

FMHL/SE/BM/JUNE'20

June 12, 2020

The General Manager
Department of Corporate Services
BSE Limited
Phiroze Jee jee bhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code: 523696

Sub: Outcome of the Board Meeting

Dear Sir,

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015, this is to inform you that the Board of Directors of the Company at its meeting held today i.e. June 12, 2020, *inter-alia*, considered and approved: -

1. Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2020. M/s. B S R & Co. LLP, the Statutory Auditors of the Company have issued Audit Report with an unmodified opinion on the Financial Statements;
2. Recommendation for appointment of Mr. Daljit Singh - Non- Executive Director, who is liable to retire by rotation, at the ensuing Annual General Meeting, subject to the approval of the shareholders.

Further, Mr. Daljit Singh declared that, he is not debarred from accessing the capital markets and / or restrained from holding any position / office of director in the Company pursuant to order of SEBI or any other such authority.

3. The appointment of Mr. Yogendra Kumar Kabra as Chief Financial Officer with effect from June 13, 2020 and have also designated him as one of the Key Managerial Personnel.

Mr. Yogendra Kumar Kabra is a commerce graduate from University of Mumbai and a Chartered Accountant from the Institute of Chartered Accountants of India. He brings with him more than 2 decades of experience of working with one of the Big 4. During his tenure with Big4, he expertise in handling diverse range of large and complex assignments primarily in Healthcare, Telecom, Real Estate, Manufacturing, Education, Retail and Hospitality sectors.

Further, for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange, following are the authorized Key Managerial Personnel of the Company: -

Name	Designation	Contact Details	E-mail id
Mr. C K Nageswaran	Whole Time Director	+91 124 4921021	secretarial.malar@malarhospitals.com
Mr. Yogendra Kumar Kabra	Chief Financial Officer	+91 124 4921071	
Mr. Mayank Jain	Company Secretary & Compliance Officer		

Please find enclosed 'Audited Financial Results, Auditors' Report, Statement of Assets & Liabilities and statement on unmodified opinion thereon for the financial year ended March 31, 2020.

The Board Meeting commenced at 1245 Hours and concluded at 2220 Hours.

This is for your information and records please.

Yours faithfully

For **Fortis Malar Hospitals Limited**

Sd/-

Mayank Jain

Company Secretary

M. No. A26620

FORTIS MALAR HOSPITALS LIMITED (CIN: L85110PB1989PLC045948)

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

Tel Numbers: 0172 5096001 & Tele Fax No : 0172 5096002

Website: www.fortismalar.com; Email: secretarial.malar@malarhospitals.in

STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31-MARCH-2020

(Rs. in lakhs except EPS)

No.	Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Quarter ended			Consolidated Year ended	
		31-Mar-2020 (Audited) (Refer Note 3)	31-Dec-2019 (Unaudited)	31-Mar-2019 (Audited) (Refer Note 3)	31-Mar-2020 (Audited)	31-March-2019 (Audited)	31-Mar-2020 (Audited) (Refer Note 3)	31-Dec-2019 (Unaudited)	31-Mar-2019 (Refer Note 3)	31-Mar-2020 (Audited)	31-Mar-2019 (Audited)
		1	Income								
	a) Revenue from operations	2,215.97	2,713.43	3,515.34	11,187.20	14,459.39	2,215.97	2,713.43	3,515.34	11,187.20	14,459.39
	b) Other income	349.86	301.68	315.41	1,092.34	968.44	351.92	303.82	325.93	1,118.58	1,011.08
	Total income	2,565.83	3,015.11	3,830.75	12,279.54	15,427.83	2,567.89	3,017.25	3,841.27	12,305.78	15,470.47
2	Expenses										
	a) Purchase of medical consumables and drugs	291.73	407.80	847.81	2,097.21	3,302.36	291.73	407.80	847.81	2,097.21	3,302.36
	b) Changes in inventories of medical consumables and drugs	12.97	5.27	(2.98)	34.16	37.43	12.97	5.27	(2.98)	34.16	37.43
	c) Employee benefits expense	477.10	529.62	556.81	2,145.54	2,314.50	479.81	531.42	565.51	2,155.45	2,345.85
	d) Finance costs	190.81	195.08	9.46	780.79	50.90	190.81	195.08	9.46	780.79	50.90
	e) Professional charges / consultation fees to doctors	739.28	834.18	976.03	3,559.36	4,016.39	737.21	832.11	968.27	3,549.01	3,983.18
	f) Clinical establishment fees	154.97	203.49	520.43	823.06	2,114.99	154.97	203.49	520.43	823.06	2,114.99
	g) Depreciation and amortization expenses	325.73	319.96	114.14	1,253.11	438.31	325.73	319.96	114.14	1,253.11	438.31
	h) Other expenses	707.66	768.21	751.69	2,801.88	2,916.96	708.84	769.99	752.21	2,806.49	2,918.38
	Total expenses	2,900.25	3,263.61	3,773.39	13,495.11	15,191.84	2,902.07	3,265.12	3,774.85	13,499.28	15,191.40
3	Profit / (loss) from ordinary activities before tax (1-2)	(334.42)	(248.50)	57.36	(1,215.57)	235.99	(334.18)	(247.87)	66.42	(1,193.50)	279.07
4	Tax expense	(87.60)	(46.28)	11.89	(309.88)	62.32	(87.53)	(46.12)	14.24	(304.14)	73.52
	- Current tax	-	-	40.65	-	109.74	0.31	0.17	43.21	6.02	121.41
	- Earlier year income tax	-	22.67	-	22.67	-	-	22.67	-	22.67	-
	- Deferred tax	(87.60)	(68.95)	(28.76)	(332.55)	(47.42)	(87.84)	(68.96)	(28.97)	(332.83)	(47.89)
5	Net profit / (loss) from ordinary activities after tax (3-4)	(246.82)	(202.22)	45.47	(905.69)	173.67	(246.65)	(201.75)	52.18	(889.36)	205.55
	Other comprehensive income / (loss) (net of tax)										
	Items that will not be reclassified subsequently to the statement of profit and loss:										
	(a) Remeasurements of the defined benefit plans	(42.88)	-	4.53	(15.46)	15.41	(37.69)	-	6.15	(10.27)	17.03
	(b) Income tax relating to items that will not be reclassified to profit or loss	11.93	-	(1.26)	4.30	(4.29)	10.58	-	(1.68)	2.95	(4.71)
6	Other comprehensive income / (loss) (net of tax)	(30.95)	-	3.27	(11.16)	11.12	(27.11)	-	4.47	(7.32)	12.32
7	Total comprehensive income / (loss) for the period / year (5+6)	(277.77)	(202.22)	48.74	(916.85)	184.79	(273.76)	(201.75)	56.65	(896.68)	217.87
	Total comprehensive income / (loss) attributable to:										
	- Owners of the company	NA	NA	NA	NA	NA	(273.76)	(201.75)	56.65	(896.68)	217.87
	- Non-controlling interests	NA	NA	NA	NA	NA	-	-	-	-	-
8	Paid up equity share capital (face value Rs.10 each)	1,875.70	1,875.70	1,875.70	1,875.70	1,875.70	1,875.70	1,875.70	1,875.70	1,875.70	1,875.70
9	Reserves excluding revaluation reserves - other equity	NA	NA	NA	7,566.88	8,483.73	NA	NA	NA	7,765.24	8,661.91
10	Earnings Per Share (EPS) based on (5) above (of Rs. 10 each) - (Not annualised in the quarters)										
	- Basic	(1.32)	(1.08)	0.25	(4.83)	0.93	(1.32)	(1.07)	0.28	(4.75)	1.10
	- Diluted	(1.32)	(1.08)	0.24	(4.83)	0.92	(1.32)	(1.07)	0.27	(4.75)	1.09

Notes:

1. STANDALONE AND CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	As at	As at	As at	As at
	31-Mar-2020	31-Mar-2019	31-Mar-2020	31-Mar-2019
	(Audited)	(Audited)	(Audited)	(Audited)
ASSETS				
Non-current assets				
(a) Property, plant and equipment	1,783.68	2,062.26	1,783.68	2,062.26
(b) Capital Work-in-Progress	8.82	-	8.82	-
(c) Right of use assets	6,047.76	-	6,047.76	-
(d) Other intangible assets	276.20	122.43	276.20	122.43
(e) Intangible assets under development	-	72.97	-	72.97
(f) Financial assets				
(i) Investment in subsidiary	5.00	5.00	-	-
(ii) Loans receivable	3,500.00	-	3,500.00	-
(ii) Other financial assets	85.33	78.72	85.33	78.72
(g) Deferred tax assets (net)	521.96	185.12	522.37	186.59
(h) Income tax assets (net)	862.11	1,207.08	925.29	1,319.96
(i) Other non-current assets	5.00	29.92	5.00	29.92
Total non-current assets	13,095.86	3,763.50	13,154.45	3,872.85
Current assets				
(a) Inventories	130.65	164.81	130.65	164.81
(b) Financial assets				
(i) Trade receivables	372.79	966.22	372.79	966.22
(ii) Cash and cash equivalents	4,150.97	503.52	4,304.92	503.67
(iii) Bank balances other than (ii) above	20.69	160.78	20.69	160.78
(iv) Loans receivable	-	7,587.54	-	7,707.54
(v) Other financial assets	387.16	1,561.73	388.50	1,567.66
(c) Income tax assets (net)	773.32	-	773.32	-
(d) Other current assets	209.58	141.66	209.58	141.66
Total current assets	6,045.16	11,086.26	6,200.45	11,212.34
Total assets	19,141.02	14,849.76	19,354.90	15,085.19
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	1,875.70	1,875.70	1,875.70	1,875.70
(b) Other equity	7,566.88	8,483.73	7,765.24	8,661.91
Total equity	9,442.58	10,359.43	9,640.94	10,537.61
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Lease liability	5,937.33	-	5,937.33	-
(b) Provisions	214.57	155.34	216.06	160.72
Total non-current liabilities	6,151.90	155.34	6,153.39	160.72
Current liabilities				
(a) Financial liabilities				
(i) Lease liability	496.56	-	496.56	-
(ii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	66.82	46.47	66.82	46.47
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,821.10	2,284.68	1,823.44	2,306.27
(iii) Other financial liabilities	56.12	581.41	54.26	581.41
(b) Provisions	101.94	112.53	102.03	112.83
(c) Income tax liabilities (net)	-	5.71	-	5.71
(d) Other current liabilities	1,004.00	1,304.19	1,017.46	1,334.17
Total current liabilities	3,546.54	4,334.99	3,560.57	4,386.86
Total liabilities	9,698.44	4,490.33	9,713.96	4,547.58
Total equity and liabilities	19,141.02	14,849.76	19,354.90	15,085.19

2. STANDALONE AND CONSOLIDATED STATEMENT OF CASH FLOWS

Pursuant to the requirement in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to submission of statement of cash flows for the year with effect from 1 April 2019, the statement of cash flows for the year ended 31 March 2020 has been presented in the table below.

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
	(Audited)	(Audited)	(Audited)	(Audited)
Cash flows from operating activities				
(Loss) / Profit before tax for the period/ year	(1,215.57)	235.99	(1,193.50)	279.07
<i>Adjustments for:</i>				
Interest income	(747.72)	(853.83)	(767.44)	(896.47)
Loss on sale of property, plant and equipment	8.27	7.64	8.27	7.64
Depreciation and amortisation expense	1,253.11	438.31	1,253.11	438.31
Interest expense on lease liability	742.56	-	742.56	-
Allowance for credit losses	362.32	1.99	362.32	1.99
Advances written off	-	16.22	-	16.22
Liabilities no longer required written back	(344.62)	(114.61)	(351.14)	(114.61)
	58.35	(268.29)	54.18	(267.85)
<i>Movements in working capital:</i>				
Decrease / (increase) in other current and non current financial assets	1,017.64	(550.47)	1,017.64	(537.26)
Decrease in other current and non-current assets	(64.62)	(24.66)	(64.62)	(24.66)
Decrease / (increase) in trade and other receivables	231.11	(367.85)	231.11	(367.85)
Decrease in inventories	34.16	37.43	34.16	37.43
Increase in provisions	37.48	37.16	38.57	38.53
Decrease in trade payables	(443.23)	(165.96)	(455.96)	(160.50)
Decrease in financial liabilities	(481.00)	(154.93)	(496.07)	(146.70)
Increase in other current liabilities	44.43	337.84	27.91	352.48
Cash (used in) / generated from operations	434.32	(1,119.73)	386.92	(1,076.38)
Income taxes paid (net)	(461.03)	(453.12)	(417.35)	(520.40)
Net cash used in operating activities	(26.71)	(1,572.85)	(30.43)	(1,596.78)
Cash flows from investing activities				
Payments to acquire property, plant and equipment and intangible assets	(330.82)	(270.59)	(330.82)	(270.59)
Proceeds on sale of property, plant and equipment	40.70	0.34	40.70	0.34
Interest received	893.15	476.95	930.67	500.45
Inter corporate deposits placed with related parties	(3,500.00)	-	(3,500.00)	-
Inter corporate deposits repaid by related parties	7,587.54	547.46	7,707.54	547.46
Fixed deposits not considered as cash and cash equivalents	140.09	(143.64)	140.09	(143.64)
Net cash generated by investing activities	4,830.66	610.52	4,988.18	634.02
Cash flows from financing activities				
Repayment of lease liabilities including interest on lease liabilities	(1,156.50)	-	(1,156.50)	-
Proceeds from issue of equity instruments of the Company	-	15.07	-	15.07
Net cash (used in) / from financing activities	(1,156.50)	15.07	(1,156.50)	15.07
Net increase / (decrease) in cash and cash equivalents	3,647.45	(947.26)	3,801.25	(947.69)
Cash and cash equivalents at the beginning of the year	503.52	1,450.78	503.67	1,451.36
Cash and cash equivalents at the end of the year	4,150.97	503.52	4,304.92	503.67

FORTIS MALAR HOSPITALS LIMITED (CIN: L85110PB1989PLC045948)

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

Tel Numbers: 0172 5096001 & Tele Fax No : 0172 5096002

Website: www.fortismalar.com; Email: secretarial.malar@malarhospitals.in

STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31-MARCH-2020

Notes:

- 3 The audited standalone and consolidated financial results for the quarter and year ended 31 March 2020 has been reviewed by the Audit and Risk Management Committee at its meeting held on 12 June 2020 and subsequently approved by the Board of Directors at their respective meeting held on 12 June 2020. The above results for the year ended 31 March 2020, have been audited by the Statutory auditors of the Company. The auditors have issued an unmodified audit report. Further, the standalone and consolidated figures for the quarter ended 31 March 2020 and 31 March 2019 are the balancing figures between audited figures in respect of the full financial years and the published unaudited year to date figures upto the end of the third quarter of the relevant financial year, which were subjected to limited review and were not subjected to audit. Further, the consolidated financial result for the corresponding quarter ended 31 March 2019, as reported in these financial results have been approved by Audit and Risk Management Committee and subsequently approved by the Board of Directors at their respective meeting held on 12 June 2020, but have not been subjected to limited review/ audit by the Statutory auditors of the Company.
- 4 These audited standalone and consolidated financial results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5 The consolidated financial results includes the financial results of the Company Fortis Malar Hospitals Limited and the financial results of its subsidiary company Malar Stars Medicare Limited (collectively known as "Group")
- 6 The Company is engaged in the Healthcare Services, which in the context of Indian Accounting Standard (Ind AS) 108 - Operating Segments is considered as the only reportable segment of the Company.
- 7 Effective 1 April 2019, the Group has adopted Ind AS 116 - Leases, with the date of initial application being 1 April 2019, using the modified retrospective approach. Accordingly, the Group has recognized a lease liability at the date of initial application, at the present value of the remaining lease payments discounted using the incremental borrowings rate at the date of initial application, recognized right-of-use asset at the date of initial application equals to the lease liability recognized and the comparatives have not been retrospectively adjusted. In the profit and loss for the current period, the lease rent which was hitherto accounted under clinical establishment expenses / other expenses in the previous periods has now been accounted as depreciation charge for the right-of-use asset and finance cost for interest accrued on lease liability. Accordingly, the loss for the current quarter and year end is higher by Rs. 69.9 lakhs and Rs. 292.97 lakhs (net of deferred tax created) respectively.
- 8 The Company had in earlier years applied to the Chennai Metropolitan Development Authority (CMDA) for regularization of certain deviations in the construction of the Hospital building in which the Company operates. During the year ended 31 March 2016, CMDA issued an Order dated 18 March 2016 stating that the regularization application made by the Company has not been allowed. The Company had preferred an appeal dated 18 April 2016, before the Secretary to the Government of Tamil Nadu, Housing and Urban Development Authority ("Authority") against the said Order. On 3 May 2016, CMDA served a Lock & Seal Notice to the Company stating that in view of CMDA's Order dated 18 March 2016, the construction at the site of the Hospital premises is unauthorized and called upon the Company to restore the land to its original position within 30 days from the date of the Notice. The Company appealed to the High Court of Judicature at Madras and the Hon'ble High Court was pleased to stay the order on 2 June 2016 and the matter was disposed by High Court directing CMDA not to take any coercive steps till the disposal of the appeal before the Authority. The appeal is pending till date. Consequently, the application for renewal of fire license of the building has not been allowed as on date due to the building not having been regularized. However, the Company has taken safety measures and also obtained a certificate from an independent agency on the adequacy of measures taken for fire prevention and safety. The Company continues to follow up with the authorities for issuance of fire NOC. The Company, based on legal advice, believes that the above Order / Notices issued by CMDA are contestable and that the possibility of negative outcome of the appeal dated 18 April 2016 is remote and accordingly, the order/ notice issued by CMDA prima facie would not result in adverse impact on its operations/ going concern of the Company.
- 9 In March 2020, World Health Organisation declared COVID 19 a pandemic. This pandemic has resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the government. The Company has taken measures to protect the health of its employees and ensure business continuity with minimal disruption. The Company believes that the COVID 19 pandemic will only have a short term impact on its operations and post easing of the lockdown restrictions, the business is expected to be normal. The Company has considered internal and external information while finalizing various estimates in relation to its financial statement captions and use of the going concern basis for preparation of financial statements upto the date of approval of the financial statements by the Board of Directors. The Company has begun to witness signs of gradual improvement in operations. Further, the Company has taken various measures to reduce its fixed cost for example, voluntary salary reductions, optimization of administrative, sales and marketing costs, deferment of capex along with judicious resource allocation and requesting for the waiver of fixed clinical establishment fees for the first two quarters of the FY 2020-21. Accordingly, the Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months based on the financial position and liquidity (i.e. the net current assets etc.) as on the date of the balance sheet and as on date of signing of these financial results. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID 19 situation evolves in India and globally. However, the Company will continue to closely monitor any material changes to future economic conditions.
- 10 Figures for the prior periods / year have been reclassified/ regrouped wherever required to conform to the classification of the current periods / year.
- 11 These financial results are available on the BSE website (www.bseindia.com) and on the Company's website (www.fortismalar.com).

By Order of the Board
Fortis Malar Hospitals Limited
CIN: L85110PB1989PLC045948

Coimbatore
Kalyanrama
n
Nageswaran

Digitally signed by Coimbatore Kalyanrama
Nageswaran
DN: c=IN, o=Personal, cn=Coimbatore
Kalyanrama Nageswaran,
serialNumber=362570c7e13d95c66b556b3657452
0561382851638866677ded7964c3b6ae,
pseudonym=020d49db3ea44519bef38a9ae513a3
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C.K. Nageswaran
Whole Time Director
DIN 08236347

Place : Gurugram
Date: 12 June 2020

Place : Delhi
Date: 12 June 2020

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st and 2nd Floor
No.1, Harrington Road, Chetpet
Chennai - 600 031, India.

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF FORTIS MALAR HOSPITALS LIMITED

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of **Fortis Malar Hospitals Limited** (hereinafter referred to as the "Company") for the year ended March 31, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit / loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance

Independent Auditors' Report on Standalone Annual Financial Results of Fortis Malar Hospital Limited pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

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with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process

Auditors' Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Independent Auditors' Report on Standalone Annual Financial Results of Fortis Malar Hospital Limited pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The standalone annual financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

HARSH VARDHAN LAKHOTIA
Digitally signed by HARSH VARDHAN LAKHOTIA
Date: 2020.06.12 22:02:17 +05'30'

Harsh Vardhan Lakhota

Partner

Membership No: 222432

ICAI UDIN: 20222432AAAAAP8515

Place: Chennai

Date: June 12, 2020

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st and 2nd Floor
No.1, Harrington Road, Chetpet
Chennai - 600 031, India.

Telephone +91 44 4608 3100
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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF FORTIS MALAR HOSPITALS LIMITED

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of **Fortis Malar Hospitals Limited** ("the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as the "Group"), for the year ended March 31, 2020, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated annual financial results:

- a. includes the annual financial results of Fortis Malar Hospitals Limited and its subsidiary Malar Stars Medicare Limited;
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the Consolidated annual financial statements.

Independent Auditors' Report on Consolidated Annual Financial Results of Fortis Malar Hospital Limited pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

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The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these Consolidated annual financial results that give a true and fair view of the net profit / loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report on Consolidated Annual Financial Results of Fortis Malar Hospital Limited pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- a) The consolidated annual financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

B S R & Co. LLP

Independent Auditors' Report on Consolidated Annual Financial Results of Fortis Malar Hospital Limited pursuant to Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

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- b) The consolidated figures for the corresponding quarter ended March 31, 2019 as reported in these Consolidated Annual Financial results have been approved by the Holding Company's Board of Directors but have not been subjected to audit/ review, since the requirement of submission of quarterly consolidated financial results has become mandatory only from April 1, 2019.

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**HARSH VARDHAN
LAKHOTIA**

Digitally signed by HARSH
VARDHAN LAKHOTIA
Date: 2020.06.12 22:01:32
+05'30'

Harsh Vardhan Lakhota

Partner

Membership No: 222432

ICAI UDIN: 20222432AAAAAQ7706

Place: Chennai

Date: June 12, 2020



Fortis Malar Hospital

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Chennai - 600 020

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Emergency : +91 44 4933 4933

E-mail : enquiries@fortismalar.com

Website : www.fortismalar.com

Declaration pursuant to Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that the Statutory Auditors of the Company, have issued unmodified opinion on Standalone and Consolidated Annual Financial Results of the Company for the Financial year ended March 31, 2020.

For Fortis Malar Hospitals Limited

A handwritten signature in blue ink, appearing to be "K. Nageswaran", written over the printed name.

Coimbatore Kalyanraman Nageswaran
Whole Time Director
DIN: 08236347

A handwritten signature in blue ink, appearing to be "Saravanan V.", written over the printed name.

Saravanan V.
Chief Financial Officer

Place: Chennai

Date: June 12, 2020

FORTIS MALAR HOSPITALS LIMITED

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

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CIN - L85110PB1989PLC045948