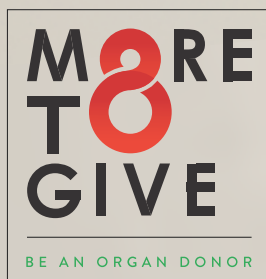


HERE TO GIVE THE GIFT CALLED LIFE.
— FORTIS FOR ORGAN DONATION. —





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.

Company Information

Board of Directors

EXECUTIVE DIRECTOR

Mr Malvinder Mohan Singh

NON-EXECUTIVE DIRECTORS

Dr Brian William Tempest

Mr Harpal Singh

Ms Joji Sekhon Gill

Mr Pradeep Ratilal Raniga

Dr Preetinder Singh Joshi

Dr Shivinder Mohan Singh

Ms Shradha Suri Marwah

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: L85110PB1996PLC045933

Fortis Hospital, Sector - 62
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Tel: +91-172-5096001

Fax: +91-172-5096002

Website: www.fortishealthcare.com

Registrar and Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32 Gachibowli,
Financial District, Nanakramguda
Hyderabad - 500 032

Tel.: +91-40 - 67161500

Website: www.karvycomputershare.com







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Message from the Executive Chairman

Malvinder Mohan Singh
Executive Chairman

Dear Shareholders,

It gives me great pleasure to communicate with you through the Annual Report for the year 2016-17. At the very outset, I warmly acknowledge the trust reposed on us by each one of our valued shareholders who have contributed to our continued success.

These are both exciting and challenging times for healthcare in India with the sector offering a plethora of lucrative opportunities as well as facing some regulatory changes. It is also fast emerging as one of India's largest economic sectors, both in terms of revenue and employment, with rising disposable income and the consequent growth in demand for quality healthcare services. Apart from a robust domestic market, India is also making a mark as a 'healthcare hub' for international patients looking for world-class clinical care at affordable costs. The future continues to look bright. According to a May 2017 report by the India Brand Equity Foundation (IBEF), the domestic healthcare industry is expected to touch USD 160 billion by the end of 2017 and USD 280 billion by 2020.

India's competitive advantage lies in its large pool of high-quality clinical talent, well-trained nursing and paramedical professionals and the availability of modern medical infrastructure, especially in the country's thriving private sector. The significantly lower cost of healthcare delivery as compared to its counterparts in Asia and the West adds to its attractiveness as a global healthcare destination. Given the emerging scenario, I firmly believe that our decision to stay focused on India has been highly rewarding. In line with our vision, we are firmly committed towards providing quality healthcare services whilst exploring innovative ways to improve accessibility and affordability.

CLINICAL EXCELLENCE

Your Company is widely acknowledged as a pioneer in the healthcare delivery space in the region. The credit for Fortis Healthcare's leadership position goes to our doctors, who are performing highly complex and innovative medical procedures and

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delivering consistently superlative outcomes, comparable with the best institutions in the world. With an unwavering focus on Clinical Excellence and Patient Centricity, we have substantially broadened the footprint and depth of our medical programmes in Organ Transplants, Cardiac Sciences, Orthopaedics, Mother and Child Health and Oncology, to name a few. In particular, Fortis has emerged as a major hub for complex multi-organ transplant surgeries in the country, underscoring its outstanding clinical expertise in the Organ Transplant domain. To add further impetus to the Organ Donation movement, a sustained multi-media campaign, 'More to Give,' has been launched with the objective of building a favourable public opinion and eventually creating a strong nationwide climate for organ donation.

CLINICAL OUTCOMES REPORTING

In FY16, Fortis became the first private network in India to introduce monitoring of its clinical outcomes based on ICHOM (International Consortium for Health Outcomes Management) standards – starting with Fortis Escorts Heart Institute (FEHI), New Delhi for two procedures, namely: Coronary Artery Bypass Graft (CABG) and Percutaneous Coronary Intervention (PCI, PTCA). In FY17, five additional hospitals, Fortis Mohali,

Fortis Amritsar, Fortis Ludhiana, Fortis Malar and Fortis Vashi started reporting clinical outcomes for the two procedures. Currently, 16 Fortis units have implemented the ICHOM standard sets for Coronary Artery Disease. The clinical outcomes data for Kidney Transplant (1-year Survival) at Fortis Vasant Kunj is being published as well. It is encouraging to note that the clinical outcomes at Fortis are comparable with the globally accepted best-in-class benchmarks. Further, the portal is now being used for reporting Kidney Transplants and Cancer Registry.

TECHNOLOGY

Emerging medical technology is playing a decisive role in delivering superior clinical outcomes. In our quest to offer the best to our patients, we continue to harness the latest medical technologies. We have introduced precision robotic surgeries which have drastically reduced recovery time and significantly enhanced patient experience. Additionally, we are also at the forefront of leveraging the latest in information technology to drive smooth and efficient business operations, standardise the quality of service delivery, enable cost optimisation and enhance patient engagement. Fortis strives to stay abreast of the new developments and adopt digital health solutions



and applications to improve patient outreach and care. In the coming year, our focus will be on optimising technology to improve our business model, operational efficiency, resource management and patient data. The aim is to build innovative solutions focused on patient engagement and empowerment.

MEDICAL TOURISM

India is among the top three medical tourism destinations in Asia, along with Thailand and Singapore, mainly due to quality healthcare infrastructure, availability of highly skilled doctors and relatively low cost of treatment. As per FICCI, the Indian medical tourism industry is expected to reach USD 6 billion by 2018, with the number of people arriving in the country for medical treatment set to double over the next four years. On an average, Fortis receives 15% of its patients from Iraq in the Middle East; Kenya, Nigeria and Uganda from Africa; Uzbekistan, Kazakhstan, Ukraine and Turkmenistan from the CIS region and Pakistan, Bangladesh and Afghanistan from within Asia. We continue to expand this segment by offering greater value to international patients by way of providing customised services such as visa assistance, interpreter facility, concierge services, dedicated service managers, accommodation and food assistance among others.

DRIVING EFFICIENCIES AND VALUE CREATION

To deliver our mandate effectively and to fund our growth journey, we continue to undertake projects and initiatives that will significantly enhance our operating profitability. In October 2016, we completed the acquisition of 51% economic interest in Fortis Hospotel Limited (FHTL) from the RHT Health Trust in Singapore, providing a significant fillip to our operating profitability. We continue to evaluate ways and means to further optimise our financial structure vis-à-vis our asset light growth model.

To expand our reach and capacity, we are pursuing a multi-pronged approach, including Brownfield expansions. Concurrently, we are revisiting the usage of space within the existing hospital facilities to evaluate optimal capacity utilisation possibilities. We are also accelerating our Operate & Manage (O&M) outreach to hospitals across the country and other geographies without any financial investments from our side. Additionally, the company continues to progress towards a leaner cost structure which will give us resiliency to face any challenges as they come.

On a related note, we continue to pursue the efforts required to further optimise our capital structure and raise funds for

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the Company's growth to unlock value for our shareholders. In August 2016, the Board of Directors of Fortis Healthcare Limited had approved a proposal to demerge our majority owned diagnostics business 'SRL Diagnostics' into a listed company through a composite scheme of arrangement and amalgamation. The new arrangement resulting from the demerger will harness these unique capabilities and strengths, unlocking value through flexibility and by fueling our growth trajectory.

CORPORATE SOCIAL RESPONSIBILITY

With the growing need for better healthcare services, especially for the underprivileged, Fortis Foundation has been ardent in its quest to ease the pain and burden, physically and financially, of those needing help. Additionally, the Foundation has been focussing on preventive healthcare solutions for the society. The philosophy of the Foundation is centred around building partnerships with other like-minded organisations and people who support sustainable, scalable and high impact programmes. Two programmes under the ambit of the Foundation, SEWA and SAVERA are being supported by Fortis Healthcare. While SEWA is aimed at providing timely medical support in the event of a disaster, SAVERA provides open platforms for Healthcare Information.

In conclusion, I would like to reiterate that today, there is an increased demand for quality healthcare delivery services from our people. Greater awareness and expectations have led to an increased demand for advanced and modern treatment options. Your Company is striving to meet this by continuing to focus on building our clinical expertise, improving infrastructure and strengthening core specialities to serve patients with greater zeal and enthusiasm. I wish to thank all our stakeholders, investors and partners for believing in us. I am confident that our strengths in patient-centric healthcare delivery, strong associations and the credibility within the medical fraternity will propel Fortis to the next level of growth.

A handwritten signature in black ink, which appears to read 'Malvinder Mohan Singh'.

Malvinder Mohan Singh
Executive Chairman

