S.R. BATLIBOI & CO.
Chartered Accountants

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Limited Review Report

Review Report to
The Board of Directors
Fortis Healthcare Limited

1. We have reviewed the accompanying statement of unaudited unconsolidated financial results and unaudited consolidated financial results of Fortis Group comprising Fortis Healthcare Limited ('the Company'), its subsidiaries, joint ventures and associates (together, 'the Fortis Group'), for the quarter ended June 30, 2012 (the "Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. a) We did not review the financial results of certain overseas subsidiaries whose financial results prepared; under International Financial Reporting Standards ('IFRS') or Singapore Financial Reporting Standards ('SFRS'), in the aggregate, reflect total assets and revenues of Rs.810,518.87 lacs and Rs.74,654.60 lacs respectively. We also did not review the financial results of an overseas associate whose financial results, prepared under IFRS, in the aggregate reflect net loss of Rs.22.71 lacs. The financial results of these subsidiaries and associates have been prepared in accordance with IFRS or SFRS and have been reviewed by other auditors who have submitted their review opinions, prepared under generally accepted auditing standards of their respective countries, to the management of the respective companies, copies of which have been provided to us by the Company. Our opinion, thus, insofar it relates to amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors under the aforementioned GAAPs in respective countries and the aforesaid conversion undertaken by the management; reviewed by us on a test basis. We did not review the financial results of an overseas associate whose financial results, prepared under IFRS, in the aggregate reflect net profit of Rs.54.01 lacs. These financial results and other financial information have been prepared by the management, and our opinion is based solely on the management certified accounts. The management of the Company has converted these reviewed financial results of the Company's subsidiaries and associates to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial results under accounting principles generally accepted in India.

   b) We did not review the financial results of certain subsidiaries, whose financial results prepared under the generally accepted accounting principles accepted in India, reflect total assets of Rs. 1,002,788.69 lacs as at June 30, 2012 and total revenue of Rs. 89,770.63 lacs for the quarter then ended. These financial results and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. We did not review the financial results of certain subsidiaries, whose financial results prepared under the generally accepted accounting principles accepted in India, reflect total assets of Rs. 10,153.24 lacs as at June 30, 2012 and total revenue of Rs. 342.57 lacs for the quarter then ended. These financial results and other financial information have been prepared by the management, and our opinion is based solely on the management certified accounts.

   c) We did not review the financial results of certain joint ventures, whose financial results reflect total assets of Rs. 551.57 lacs as at June 30, 2012 and total revenue of Rs. 85.97 lacs for the quarter then ended, being the proportionate share of Fortis Group, for the quarter then ended. These financial results and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. We did not review the financial results of certain joint ventures, whose financial results reflect total assets of Rs. 1,649.89 lacs as at June 30, 2012 and total revenue of Rs. 634.17 lacs for the quarter then ended, being the proportionate share of Fortis Group, for the quarter then ended. These financial results and other financial information have been prepared by the management, and our opinion is based solely on the management certified accounts.



d) We did not review the financial results of an associate, whose financial results reflect net loss of Rs. 22.71 lacs, being the proportionate share of Fortis Group, for the quarter ended June 30, 2012. These financial results and other financial information have been reviewed by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. We also did not review the financial results of an associate, whose financial results reflect net profit of Rs.54.01 lacs, being the proportionate share of Fortis Group, for the quarter ended June 30, 2012. These financial results and other financial information have been prepared by the management, and our opinion is based solely on the management certified accounts.

4. Without qualifying our conclusion, we draw attention to note 7 of the results, regarding the assessment of recoverability of Minimum Alternate Tax (MAT) credit for Rs.1,265.33 lacs. The management has explained to us that, as part of its restructuring plan, Company has sold certain business undertakings comprising of Hospital Operations and Management, In Patient health services and emergency healthcare services to another fellow subsidiary. The arrangements of the manner in which revenue would arise to transferor companies from the transferee company are in process of being finalized, pending which no adjustment has been recorded including towards MAT credit recoverable in the Company.

5. Without qualifying our conclusion, we draw attention to non-provision of proportionate premium on redemption of US Dollar 100,000,000 5% Foreign Currency Convertible Bonds due 2015 amounting to Rs.735.82 lacs. Management has represented that the redemption premium will be offset against the securities premium account and accordingly, no adjustments have been considered in the results.

6. *(a) The Delhi Development Authority ('DDA') had terminated the leases of certain land allotted by it to a society (later converted into the company) and then issued eviction notices to Escorts Heart Institute and Research Centre Limited (a subsidiary of the Company) for vacation of these lands. The subsidiary company is in appeal against these actions by DDA which is pending with the court of law and has accordingly not made any adjustments to the carrying value of these lands or to the other assets, as the eventual outcome cannot be estimated presently.*

   (b) Certain tax demands aggregating to Rs.9,094.77 lacs (without considering the demand of Rs.10,101.10 lacs raised twice in respect of certain years and after adjusting Rs.13,874.39 lacs for which the subsidiary company has a legal right to claim from erstwhile promoters), raised on Escorts Heart Institute and Research Centre Limited (a subsidiary of the Company) by the Income Tax Authorities are pending in appeals and the eventual outcome of the above matters cannot presently be estimated.

   Accordingly, we are unable to express an opinion at this stage in respect of these matters reported in paragraphs (a) and (b) above and their consequential effect, if any, on the unaudited quarterly consolidated financial results. The matters reported in paragraphs (a) and (b) above were the subject matter of qualification by us in the year ended March 31, 2012 as well.

7. Based on our review conducted as above and on consideration of reports of other auditors on the unaudited separate quarterly financial results and on the other financial information of the components, *except for the possible effects of the matters stated in paragraphs 6 (a) and 6 (b) above,* nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited unconsolidated financial results and unaudited consolidated financial results prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting", [notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended)] and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

S.R. Batliboi & Co.

For S.R. BATLIBOI & Co.
Firm registration number: 301003E
Chartered Accountants



per Pankaj Chadha
Partner
Membership No.: 91813
Place: Gurgaon
Date: 14 Aug 2012

FORTIS HEALTHCARE LIMITED

UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2012

Part I

(₹ in lacs)

Particulars	Consolidated				Standalone			
	Quarter ended June 30		Quarter ended March 31	Year ended March 31	Quarter ended June 30		Quarter ended March 31	Year ended March 31
	2012	2011	2012	2012	2012	2011	2012	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income from Operations	139,558	47,834	126,949	294,300	8,089	6,550	6,927	26,785
2. Other Operating Income	1,371	648	961	4,104	401	280	292	1,324
3. Total Income	140,929	48,482	127,910	298,404	8,490	6,830	7,219	28,109
4. Expenditure								
(a) Cost of Material consumed	25,620	13,126	22,215	66,731	2,602	2,080	1,957	7,857
(b) Employees Benefit Expenses	47,297	9,190	42,147	73,816	2,313	1,658	2,107	7,074
(c) Professional Charges to Doctors	8,103	6,291	7,742	22,724	607	476	476	1,902
(d) Other expenditure	42,011	13,507	39,758	94,802	2,744	2,752	2,605	10,799
Total	122,941	42,114	111,862	258,073	8,266	6,966	7,145	27,632
5. Profit from Operations before Other income, financial cost, depreciation and amortsiation (3-4)	17,988	6,368	16,048	40,331	224	(136)	74	477
6. Other Income	3,637	2,096	10,235	17,731	5,252	2,670	3,416	12,705
7. Exceptional item	-	-	633	633	-	-	18,482	18,482
8. Profit from Operations before financial cost, depreciation and amortsiation (5+6+7) (EBIDTA)	21,625	8,464	26,916	58,695	5,476	2,534	21,952	31,644
9. Net Depreciation & Amortization Expenses	6,663	3,450	6,686	18,222	371	281	329	1,211
10. Profit from Operations before financial cost (8-9)	14,962	5,014	20,230	40,473	5,105	2,253	21,623	30,433
11. Finance cost	17,833	3,013	14,504	29,697	3,296	927	3,125	10,293
12. Profit from Operations before tax (10-11)	(2,871)	2,001	5,726	10,776	1,809	1,326	18,498	20,140
13. Tax expense	1,966	427	1,538	4,085	476	-	-	-
14. Net Profit from ordinary activities after tax (12-13)	(4,837)	1,574	4,188	6,691	1,333	1,326	18,498	20,140
15. Less : Minority Interest in profit / (loss)	1,343	(18)	111	(398)	-	-	-	-
16. Add : Share in profit/(loss) of associate companies	138	9	77	133	-	-	-	-
17. Net Profit after taxes, minority interest and share of profit/(loss) of associates (14-15+16)	(6,042)	1,601	4,154	7,222	1,333	1,326	18,498	20,140
18. Paid-up equity share capital (Face Value ₹10 per Share)	40,518	40,512	40,518	40,518	40,518	40,512	40,518	40,518
19. Reserves excluding Revaluation Reserves				249,112				279,663
20.Earnings Per Share :- Basic	(1.49)	0.40	1.03	1.78	0.33	0.33	4.57	4.97
:- Diluted	(1.49)	0.40	1.03	1.78	0.33	0.33	4.57	4.97
Part II								
A Particulars of Shareholding								
1. Public shareholding - No of Shares	75,025,786	74,963,386	75,025,786	75,025,786	75,025,786	74,963,386	75,025,786	75,025,786
- Percentage of shareholding	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%	18.5%
2. Promoters and promoter group Shareholding								
a) Pledged/ Encumbered - No of Shares	254,322,700	150,045,500	235,053,900	235,053,900	254,322,700	150,045,500	235,053,900	235,053,900
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	77.0%	45.4%	71.2%	71.2%	77.0%	45.4%	71.2%	71.2%
- Percentage of shares (as a % of the total share capital of the company)	62.8%	37.0%	58.0%	58.0%	62.8%	37.0%	58.0%	58.0%

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b) Non-encumbered - No of Shares	75,831,249	180,108,449	95,100,049	95,100,049	75,831,249	180,108,449	95,100,049	95,100,049
- Percentage of shares (as a % of total shareholding of promoter and promoter group)	23.0%	54.6%	28.8%	28.8%	23.0%	54.6%	28.8%	28.8%
- Percentage of shares (as a % of the total share capital of the company)	18.7%	44.5%	23.5%	23.5%	18.7%	44.5%	23.5%	23.5%

B Investor Complaints	
Pending at the beginning of the quarter	Nil
Received during the quarter	2
Disposed off during the quarter	2
Remaining unsolved at the end of the quarter	Nil

Notes to the results:

1. The above unaudited financial results for the quarter ended June 30, 2012 have been reviewed by the Audit, Risk & Controls Committee and approved by the Board of Directors at its respective meetings held on August 13, 2012 and August 14, 2012.

2. **Segment Reporting**

Business Segments:

The Group is primarily engaged in the business of healthcare services, which as per Accounting Standard 17 on 'Segment Reporting' issued by The Institute of Chartered Accountants of India is primary business segment. Healthcare Services include various patient care services delivered through clinical establishment, medical services companies, pathology and radiology services etc.

Geographical segments:

The group operates in the business segment explained above in two principal geographical areas, geographical segments being classified as secondary segment. In India, its home country, the group focuses largely on healthcare services. Additionally, the group's operations 'Outside India' are mostly in the Australasia region focusing on South East Asia, Middle East and Australia through the group's headquarters based out of Singapore. In the Australasia region, the group primarily operates in following countries: Singapore, Hong Kong, Vietnam, Australia, Mauritius and New Zealand.

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	Quarter ended June 30		Quarter ended March 31	Year ended March 31
	2012	2011	2012	2012
India	68,576	49,368	70,246	245,906
Outside India	75,990	1,210	68,532	70,862
Total	144,566	50,578	138,778	316,768

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The following table shows the segment wise Capital employed:

(₹ in lacs)

Region	As at June 30		As at March 31
	2012	2011	2012
India	558,234	468,302	534,267
Outside India	132,755	21,033	283,709
Total	690,989	489,335	817,976

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

4. Due to restatement and settlement of foreign currency monetary items, the Company and its subsidiaries recognize foreign exchange fluctuation differences in the profit and loss account. This difference may result in either net gain or loss and is accordingly, included under 'other income' or 'other expenditure' for the specific period. Further exchange difference arising from foreign currency borrowings to the extent that they are regarded as adjustment to the interest costs have been reported under Finance Cost.

5. The statutory auditors have reported their inability to express an opinion on the matter relating to land under leasehold arrangements with the Delhi Development Authority and certain demands raised by the income tax authorities in respect of a subsidiary aggregating to ₹ 9,095 lacs. As the matters are sub-judice and appeals against the demands are pending at various stages, based on the advice received from legal counsels the management is of the view that the matters shall get resolved in its favor.

6. Consequent to the notification dated December 29, 2011, issued by the Ministry of Corporate Affairs, on Accounting Standard -11 "The effect of changes in foreign exchange rates", the Company has opted to amortise exchange differences relating to long term foreign currency monetary items (other than relating to acquisition of depreciable capital assets) over the balance period of such long term monetary items effective April 1, 2011, as required by paragraph 46A of said notification. Consequently, foreign exchange gain of ₹ 65.32 lacs for the period ended June 30, 2012 is being amortised over the remaining term of the monetary items due to such change in accounting policy. The results for the quarter ending June 30, 2011 has also been adjusted for Rs. 199 lacs to make them comparable.

7. During the previous year, the Company initiated internal corporate 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. Consequent to the internal restructuring initiated during the year, the business of certain identified hospitals of the Fortis Group are being divided into the following two separate business verticals, such that they are managed under different verticals whilst continuing to have mutual interdependencies:

   (i) One of the business division (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

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required for running and operating the hospitals)(the "Clinical Establishments"), along with providing OPD services and radio-diagnostic services (hereinafter referred to as the "Clinical Establishment Services").

(ii) The other business division will undertake the business of running the hospital, and providing medical services, including in-patient services and emergency services ("Medical Services").

The Board of Directors in their meeting held on May 28, 2012 and shareholders through postal ballot have approved the listing of Clinical Establishment Division of the Group on Singapore Exchange Securities Trading Limited through a business trust established in Singapore. The management would, depending upon market conditions and clearances as might be required from regulators determine its future course of action. Consequent to above restructuring plan, assets / investments have been sold / transferred between the two verticals, whereas the listing expenses have been accounted for on the basis of expected new capital raised from listing of the business trust. Adjustments, if any, to carrying value of goodwill, tax impact including Minimum Alternate Tax and deferred taxes would be ascertained on completion of restructuring and finalization of the Hospital and Medical Service Agreements between the two verticals.

8. The Company has purchased 74.59% stake in SRL Limited on May 11, 2011. Further, Company through one of its subsidiary had acquired 100% stake in Fortis Healthcare International Pte Limited on January 11, 2012 from RHC Financial Services (Mauritius) Limited, alongwith its subsidiaries and associates. The consolidated results include financial results of this acquired entities from the completion date, hence the figures are not strictly comparable with previous periods.

9. As permitted by the guidance note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item in its financial statements and as required by clause 41 to the listing agreement to use the classifications as per Revised Schedule VI, the Group has shown the EBITDA as a separate line item in the above financial results. The Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, finance costs and tax expense.

10. The previous period's figures have been regrouped and recasted, wherever considered necessary.

Date: August 14, 2012
Place: Gurgaon

for and on behalf of the Board of Directors

Malvinder Mohan Singh
Executive Chairman

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