and other persons involved were forced into undertaking the ICD transactions under the repeated assurance of due repayment and it could not be said that the management was in collusion with the promoters to give ICDs to the borrower companies. Relevant documents/information and interviews also indicate that the management's objections were overruled. However, the former Executive Chairman of the Company, in his written responses, has denied any wrongdoing, including override of controls in connection with grant of the ICDs.

- vi. There were certain systemic lapses in respect to the assignment of the ICDs from FHsL to a third party in September 2017 (and subsequent termination of the arrangement in January 2018), viz., no diligence was undertaken in relation to assignment, it was not approved by the Treasury Committee and was antedated. The board of FHsL took note of the same only in February 2018.
- vii. Separately, it was also noted in the Report that the aforesaid third party to whom the ICDs were assigned has also initiated legal action against the Company. Whilst the matter was included as part of terms of reference of the investigation, the merits of the case cannot be reported since the matter was sub-judice.
- viii. During the year the Company through its subsidiary (i.e. Escorts Heart Institute and Research Centre Limited (“**EHIRCL**”)), acquired 71% equity interest in Fortis Healthstaff Limited at an aggregate consideration of Rs. 3.46 Lacs. Subsequently, EHIRCL advanced a loan to Fortis Healthstaff Limited, which was used to repay the outstanding unsecured loan amount of Rs. 794.50 lacs to a promoter group company. Certain documents suggest that the loan repayment by Fortis Healthstaff Limited and some other payments to the promoter group company may have been ultimately routed through various intermediary companies and used for repayment of the ICDs /vendor advance to FHsL / Company.
- ix. The investigation did not cover all related party transactions during the period under investigation and focused on identifying undisclosed parties having direct/indirect relationship with the Promoter group, if any. In this regard, it has been observed that in internal correspondence, transactions with certain other entities have been referred to as related party transactions. However, no further conclusions have been made, in this regard.
- x. Additionally, it was observed in the Investigation Report that there were significant fluctuations in the NAV of the investments in overseas funds by the overseas subsidiaries during a short span of time. Further, similar to previous note above, in the internal correspondence within the company, investments in the overseas funds have been referred to as related party transactions. The investment was realized at a discount, in April 2018, with no loss in the principal value of investments.
- xi. The findings of the external legal firm are subject to certain limitations.

FORTIS HEALTHCARE LIMITED
STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS

(Rupees In lacs)

Particulars	Consolidated				
	Quarter ended			Year ended	
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	Unaudited	Unaudited	Audited (Refer note 2)	Unaudited	Audited
1. Income from operations	108,638	112,065	112,343	456,081	457,371
2. Other income	1,871	4,262	3,607	13,973	16,601
3. Total income (1+2)	110,509	116,327	115,950	470,054	473,972
4. Expenses					
(a) Cost of material consumed	22,993	25,063	24,561	99,902	99,756
(b) Employee benefits expenses	20,612	23,401	23,327	90,565	90,541
(c) Finance costs	6,415	6,320	6,661	25,779	22,944
(d) Hospital service fee	9,210	9,442	9,248	37,862	50,508
(e) Professional charges to doctors	14,216	14,308	13,716	57,056	53,472
(f) Net depreciation & amortisation	6,028	5,902	6,301	23,896	22,218
(g) Other expenses	40,340	34,692	33,591	143,384	127,806
Total expenses	119,814	119,128	117,405	478,444	467,245
5. Net profit / (loss) from continuing operations before share in profit/ (loss) of associates and joint ventures (3-4)	(9,305)	(2,801)	(1,455)	(8,390)	6,727
6. Add : Share in profit / (loss) of associate companies and joint ventures (refer note 15)	306	1,170	410	5,316	48,606
7. Net profit / (loss) before exceptional items and tax (5+6)	(8,999)	(1,631)	(1,045)	(3,074)	55,333
8. Exceptional gain/ (loss) (refer note 7)	(83,350)	(20)	(77)	(88,103)	(164)
9. Profit / (loss) before tax from continuing operations (7-8)	(92,349)	(1,651)	(1,122)	(91,177)	55,169
10. Tax expense/ (credit)	(917)	259	2,630	2,265	7,240
11. Net profit / (loss) for the period from continuing operations (9-10)	(91,432)	(1,910)	(3,752)	(93,442)	47,929
12. Profit from discontinued operations before tax	-	-	-	-	-
13. Tax expense of discontinued operations	-	-	-	-	-
14. Net profit / (loss) for the period from discontinuing operations (12-13)	-	-	-	-	-
15. Net profit / (loss) for the period (11+14)	(91,432)	(1,910)	(3,752)	(93,442)	47,929
16. Profit/ (loss) from continuing operations attributable to:					
Owners of the Company	(93,202)	(3,676)	(6,783)	(100,923)	42,167
Non Controlling Interest	1,770	1,766	3,031	7,479	5,762
17. Profit/ (loss) from discontinuing operations attributable to:					
Owners of the Company	-	-	-	-	-
Non Controlling Interest	-	-	-	-	-
18. Other Comprehensive Income/(loss) (including OCI relating to associates and joint venture (after tax)) ('OCI')	1,360	973	(470)	367	(2,734)
19. Total comprehensive Income/(Loss) (15+18)	(90,072)	(937)	(4,222)	(93,075)	45,195

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FORTIS HEALTHCARE LIMITED
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(Rupees In lacs)

Particulars	Consolidated				
	Quarter ended			Year ended	
	31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
	Unaudited	Unaudited	Audited (Refer note 2)	Unaudited	Audited
20. Total comprehensive Income/(Loss) attributable to:					
Owners of the Company	(91,889)	(2,691)	(7,229)	(100,541)	39,457
Non Controlling interest	1,817	1,754	3,007	7,466	5,738
21. Paid-up equity share capital (Face Value Rupees 10 per Share)	51,866	51,852	51,773	51,866	51,773
22. Reserves				354,307	462,576
23. Earnings per equity share for continuing operations					
Basic earnings (loss) per share - In Rupees	(17.97)	(0.71)	(0.79)	(19.46)	8.87
Diluted earnings (loss) per share - In Rupees	(17.97)	(0.71)	(0.79)	(19.46)	8.87
24. Earnings per equity share for discontinued operations					
Basic earnings (loss) per share - In Rupees	-	-	-	-	-
Diluted earnings (loss) per share - In Rupees	-	-	-	-	-
25. Earnings per equity share from continuing and discontinued operations					
Basic earnings (loss) per share - In Rupees	(17.97)	(0.71)	(0.79)	(19.46)	8.87
Diluted earnings (loss) per share - In Rupees	(17.97)	(0.71)	(0.79)	(19.46)	8.87
26. Earnings before depreciation and amortization expense, finance costs, exceptional items, tax expenses and share in profit /(loss) of associate companies and joint ventures (EBITDA) (refer note 5)	3,138	9,421	11,507	41,285	51,889

Notes to the results

1. The above financial results for the quarter and year ended March 31, 2018 have been prepared by management and, considered and noted by the Audit and Risk Management Committee and by the Board of Directors at their meetings held on June 26, 2018. These have not been reviewed by the auditors.
2. The Auditors report on the results for the quarter ended 31 December, 2017 and 30 September, 2017 contained a disclaimer of opinion on the financial statement results. Figures for the quarter ended March 31, 2018, included in the Consolidated Statement, is the balancing figure between unaudited figure in respect of the full financial year and the published year to date figures up to the end of third quarter of the relevant financial year, which contained a disclaimer of opinion. The figures for the quarter ended March 31, 2017 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2017 and the unaudited published year to date figures up to December 31, 2016, being the end of the third quarter of the respective financial years.
3. The financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting, prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued there under and the other accounting principles generally accepted in India.

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4. Other income includes interest income from Inter-Corporate Deposits (ICDs) and from Banks, foreign exchange fluctuation gain (net), profit on sale of assets (net), fair value adjustments, dividend on investments, forward cover premium amortization (net) and miscellaneous income, etc. whichever is relevant for the period.
5. The Company has presented Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) additionally in the financial results. In its measurement, the Group includes other income, but does not include depreciation and amortization expense, finance costs, exceptional items, tax expenses and share in profit/(loss) of associates and joint ventures.
6. **Statement of Assets and Liabilities :**

(Rupees in lacs)

Particulars	Consolidated	
	As at 31-Mar-18 (Unaudited)	As at 31-Mar-17 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	284,898	297,399
(b) Capital work-in-progress	19,401	23,538
(c) Goodwill	204,880	232,587
(d) Other intangible assets	9,426	11,918
(e) Intangible assets under development	3,206	3,274
(f) Financial assets		
(i) Investments		
a) Investments in associates/Joint venture	139,686	148,627
(ii) Trade receivables	-	1,093
(iii) Loans	35	1,749
(iv) Other financial assets	6,206	8,923
(g) Non current tax assets (Net)	33,149	38,329
(h) Deferred tax assets (Net)	29,512	23,314
(i) Other non-current assets	3,618	3,464
Total non-current assets	734,017	794,215
Current assets		
(a) Inventories	6,663	6,157
(b) Financial assets		
(i) Other investments	33,506	39,160
(ii) Trade receivables	47,019	47,294
(iii) Cash and cash equivalents	12,962	54,430
(iv) Bank balances other than (iii) above	9,006	219
(v) Loans	1,649	8,693
(vi) Other financial assets	12,266	11,106
(c) Other current assets	4,732	5,744
	127,803	172,803
Assets classified as held for sale	349	4,679
Total current assets	128,152	177,482
Total assets	862,169	971,697

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FORTIS HEALTHCARE LIMITED
STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS

(Rupees in lacs)

Particulars	Consolidated	
	As at 31-Mar-18 (Unaudited)	As at 31-Mar-17 (Audited)
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	51,866	51,773
(b) Other equity	354,307	462,576
Equity attributable to owners of the Company	406,173	514,349
Non-controlling interests	125,523	116,728
Total equity	531,696	631,077
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	94,813	127,870
(ii) Other financial liabilities	1,244	1,447
(b) Provisions	6,370	5,510
(c) Deferred tax liabilities (Net)	14,311	12,887
(d) Other non-current liabilities	255	261
Total non-current liabilities	116,993	147,975
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	45,229	68,034
(ii) Trade payables	78,296	58,866
(iii) Other financial liabilities	70,817	40,674
(b) Provisions	6,659	6,460
(c) Current tax liabilities (Net)	276	1,581
(d) Other current liabilities	12,079	12,454
Liabilities directly associated with assets classified as held for sale	124	4,576
Total current liabilities	213,480	192,645
Total liabilities	330,473	340,620
Total equity and liabilities	862,169	971,697



FORTIS HEALTHCARE LIMITED
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7. Exceptional gain/ (loss) included in the above unaudited consolidated financial results include:

Sr No.	Particulars	Quarter ended			Year ended	
		31-Mar-18	31-Dec-17	31-Mar-17	31-Mar-18	31-Mar-17
(a)	Impairment of goodwill on consolidation in books pertaining to certain cash generating units (CGU's) and impairment on closure of one hospital facility	(23,175)	-	-	(27,764)	-
(b)	Impairment of investment in a associate	(4,905)	-	-	(4,905)	-
(c)	Reversal of impairment of goodwill and assets of a CGU	-	-	-	-	-
	Impairment of investment & Goodwill (A)	(28,080)	-	-	(32,669)	-
(a)	Allowance for Inter-corporate deposits and interest thereon (refer note 8)	(44,503)	-	-	(44,503)	-
(b)	Allowance for advance and security deposit given to body corporate along with impairment of Capital work-in-progress (refer note 9)	(5,333)	-	-	(5,333)	-
(c)	Allowance for loan given to body corporate and interest thereon (refer note 10)	(2,549)	-	-	(2,549)	-
(d)	Allowance for loan given to an associate and interest thereon	(1,623)	-	-	(1,623)	-
(e)	Expenses on composite scheme of arrangement and amalgamation	5	(20)	(90)	(159)	(373)
(f)	Allowance for other amount recoverable (net of reversal)	(1,267)	-	-	(1,267)	-
(g)	Statutory Bonus (net)	-	-	13	-	13
	Other provisions & exceptional item (B)	(55,270)	(20)	(77)	(55,434)	(164)
	Net exceptional gain/ (loss) [Total (A)+(B)]	(83,350)	(20)	(77)	(88,103)	(164)

8. FHsL a wholly owned subsidiary of the Company had placed Inter Corporate Secured Short-Term Investments (ICDs) with three companies ('borrowers') aggregating to Rs. 49,414 lacs on July 3, 2017. These ICDs were given for a period of 90 days and remained outstanding together with interest accrued thereon till March 31, 2018 of Rs. 44,503 lacs. FHsL received notice that the borrowers became a part of the Promoter Group with effect from December 15, 2017. These borrowers continued to be related parties until February 15, 2018 when the shareholding of the Promoter Group in the Company reduced below 20%.

In terms of agreements dated September 30, 2017, FHsL assigned the outstanding ICDs to a third party ('Assignee Company'). Such assignments were subsequently terminated on January 5, 2018. These ICDs were secured by way of a charge on the present and future assets of the Borrowers on February 28, 2018. Consequently, on failure to meet repayment obligations by the Borrowers, FHsL initiated legal action to recover the outstanding ICDs, including interest due.

In view of the uncertainty in realisability of the security and/or collection of the amounts, the amount due including interest accrued (Rs. 4,260) aggregating to Rs. 44,503 lacs have been provided for in the financial results (also refer to note 23).

9. The Group had paid a security deposit and advance aggregating to Rs. 2,676 lacs to a body corporate towards lease of office space in the financial year 2013-14. Due to delays in obtaining occupancy

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FORTIS HEALTHCARE LIMITED
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certificate (OC), the lease agreement / MOUs were terminated by the Group and the amount outstanding as of March 31, 2018 was Rs. 2,676 lacs. Additionally, amounts aggregating to Rs. 2,657 lacs was incurred towards capital work-in-progress. The Company has invoked arbitration against the body corporate and issued a Legal Notice under Section 21 of the Arbitration and Conciliation Act 1996.

In view of the facts stated above, recovery taking time and inability of the party to arrange funds and delays in obtaining OC by the body corporate, the Group has recorded provision for the outstanding recoverable and capital work in progress as at March 31, 2018 (also refer to note 23).

10. FHsL, a wholly owned subsidiary of the Company, had advanced moneys to an entity towards acquisition of property in Mumbai which did not materialize. Of the total advance of Rupees 10,000 lacs in financial year 2013-14 a balance of Rupees 2,375 lacs is outstanding as of March 31, 2018. Post-dated cheques received from the entity have been dishonored, and FHsL has initiated legal proceedings in this regard. Considering the pending litigations and time that may be taken to recover the aforesaid amounts, the amount due including interest accrued (Rs. 174 lacs) aggregating to Rs. 2,549 lacs. has been provided for in the financial results (also refer to note 23).
11. In case of one of the subsidiaries ("Escorts Heart Institute and Research Centre Limited") ('EHIRCL'), that was formed after amalgamation of Escorts Heart Institute and Research Centre ('EHIRC'), Delhi Society with EHIRC, Chandigarh Society and thereafter registration of EHIRC, Chandigarh Society as a company:
 - a) Delhi Development Authority ('DDA') had terminated the lease deeds and allotment letters relating to land parcels on which a hospital of EHIRCL exists. Consequent to termination, DDA issued show cause notice and initiated eviction proceedings against EHIRCL. Both these matters are currently pending before the Hon'ble High Court of Delhi, Hon'ble Supreme Court and Estate Officer. Based on the external legal counsel opinions, The Company is confident that EHIRCL will be able to suitably defend the termination order and eviction proceedings and accordingly considers that no adjustments are required to the financial results.
 - b) Further, EHIRCL also has open tax demands of Rupees 9,627 lacs (after adjusting Rupees 13,342 lacs of an escrow account which was maintained out of sale consideration payable by the Company to the erstwhile promoters) for various assessment years. Further, as per the Share Purchase Agreement, one third of any excess of the net demand, amounting to Rupees 3,209 lacs after adjusting the recovery from escrow account, would be borne by the said erstwhile promoters and the rest by the Company. During the year ended March 31, 2015, the Commissioner of Income Tax (Appeals) decided the case in favour of EHIRCL. Income Tax Department has filed an appeal before Income Tax Appellate Tribunal (ITAT), and the matter is currently pending at ITAT. Based on management assessment, Group believes that it has good chance of success in these cases.
 - c) In relation to the judgement of the Hon'ble High Court of Delhi relating to provision of free treatment/ beds to poor, Directorate of Health Services ('DoHS'), Government of NCT of Delhi, appointed a Firm to calculate "unwarranted profits" arising to it due to non-compliance. During the year ended March 31, 2014, the Special Committee of DoHS stated that before giving a hearing to the hospital, a formal intimation shall be given regarding the recoverable amount as per calculation of the appointed Firm, which as per their method of calculations amounts to Rupees 73,266 lacs for the period 1984-85 to 2011-12, seeking hospital's comments and inputs, if any. The company responded to the said intimation explaining errors and objections to the calculations. During the year ended March 31, 2016, EHIRCL received notice from DoHS to appear for a formal and final hearing which raised a demand of Rupees 50,336 lacs for the period till FY 2006 -2007, against which the Company again responded explaining errors and objections to the calculations. During the quarter ended June 30, 2016, DoHS issued a demand notice dated June 9, 2016 directing EHIRCL to deposit Rupees 50,336 lacs within one month. EHIRCL challenged the demand notice by way of a writ petition in Hon'ble High Court of Delhi which vide order dated August 1, 2016 has set aside the demand and disposed of the petition of EHIRCL. DoHS agreed to grant hearing to EHIRCL on the reply submitted to it. Hearings have been held before DoHS but and order dated May 28, 2018 (subsequent to year ended March 31 2018) was passed imposing the penalty of Rupees 50,336.53 lacs. This order was challenged before the Delhi High Court and the Court vide order dated June 1, 2018 has issued notice and directed that no corrosive steps may be taken subject to EHIRCL depositing a sum of Rupees 500 lacs before the concerned authority. EHIRCL

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has deposited Rs 500 lacs on 20th June'2018. Based on its internal assessment and advice from its counsels on the basis of the documents available, The Company believes that it is in compliance of conditions of free treatment and free beds to the poor and expects the demand to be set aside.

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

Navi Mumbai Municipal Corporation ('NMMC') has terminated the Hospital lease agreement with HHPL vide order dated 18 January, 2017 ('Termination Order') for certain alleged contravention of the Hospital Lease agreement. NMMC has granted a period of one month to HHPL to hand over the possession of the hospital to NMMC and also directed HHPL not to admit any new patients. HHPL has filed Writ Petition before the Hon'ble Supreme Court of India challenging the Termination Order. The Writ Petition has been tagged with Special Leave Petition also filed by HHPL inter alia challenging the actions of State Government, City Industrial Development Corporation and NMMC which led to the passing of the said Termination Order. The Hon'ble Supreme Court of India in the hearing held on 30 January, 2017 ordered "Status Quo". SLP has been admitted on January 22, 2018 and "Status Quo" has been continuing. Based on the external legal counsel opinion, management is confident that HHPL is in compliance of conditions of Hospital Lease Agreement and accordingly considers that no adjustment is required to the consolidated unaudited financial results.

13. A third party (to whom the ICDs were assigned – refer note 8 above) ("Assignee" or "Claimant") has filed a Civil Suit before the District Court, Delhi in February 2018 against various entities including the Company (defendants) and have inter alia claimed implied ownership of brands "Fortis", "SRL" and "La Femme" in addition to certain financial claims. In connection with this, the District Court passed an ex-parte order directing that any transaction undertaken by defendants, in favour of any other party, affecting the interest of the Claimant shall be subject to orders passed in the said suit (also refer note 23).

The Company has filed written statement denying all allegations made against it and prayed for dismissal of the Civil Suit on various legal and factual grounds. The Company has stated that it has not signed the alleged binding Term Sheet with certain parties.

In addition to the above, Company has also received four notices from Claimant i.e. claiming (i) Rupees 1,800 lacs as per notices dated 30 May, 2018 and 1 June, 2018 (ii) Rupees 21,582.00 lacs as per notice dated 4 June 2018; and (iii) Rupees 1,962 lacs as per notice dated 4 June 2018. All these notices have been responded to by the Company denying any liability whatsoever.

Separately, the stated certain parties and other entities have also asserted rights to invest in the Company as part of the alleged transaction involving the Claimant. They have also alleged failure on part of the Company to abide by the aforementioned Term Sheet and have claimed ownership over the brands as well.

Assertions made by stated certain parties and other entities have been duly responded to by the Company denying (i) execution of any binding agreement with the Company and (ii) liability of any kind whatsoever. Company has also filed caveats before Hon'ble High Court of Delhi in this regard.

Based on advice of external legal counsel, the Company believes that the claims are without legal basis and are not tenable and accordingly no adjustment has been made in these financial results with respect to these claims.

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

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15. Share in profit/ (loss) of associate companies and joint ventures for the year ended March 31, 2017 includes the Group's share of profit (in full) of around Rs. 42,117 lacs on gain recognized by its associate (RHT) arising from the disposal of FHTL business to the Company and consequent fair valuation of RHT's residual interest in FHTL under Ind AS 110. The same has been accounted for in full by the Group under Ind AS 28 considering it to be a disposal of a business by RHT, and a business acquisition for the Group accounted under Ind AS 103.
16. The consolidated financial results include financial results of FHTL from October 13, 2016, hence figures for the year ended March 31, 2018 are not comparable with figures for the year ended March 31, 2017.
17. The Board of Directors of the Company at their meeting held on August 19, 2016 approved the proposal to demerge its diagnostic business including that is housed in its majority owned subsidiary SRL Limited ("SRL") into another majority owned subsidiary, Fortis Malar Hospitals Limited ("Fortis Malar") pursuant to a composite scheme of arrangement and amalgamation ("the Composite Scheme").

Subsequent to year-end on dated June 13, 2018, the Board of the Company, SRL and FMHL decided to withdraw from the scheme, subject to the approval of National Company Law Tribunal ("NCLT"). The approval of the NCLT was received on June 15, 2018.

18. The Board of Directors in their meeting held on November 14, 2017 approved a significant restructuring initiative aimed at consolidating the entire India asset portfolio of RHT Health Trust ("RHT") into the Company and its subsidiaries. The Company and the Trustee Manager of RHT signed a binding Term Sheet on November 14, 2017 and entered into an exclusivity arrangement for the acquisition of all the securities of RHT's entities in India, directly or indirectly holding the clinical establishments and businesses for an enterprise value of approximately Rupees 465,000 lacs ("the Proposed Transaction"). The exclusivity period to execute definitive agreements for the Proposed Transaction was 60 days commencing from the date of the Term Sheet. On January 12, 2018, the parties to the Term Sheet mutually agreed to extend the exclusivity period by an additional period of 31 days from January 12, 2018.

On February 12, 2018, the parties to the Term Sheet entered into definitive agreement(s) with respect to the Proposed Transaction. The completion of the Proposed Transaction is subject to the satisfaction of conditions precedent under the definitive agreement(s) including regulatory approvals and any other approvals as may be required. Requisite approvals of the shareholders of the Company have been obtained

19. During the previous year ended March 31, 2017, the Company allotted 18,070,650 equity shares to Standard Chartered (Mauritius) III Limited against USD 30 Million Foreign Currency Convertible Bonds (FCCB), on exercise of conversion option as per Offering Circular.
20. During the previous year ended March 31, 2017, the Company allotted 35,690,887 equity shares to International Finance Corporation against USD 55 Million FCCB, on exercise of conversion option as per FCCB Subscription Agreement.
21. As on December 31, 2017, the Promoters and Promoter Group entities together held 34.33% of the paid-up capital of the Company of which approximately 98% was pledged to various bank as a security towards the loans raised by the Promoters / Promoter Group entities. In a matter relating to the Promoters and the Promoter Group entities, the Hon'ble Supreme Court of India vide their interim orders dated August 11, 2017 and August 31, 2017 had directed that status quo was required to be maintained over the shares pledged by the Promoter and Promoter Group entities. Subsequently, the Hon'ble Supreme Court of India in its Order on February 15, 2018, has clarified that the earlier direction to maintain status quo of the promoter holding in the Company shall not apply to shares of the Company as may have been encumbered on or before the date of the interim orders. Based on this clarification, the Banks in whose favor the shares of the Company were pledged have invoked their right over the shares. The holding of the Promoters and Promoter Group entities have reduced to 0.77% of the paid-up capital of the Company as at March 31, 2018.
22. During the year ended March 31, 2018 and until the date of issuance of these financial result, the following changes have occurred in the constitution of the Board of Directors of the Company:

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FORTIS HEALTHCARE LIMITED
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- (a) In November 2017, Ms. Shradha Suri Marwah, resigned as a non-executive independent director of the Company;
- (b) On February 8, 2018, the Promoters of the Company Mr. Malvinder Mohan Singh, Executive Chairman and Dr. Shivinder Mohan Singh, Non-Executive Vice Chairman tendered their resignation from the directorship of the Company, effective immediately. The Board of Directors of the Company discussed the matter in detail at their meeting held on February 13, 2018 and accepted their resignation with effect from February 8, 2018.
- (c) In March 2018, Ms. Joji Sekhon Gill, Dr. Preetinder Singh Joshi and Mr Pradeep Ratilal Raniga resigned from their directorships in the Company.
- (d) Mr. Rohit Bhasin was appointed as an additional independent director in the Company in April 2018.
- (e) In April 2018, Ms. Suvalaxmi Chakraborty, Mr. Ravi Rajagopal and Mr. Indrajit Banerjee were appointed as Non-Executive Independent Directors of the Company and their appointment was ratified by the members of the Company in the extra-ordinary general meeting ("EGM") of the Company in May 2018.
- (f) During May 2018, Mr. Harpal Singh, Director, Lt. Gen. Tejinder Singh Shergill and Ms. Sabina Vaisoha, Additional Directors in the Company resigned from their directorships in the Company and Dr. Brian Tempest, Independent Director and Chairman of the Audit and Risk Management Committee disassociated from his position at the behest of the resolution of the members in the EGM held in May 2018.
- (g) Further, Mr. Ravi Rajagopal has been appointed as Chairman of the Board with effect from June 1, 2018. As such, the Board of Directors on the date of issuance of these financial results constitute the following directors who were all appointed in April 2018 after the financial year ended March 31, 2018:
 - i. Mr. Ravi Rajagopal – Chairman & Independent Director
 - ii. Mr. Indrajit Banerjee - Independent Director
 - iii. Ms. Suvalaxmi Chakraborty - Independent Director
 - iv. Mr. Rohit Bhasin - Independent Director (Additional Director) (Resigned wef 26th June 2018)

together referred to as the "Re-constituted Board".

23. Investigation initiated by the Audit and Risk Management Committee:

- a. There were reports in the media and enquiries from inter alia the stock exchanges received by the Company about certain inter-corporate loans ("ICDs") given by a wholly owned subsidiary of the Company. The Audit and Risk Management Committee of the Company in its meeting on February 13, 2018 decided to carry out an independent investigation through an external legal firm.
- b. The terms of reference of the investigation, inter alia, comprised: (i) ICDs amounting to a total of Rupees 49,414 lacs (principal), placed by the Company's wholly-owned subsidiary, FHsL, with three borrowing companies as on July 1, 2017; (ii) the assignment of these ICDs to a third party and the subsequent cancellation thereof as well as evaluation of legal notice (now a civil suit) received from such third party; (iii) review of intra-group transactions for the period commencing FY 2014-15 and ending on December 31, 2017 (to be read with point no. d (ix) below); (iv) investments made in certain overseas funds by the overseas subsidiaries of the Company (i.e. Fortis Asia Healthcare Pte. Ltd, Singapore and Fortis Global Healthcare (Mauritius) Limited); (v) certain other transactions involving acquisition of Fortis Healthstaff Limited ("Fortis Healthstaff") from a promoter group company, and subsequent repayment of loan by said subsidiary to the promoter group company.

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FORTIS HEALTHCARE LIMITED
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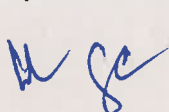
- c. The investigation report ("Investigation Report") was submitted to the re-constituted Board on June 8, 2018.
- d. The Board discussed and considered the Investigation Report and noted certain key prima facie findings of the external legal firm which is as provided in section B of annexure to outcome of the board meeting dated 26/06/2018. The next steps undertaken or propose to be undertaken have been set out in Section A of annexure to outcome of the board meeting dated 26/06/2018.

24. Investigation by Regulatory Authorities:

- a) The Company has received a communication dated February 16, 2018 from the Securities and Exchange Board of India (SEBI), confirming that an investigation has been instituted by SEBI in the matter of the Company. In the aforesaid letter, SEBI has summoned the Company under section 11C (3) of the SEBI Act, 1992 to furnish by February 26, 2018 certain information and documents relating to the short-term investments of Rupees 473 Crores reported in the media. Failure to produce the information required for investigation could result in penalties as provided under section 15A and criminal proceedings under section 11C(6) of the SEBI Act, 1992. SEBI has also appointed forensic auditors to conduct a forensic audit, who are also in the process of collating information from the Company. The Company is in the process of furnishing all the requisite information and documents requested by SEBI and its forensic auditors.
- b) The Registrar of Companies (ROC) under section 206(1) of the Companies Act, 2013, inter alia, had also sought information in relation to the Company. All requisite information in this regard has been duly shared by the Company with the ROC.
- c) The Company has also received a letter from the Serious Fraud Investigation Office (SFIO), Ministry of Corporate Affairs under section 217(1)(a) of the Companies Act, 2013, inter alia, initiating an investigation and seeking information in relation to the Company, its material subsidiaries, joint ventures and associates. The Company in the process of submitting all requisite information in this regard with SFIO and has in this regard has requested SFIO for additional time to submit the information.
- d) As indicated earlier, the copy of the Investigation Report has already been submitted with the relevant regulatory authorities.

The Company is fully co-operating with the regulators in relation to the ongoing investigations. Any further adjustments/disclosures, if required, would be made in the Company's financial statements as and when the outcome of the above investigations are known to us.

- 25. The Board of Directors approved a Composite Scheme of Arrangement with Manipal Health Enterprises Private Limited on March 27, 2018. Post that the Company received binding bids from IHH, Munjal-Burman Consortium, Radiant and TPG-Manipal Consortium. The Board decided to appoint an Expert Advisory Committee (EAC) & an additional financial advisor to evaluate all binding offers. Subsequently, in the Board Meeting held on May 10, 2018, the Board by majority approved a preferential allotment of equity shares for Rs. 800 crs and preferential allotment of warrants for Rs. 1,000 crs to Munjal-Burman Consortium. With this the agreement executed with TPG-Manipal Consortium terminated. Further on the May 28, 2018 the Board received a letter from Munjal-Burman Consortium giving a consent to initiate a fresh bidding process. As a result, Munjal-Burman Consortium's offer accepted by the Board on May 10, 2018 stands mutually terminated. The Board in its meeting held on May 29, 2018 decided to initiate a fresh, time-bound process. The details of the process have been disclosed on National Stock Exchange and BSE Ltd.. Currently, 4 parties - IHH, Munjal-Burman Consortium, Radiant and TPG-Manipal Consortium are engaged in due-diligence process.
- 26. The Company having considered all necessary facts and taken into account legal advice that it has received, has decided to treat as non est the Letter of Appointment dated 27.09.2016, as amended ("LoA") issued to the erstwhile Executive Chairman in relation to his role as 'Lead: Strategic Initiatives' in Strategy Function. The Company is in the process of taking suitable legal measures to recover the payments made to him under the LoA as also to recover all Company assets in his possession.



FORTIS HEALTHCARE LIMITED
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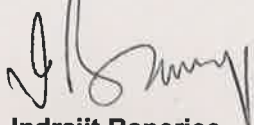
27. Subsequent to the year end in May 2018, the Company sold off 18.2 million units of RHT Health Trust, an associate of the Group for a consideration of 13.65 million Singapore Dollars.

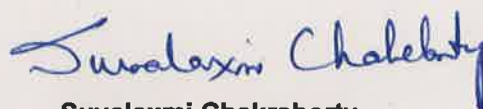
Date: June 27, 2018

Place: Gurugram

For and on behalf of the Board of Directors


Ravi Rajagopal
Chairman
DIN: 00067073


Indrajit Banerjee
Director
DIN: 01365405


Suvalaxmi Chakraborty
Director
DIN: 00106054





FY2018 and Q4 FY2018 Consolidated Unaudited Financial Results

- In order to facilitate the bidding process and in the interest of ensuring transparency, the reconstituted Board of Directors has considered and noted the unaudited financial results of the Company for the year ended March 31, 2018 and for the quarter ending March 31, 2018. The audited financial statements will be released at the earliest upon completion of additional review of certain internal processes which are being undertaken at the request of the reconstituted Board of Directors (as part of the ongoing assessment of the current situation involving the Company). No material change is expected to the figures reported in the financials
- FY2018 Consolidated Revenues of Rs. 4,561 Cr, similar to previous year. Q4 FY2018 Revenues of Rs. 1,086 Cr vs Rs. 1,123 Cr in same period last year
- FY2018 Consolidated Operating EBITDA increased by 7.4% to Rs. 389 Cr. Q4 FY2018 Operating EBITDA of Rs. 75 Cr vs Rs. 84 Cr in same period last year
- Net Profit for the year negatively impacted by continuing business challenges, impairments and provisions
- Reconstituted Board of Directors and management focused on stabilizing the business, strengthening internal controls and ensuring a value optimizing bidding process
- The completion of the proposed transaction will provide capital to drive top line growth and strengthen operational performance. In addition, the transaction will provide acquisition funding for RHT Health Trust and an exit mechanism for private equity investors in the SRL diagnostics business

Ravi Rajagopal, Chairman, Board of Directors, Fortis Healthcare stated, “As a testament to the strength of the Fortis platform and its operational excellence, the Company continues to successfully bring global healthcare solutions to our country. Despite a challenging environment over the last twelve months, revenue growth has remained flat. The reconstituted Board of Directors is firmly focused on guiding senior management in stabilizing the business and engaging continuously with key stakeholders. As a result of the Investigation Report issued by Luthra & Luthra, the Company will appoint an external agency of repute to establish the highest level of governance and internal controls. In addition, our key priority is to ensure that the current bidding process is fair and transparent and maximizes value for shareholders.”

Commenting on the results, Bhavdeep Singh, CEO, Fortis Healthcare stated, “Our overall objectives remain to provide world class healthcare services and the best clinical outcomes to all our patients. Having said that, there is no denying the fact that the past year has had more than its share of challenges. Despite a very difficult operational environment, we are particularly proud of the relentless commitment from all of our employees across the Fortis organization. As a team we continue to deliver on clinical excellence, breakthrough surgical interventions and the highest standards of patient care. We look forward to closing the pending transaction and getting back to putting all of our energy and resources into strengthening the Company's operational performance through the senior management's Build Back Plan.”

Gurgaon, June 27, 2018: Fortis Healthcare Ltd. ("Fortis" or the "Company"), India's leading healthcare delivery company, today announced its FY2018 and Q4 FY2018 consolidated unaudited financial results for the quarter and year ended March 31, 2018.

Corporate Governance Developments

The Board of Directors of the Company was reconstituted to include 3 new additional independent directors post the ratification of their appointment at the EGM held on May 22, 2018 - Mr. Ravi Rajagopal as the Chairman of the Board, Mr. Indrajit Banerjee and Ms Suvalaxmi Chakraborty. Fortis benefits from an experienced Board of Directors with significant expertise in successfully implementing corporate plans and executing strategic transactions.

The Board of Directors have also been appointed to the various committees including the Audit Committee and the Nomination and Remuneration Committee.

As a result of the formation of the reconstituted Board of Directors, the Board of Directors of SRL Limited (the Company's diagnostics business subsidiary in which it holds 56.4% stake) is also in the process of being reconstituted.

Strategic Updates

The reconstituted Board of Directors outlined the transaction process with a defined deal criteria and timelines and subsequently four investors have been involved in a due diligence exercise. The Board will evaluate the binding bids and select the preferred bidder and the same would then be recommended to shareholders for their approval.

The Company in February 2018 signed definitive agreements to acquire the portfolio of assets of RHT Health Trust. This acquisition, subject to necessary approvals, is expected to significantly enhance the Company's operating profitability. Fortis shareholders have approved the RHT Health Trust deal. The proposed transaction is expected to facilitate the financing of this acquisition.

In August 2016, the Company announced the demerger of its diagnostics business which was expected to take 6-8 months. Since then healthcare sector has experienced strong headwinds and the performance of the diagnostics business has been less than optimum. As a result, the Company believes that a demerger at this stage and a subsequent listing may not unlock maximum value for Fortis and SRL shareholders. In view of this, the diagnostics business demerger has been withdrawn and the National Company Law Tribunal (NCLT) has approved the withdrawal of the scheme. The Company's obligation to provide an exit mechanism to the private equity Investors in SRL is expected to be achieved through the proposed transaction.

Consolidated Business Financial Highlights

Rs. Crores	FY2018	FY2017	Y-o-Y Growth%	Q4 FY2018	Q4 FY2017	Y-o-Y Growth%
Revenue	4,560.8	4,573.7	(0.3%)	1,086.4	1,123.4	(3.3%)
Operating EBITDAC*	654.7	734.1	(10.8%)	138.3	148.0	(6.5%)
<i>Operating EBITDAC margin</i>	<i>14.4%</i>	<i>16.1%</i>		<i>12.7%</i>	<i>13.2%</i>	
Operating EBITDA	389.1	362.2	7.4%	75.1	84.2	(10.8%)
<i>Operating EBITDA margin</i>	<i>8.5%</i>	<i>7.9%</i>		<i>6.9%</i>	<i>7.5%</i>	
PBT pre-exceptional / FX	(23.0)	76.6		(72.2)	17.1	
PATMI	(1,009.2)	426.1		(932.0)	(63.8)	

*EBITDAC refers to EBITDA before net business trust costs

The Company had net debt of Rs. 1,404 Cr and a net debt to equity ratio of 0.26 times as on 31 March 2018. This compares to a net debt of Rs 1,279 Cr in the previous financial year and a net debt to equity ratio of 0.20 times as on 31 March 2017.

The performance of the business was impacted by external headwinds related to the healthcare sector and internal challenges . Key factors include:

- Regulatory changes with respect to pricing on certain medical consumables
- Management bandwidth constraints due to the Group's and promoter related issues
- Prolonged transaction and due diligence process
- Funding constraints led to a less than optimal capex spend resulting in delay of key business initiatives
- The hospital business, specifically in North India, was significantly impacted for a few months during the year as a result of several highly publicised patient related incidents in a few hospitals

Despite the above circumstances, the Company continued to provide the highest standards of healthcare delivery and patient care. Furthermore, it was ensured that employees across the organisation were kept motivated in order to minimize attrition amongst both the medical and non-medical employee base.

With the pending capital raise, the Company with its fundamental value levers expects business performance to improve in the near term. As an immediate priority, the capital raise will expedite the Company's commissioning of new facilities such as the Arcot Road hospital in Chennai and operationalizing additional beds in BG Road, Bengaluru. It will also accelerate the launch of new medical programs across the Fortis network of hospitals.

FY2018 PAT after Minority Interest and Share in Associates (PATMI) was primarily impacted by provisions and impairment losses:

- Provisions in Q4 FY2018 related to certain amounts totalling to approx. Rs 580 Cr due to the Company, the recoverability of which is doubtful. These pertain to certain inter corporate deposits of Rs 445 Cr, loans given to body corporates and interest thereon of Rs 25.5 Cr,

an advance and security deposit given to body corporate along with impairment of CWIP of Rs 53.3 Cr, loan given to Fortis C-Doc and interest thereon of Rs 16.2 Cr, certain other amounts recoverable of Rs 12.7 Cr and other exceptional items of Rs.26 Cr

- Impairments in Q4 FY2018 related to business related investments and goodwill. For the year the total impairment loss recorded was approx. Rs 327 Cr. This includes the impairment of goodwill related to the Company's investments in Escorts Heart Institute and Research Center Limited of Rs 125 Cr, RHT Trustee Manager Rs 37.6 Cr, Birdie and Birdie Realtors (100% subsidiary of the Company owning a land parcel in New Delhi) Rs 69.4 Cr, impairment of investments in Lanka Hospitals Rs 49 Cr. The Company had also recorded and goodwill impairment of Rs 45 Cr in the previous quarter due to the closure of Raipur unit.

FY2017 PATMI of Rs 426 Cr includes a one-time gain in Share in Associates of Rs 421 Cr. This was the Company's share in the profits of RHT which includes the exceptional gain arising from the FHTL transaction recorded in Q3FY2017

Indian Hospital Business Performance

Rs. Crores	FY2018	FY2017	Y-o-Y Growth%	Q4 FY2018	Q4 FY2017	Y-o-Y Growth%
Financial Metrics						
Revenue	3,683.0	3,712.2	(0.8%)	868.5	912.9	(4.9%)
Operating EBITDAC*	500.5	544.6	(8.1%)	105.2	109.7	(4.1%)
<i>Operating EBITDAC Margin</i>	13.6%	14.7%		12.1%	12.0%	
Operating EBITDA	234.9	172.7	36.1%	41.9	45.8	(8.5%)
<i>Operating EBITDA Margin</i>	6.4%	4.7%		4.8%	5.0%	
Operational Metrics						
Average Revenue Per Occupied Bed (ARPOB) (Rs Cr)	1.49	1.45	2.8%	1.53	1.50	2.0%
Average Length of Stays (days)	3.48	3.56		3.47	3.50	
Occupancy (%)	70%	74%		65%	70%	

*EBITDAC refers to EBITDA before net business trust costs

FMRI, the Company's flagship facility recorded revenues of Rs 513 Cr in FY2018, a growth of 6.5% over the previous year. The business in FMRI was impacted significantly during the period December 2017 to February 2018 due to a specific patient related incident. The overall sentiment deteriorated with incidents across other hospitals in North India around the same time.

FMRI continues to have the highest ARPOB in the Company's network of multi-specialty hospitals. The ARPOB was Rs 2.85 Cr in FY2018 (FY2017: Rs 2.74 Cr). The hospital continues to deliver operating profitability with EBITDAC margins of approx. 20%.

Key performance highlights of the India Hospital business include:

- In FY2018 the top 10 facilities contributed 76.5% of the hospital business revenue. Facilities such as FMRI, BG Road, Shalimar Bagh, Malar and Amritsar continued to exhibit growth momentum in terms of revenues
- The contribution of International sales to the overall revenues of the India Hospital business was 10.9% (Rs 402 Cr), a growth of 1.7% over the previous year
- The Fortis network of hospitals performed approx. 7,600 knee replacements and 737 hip replacements in FY2018
- The robotic surgery programme continued to deliver growth across the relevant medical specialties (Oncology, Urology, Gynaecology). The Fortis network of hospitals performed approx. 470 surgeries compared to 221 during FY2018
- The number of transplant surgeries (Liver, Kidney, Heart and Bone Marrow) increased by 12%. The Company successfully performed close to 90 heart transplants, 484 kidney transplants, 205 liver transplants and 114 bone marrow transplants during the year
- In Q4 FY2018, the Company introduced and expanded its clinical programs and service offerings in several facilities in its network including:
 - Launch of a Specialised Geriatric Clinic at Fortis Cunningham Road, Bengaluru
 - Opening of an advanced clinic for Urology at S.S. Institute of Medical Sciences & Research Centre in Devangere, Karnataka by Fortis Hospitals, Bengaluru
 - Launch of the in-house Continuing Nursing Education Programme at Fortis Shalimar Bagh.
 - Commencement of the Bariatric Surgery Programme at Fortis Rajajinagar

Diagnostics Business Performance

Rs. Crores	FY2018	FY2017	Y-o-Y Growth%	Q4 FY2018	Q4 FY2017	Y-o-Y Growth%
Revenue*	853.9	795.3	7.4%	211.9	202.8	4.5%
Operating EBITDA	161.3	174.6	(7.6%)	33.0	40.3	(18.1%)
Operating EBITDA Margin	18.9%	21.9%		15.6%	19.9%	

*Revenues net of inter company eliminations

Key performance highlights of the Diagnostics business include:

- The lab medicine business (pathology business) contributed 87.4% to total revenues and grew 7% over the previous year. The contribution of the imaging business to total revenues declined to 6.3% from 6.9% in the previous year, mainly due to network rationalization. Clinical Trials, Wellness and the International segment contributed 6.3% to the overall revenues of the Diagnostics business
- SRL performed over 16.1 million accessions during the year, a 5.2% growth over last year. Through these accessions it undertook 38 million tests, up 8.3% as compared to 35.1 million

tests in FY2017. For the quarter, 3.87 million accessions were performed, a 2% growth over the corresponding quarter

- The business continued to have a well-diversified geographical mix with no over dependence on any region, allowing it to optimally capitalize on the pan India network. Regional FY2018 revenue contributions were 32% from the North, 27% from the West, 18% from the South, 20% from East and Central India and 2% from International
- SRL continued to grow its laboratory and collection centre network; adding 68 new laboratories and 168 collection centers while rationalising its portfolio with the closure of 56 laboratories and 164 collection centers during the year
- As of March 31, 2018, SRL had a network of 368 labs, 1,063 collection points and over 5,500 direct clients

Clinical Excellence - Q4 FY2018

- Fortis Hospital, Mohali, has introduced the new Glue Closure Technique to treat Varicose Veins for the first time in India. This modern yet simple technique does not require application of anaesthesia
- The In Vitro Fertilisation (IVF) unit, launched a year ago at Fortis Flt. Lt. Rajan Dhall Hospital, Vasant Kunj (FHVK), New Delhi, has resulted in the birth of 20 babies, representing a success rate of 99%

Awards & Accolades - Q4 FY2018

- Team Nursing of Fortis Mulund won two prestigious honours at the 7th International Patient Safety Conference, held in Mumbai. One award was for 'Best practice in Anaesthesia and Surgical Safety' for their project 'Bidding Adieu to Retained Surgical Items (RSIs)' and the other was for 'Leadership in Patient Safety' for the project 'Documentation: A Challenge to Beat (Lesser the Better)'
- The Pharmacy Team at Fortis Hospital, Mulund, has received the 'Pharmacie de Qualite' certification and has been honoured with Platinum rating. The recognition has been conferred on the hospital for its best practices and excellence in Pharmacy Operations as well as 100% compliance with standard parameters
- Dr Manoj K Goel, Director, Pulmonology, Pulmonary Critical Care and Sleep Medicine at Fortis Memorial Research Institute, Gurugram, received the TR Raghupati Oration Award at BRONCOCON 2017, the 22nd National Conference of Bronchology and Interventional Pulmonology, held at Christian Medical College, Vellore
- Dr Ajay Kumar, Chairman, Liver & Digestive Diseases Institute, Fortis Escorts, Okhla Road, was recognised at the India News Health Awards 2018 for his excellence in the field of Gastroenterology by Shri. J P Nadda, Union Minister for Health & Family Welfare
- Dr Anil Heroor, HoD-OncoSurgery, at Fortis Hospital, Mulund, has been honoured with the prestigious 'Adarsh Dombivlikar' award for his contribution towards 'health and social service'

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About Fortis Healthcare Limited

Fortis Healthcare Limited is a leading integrated healthcare delivery service provider in India. The healthcare verticals of the company primarily comprise hospitals, diagnostics and day care specialty facilities. Currently, the company operates its healthcare delivery services in India, Dubai, Mauritius and Sri Lanka with 45 healthcare facilities (including projects under development), approximately 10,000 potential beds and over 368 diagnostics centres.

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