

FORTIS MALAR HOSPITALS LIMITED (CIN: L85110PB1989PLC045948)

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

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STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31-MARCH-2021

(Rs. in lakhs except equity share data)

No.	Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Quarter ended			Consolidated Year Ended	
		31-Mar-2021	31-Dec-2020	31-Mar-2020	31-Mar-2021	31-Mar-2020	31-Mar-2021	31-Dec-2020	31-Mar-2020	31-Mar-2021	31-Mar-2020
		(Audited) (Refer Note 3)	(Unaudited)	(Audited) (Refer Note 3)	(Audited)	(Audited)	(Audited) (Refer Note 3)	(Unaudited)	(Audited) (Refer Note 3)	(Audited)	(Audited)
1	Income										
	a) Revenue from operations	1,983.43	2,283.80	2,215.97	6,924.41	11,187.20	1,983.43	2,283.80	2,215.97	6,924.41	11,187.20
	b) Other income	226.21	176.05	349.86	808.12	1,092.34	236.39	177.24	351.92	825.09	1,118.58
	Total income	2,209.64	2,459.85	2,565.83	7,732.53	12,279.54	2,219.82	2,461.04	2,567.89	7,749.50	12,305.78
2	Expenses										
	a) Purchase of medical consumables and drugs	352.04	512.83	291.73	1,437.68	2,097.21	352.04	512.83	291.73	1,437.68	2,097.21
	b) Changes in inventories of medical consumables and drugs	14.86	(27.12)	12.97	(32.02)	34.16	14.86	(27.12)	12.97	(32.02)	34.16
	c) Employee benefits expense	459.28	479.88	477.10	1,818.02	2,145.54	461.22	481.68	479.81	1,825.36	2,155.45
	d) Finance costs	175.82	180.07	190.81	719.88	780.79	175.82	180.07	190.81	719.88	780.79
	e) Professional charges / consultation fees to doctors	595.84	585.84	739.28	2,085.64	3,559.36	593.77	583.77	737.21	2,077.36	3,549.01
	f) Clinical establishment fees	149.74	170.61	154.97	518.35	823.06	149.74	170.61	154.97	518.35	823.06
	g) Depreciation and amortization expenses	318.17	324.71	325.73	1,287.54	1,253.11	318.18	324.70	325.73	1,287.54	1,253.11
	h) Other expenses	378.85	499.95	707.66	1,728.95	2,801.88	379.03	500.42	708.84	1,731.36	2,806.49
	Total expenses	2,444.60	2,726.77	2,900.25	9,564.04	13,495.11	2,444.66	2,726.96	2,902.07	9,565.51	13,499.28
3	Loss before exceptional items and taxes (1-2)	(234.96)	(266.92)	(334.42)	(1,831.51)	(1,215.57)	(224.84)	(265.92)	(334.18)	(1,816.01)	(1,193.50)
4	Exceptional items (refer note 7)	-	136.97	-	684.85	-	-	136.97	-	684.85	-
5	Loss from ordinary activities before tax (3+4)	(234.96)	(129.95)	(334.42)	(1,146.66)	(1,215.57)	(224.84)	(128.95)	(334.18)	(1,131.16)	(1,193.50)
6	Tax expense	(97.01)	(36.15)	(87.60)	(345.33)	(309.88)	(95.86)	(35.90)	(87.53)	(344.29)	(304.14)
	- Current tax	-	-	-	-	-	2.57	0.26	0.31	3.99	6.02
	- Earlier year income tax	(13.89)	-	-	(13.89)	22.67	(15.28)	-	-	(16.78)	22.67
	- Deferred tax	(83.12)	(36.15)	(87.60)	(331.44)	(332.55)	(83.15)	(36.16)	(87.84)	(331.50)	(332.83)
7	Loss after tax (5-6)	(137.95)	(93.80)	(246.82)	(801.33)	(905.69)	(128.98)	(93.05)	(246.65)	(786.87)	(889.36)
	Other comprehensive income / (loss) (net of tax)										
	Items that will not be reclassified subsequently to the statement of profit and loss:										
	(a) Remeasurements of defined benefit liability	13.57	(8.46)	(42.88)	28.16	(15.46)	13.65	(8.46)	(37.69)	28.24	(10.27)
	(b) Income tax relating to items that will not be reclassified to profit or loss	(3.77)	2.35	11.93	(7.83)	4.30	(3.79)	2.35	10.58	(7.85)	2.95
8	Other comprehensive income / (loss) (net of tax)	9.80	(6.11)	(30.95)	20.33	(11.16)	9.86	(6.11)	(27.11)	20.39	(7.32)
9	Total comprehensive loss for the period / year (7+8)	(128.15)	(99.91)	(277.77)	(781.00)	(916.85)	(119.12)	(99.16)	(273.76)	(766.48)	(896.68)
	Total comprehensive loss attributable to:										
	- Owners of the company	NA	NA	NA	NA	NA	(119.12)	(99.16)	(273.76)	(766.48)	(896.68)
	- Non-controlling interests	NA	NA	NA	NA	NA	-	-	-	-	-
10	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
11	Reserves excluding revaluation reserves - other equity	NA	NA	NA	6,785.88	7,566.88	NA	NA	NA	6,998.76	7,765.24
12	Earnings Per Share (EPS) based on (7) above (of Rs. 10 each) - (Not annualised in the quarters)										
	- Basic	(0.74)	(0.50)	(1.32)	(4.28)	(4.83)	(0.69)	(0.50)	(1.32)	(4.20)	(4.75)
	- Diluted	(0.74)	(0.50)	(1.32)	(4.28)	(4.83)	(0.69)	(0.50)	(1.32)	(4.20)	(4.75)

Notes:

1. STANDALONE AND CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	As at 31-Mar-2021	As at 31-Mar-2020	As at 31-Mar-2021	As at 31-Mar-2020
	(Audited)	(Audited)	(Audited)	(Audited)
ASSETS				
Non-current assets				
(a) Property, plant and equipment	1,490.46	1,783.68	1,490.46	1,783.68
(b) Capital work-in-Progress	35.95	8.82	35.95	8.82
(c) Right of use assets	5,223.40	6,047.76	5,223.40	6,047.76
(d) Other intangible assets	138.52	276.20	138.52	276.20
(e) Financial assets				
(i) Investment in subsidiary	5.00	5.00	-	-
(ii) Loans	2,800.00	3,500.00	2,800.00	3,500.00
(iii) Other financial assets	56.14	85.33	56.14	85.33
(f) Deferred tax assets (net)	845.57	521.96	846.02	522.37
(g) Income tax assets (net)	297.68	862.11	316.03	925.29
(h) Other non-current assets	5.64	5.00	5.64	5.00
Total non-current assets	10,898.36	13,095.86	10,912.16	13,154.45
Current assets				
(a) Inventories	162.67	130.65	162.67	130.65
(b) Financial assets				
(i) Trade receivables	209.11	372.79	209.11	372.79
(ii) Cash and cash equivalents	546.11	4,150.97	742.76	4,304.92
(iii) Bank balances other than (ii) above	613.99	20.69	613.99	20.69
(iv) Loans	3,500.00	-	3,500.00	-
(v) Other financial assets	456.69	387.16	457.53	388.50
(c) Income tax assets (net)	185.94	773.32	185.94	773.32
(d) Other current assets	125.67	209.58	125.67	209.58
Total current assets	5,800.18	6,045.16	5,997.67	6,200.45
Total assets	16,698.54	19,141.02	16,909.83	19,354.90
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	1,875.70	1,875.70	1,875.70	1,875.70
(b) Other equity	6,785.88	7,566.88	6,998.76	7,765.24
Total equity	8,661.58	9,442.58	8,874.46	9,640.94
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	5,341.47	5,937.33	5,341.47	5,937.33
(b) Provisions	224.62	214.57	225.78	216.06
Total non-current liabilities	5,566.09	6,151.90	5,567.25	6,153.39
Current liabilities				
(a) Financial liabilities				
(i) Lease liabilities	376.00	496.56	376.00	496.56
(ii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises	73.56	66.82	73.56	66.82
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,370.77	1,821.10	1,363.82	1,823.44
(iii) Other financial liabilities	56.68	56.12	56.68	54.26
(b) Provisions	103.80	101.94	104.42	102.03
(c) Other current liabilities	490.06	1,004.00	493.64	1,017.46
Total current liabilities	2,470.87	3,546.54	2,468.12	3,560.57
Total liabilities	8,036.96	9,698.44	8,035.37	9,713.96
Total equity and liabilities	16,698.54	19,141.02	16,909.83	19,354.90

Notes:

2. STANDALONE AND CONSOLIDATED STATEMENT OF CASH FLOWS

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
	(Audited)	(Audited)	(Audited)	(Audited)
Cash flows from operating activities				
Loss before tax for the period	(1,146.66)	(1,215.57)	(1,131.16)	(1,193.50)
<i>Adjustments for:</i>				
Interest income	(705.13)	(747.72)	(713.75)	(767.44)
Loss on sale of property, plant and equipment	-	8.27	-	8.27
Depreciation and amortisation expense	1,287.54	1,253.11	1,287.54	1,253.11
Interest expense on lease liability	693.17	742.56	693.17	742.56
Allowance for credit losses	64.08	362.32	64.08	362.32
Waiver/ concession of fixed clinical establishment fees (refer note 7)	(684.85)	-	(684.85)	-
Liabilities no longer required written back	(102.99)	(344.62)	(111.34)	(351.14)
	(594.84)	58.35	(596.31)	54.18
<i>Movements in working capital:</i>				
(Increase) / decrease in other current and non current financial assets	(25.97)	1,017.64	(25.97)	1,017.64
Decrease / (increase) in other current and non-current assets	87.94	(64.62)	87.94	(64.62)
Decrease in trade and other receivables	99.60	231.11	99.60	231.11
(Increase) / decrease in inventories	(32.02)	34.16	(32.02)	34.16
Increase in provisions	40.07	37.48	40.35	38.57
Decrease in trade payables	(340.60)	(443.23)	(339.68)	(455.96)
Decrease in financial liabilities	(5.78)	(481.00)	(5.78)	(496.07)
(Decrease) / increase in other current liabilities	(513.94)	44.43	(523.82)	27.91
Cash (used in) / generated from operations	(1,285.54)	434.32	(1,295.69)	386.92
Income taxes refund / (paid) (Net)	1,165.70	(461.03)	1,209.43	(417.35)
Net cash used in operating activities	(119.84)	(26.71)	(86.26)	(30.43)
Cash flows from investing activities				
Payments to acquire property, plant and equipment and intangible assets	(52.89)	(330.82)	(52.89)	(330.82)
Proceeds on sale of property, plant and equipment	-	40.70	-	40.70
Interest received	685.91	893.15	695.03	930.67
Inter corporate deposits placed with related parties	(2,800.00)	(3,500.00)	(2,800.00)	(3,500.00)
Inter corporate deposits repaid by related parties	-	7,587.54	-	7,707.54
Bank balances not considered as cash and cash equivalents	(593.30)	140.09	(593.30)	140.09
Net cash (used in)/ generated from investing activities	(2,760.28)	4,830.66	(2,751.16)	4,988.18
Cash flows from financing activities				
Repayment of lease liabilities including interest on lease liabilities	(724.74)	(1,156.50)	(724.74)	(1,156.50)
Net cash used in financing activities	(724.74)	(1,156.50)	(724.74)	(1,156.50)
Net (decrease)/ increase in cash and cash equivalents	(3,604.86)	3,647.45	(3,562.16)	3,801.25
Cash and cash equivalents at the beginning of the year	4,150.97	503.52	4,304.92	503.67
Cash and cash equivalents at the end of the year	546.11	4,150.97	742.76	4,304.92

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STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31-MARCH-2021

Notes:

- 3 The audited standalone and consolidated financial results for the quarter and year ended 31 March 2021 has been reviewed by the Audit and Risk Management Committee and subsequently approved by the Board of Directors at their respective meeting held on 25 May 2021. The above results for the year ended 31 March 2021, 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 2021 and 31 March 2020 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.
- 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 Exceptional items amounting to Rs. 136.97 lakhs and Rs.684.85 lakhs relates to the agreed amounts of unconditional waiver/ concession of fixed clinical establishment fees for the quarter ended 31 December 2020 and year ended 31 March 2021 received from Fortis Health Management Limited. The waiver/ concession has been provided on account of COVID 19 Pandemic. In accounting for this waiver/ concession, the Company has applied the practical expedient to such concessions as they meet the conditions specified in the notification dated 24 July 2020 issued by the Ministry of Corporate Affairs, India.
- 8 A request for regularization of the hospital building in which the Company operates today, was made earlier vide an application dated 29th May 1999 to the Chennai Metropolitan Development Authority (CMDA). In the year 2012, Land and hospital building was sold by Fortis Malar Hospitals Limited ("Company") to Fortis Health Management Limited ("FHML"). The Company and FHML had also simultaneously entered into a "Hospital and Medical Services Agreement" w.r.t. rendering of medical and healthcare services at the hospital premises (including right to use of the hospital building). CMDA by its Order dated 18 March 2016 (Rejection Order), rejected the regularisation application that was submitted in the year 1999. A statutory appeal was preferred in April 2016 before the Secretary to the Government of Tamil Nadu, Housing and Urban Development Authority ("Authority") challenging the said rejection. During the pendency of the statutory appeal, on 3 May 2016, CMDA served a "Lock & Seal" Notice stating that in view of Rejection Order, the construction at the site of the Hospital premises is unauthorized and called upon to restore the land to its original state within 30 days from the date of the Notice. A writ petition was filed before the Hon'ble High Court of Judicature at Madras which set aside the "Lock & Seal" Notice and ordered that no coercive steps should be taken by CMDA, till disposal of the statutory appeal. The said appeal is still subjudice. At the request of the Company, CMDA inspected the hospital building and issued a letter dated 25 August 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularization. In this regard, an extension of time was sought in November 2020. Simultaneously, actions were initiated for collating/ obtaining requisitioned clearances and certificates which involves taking a number of actions and significant expenses and capital expenditure. During the ongoing pandemic, there have been lockdowns resulting in limited and restricted access to various offices all across, which has slowed down the progress of actions initiated. The Company is taking bonafide steps to complete the process of submission of the clearances and certificates sought by CMDA. On 20 May 2021 an update has been sent to CMDA confirming that out of six requirements, as set out in the letter dated 25 August 2020, three have already been complied with and steps were underway for completion of the remaining actions. While the Company is co-operating to get all the clearances, based on legal advice, the Company is of the view that it is not required to bear any expenses, revenue or capital in nature, incurred towards regularisation of building and obtaining the requisite clearances and certificates (or for the expenses that may be incurred in the unlikely event that the regularisation is not approved) as all such expenses will be borne by FHML. The Company also continues to believe that all Orders / Notices issued by CMDA prima facie would not result in any significant adverse impact on its operations/financial statements or on the going concern status.
- 9 In March 2020, the World Health Organisation had declared Coronavirus (COVID – 19) to be a pandemic and consequently on March 24, 2020, the Government of India had ordered a nationwide lockdown, which got extended in phases. The COVID – 19 pandemic has impacted the performance of the Company with a decline in occupancy. The Company took various initiatives to support operations and optimize the cost. By taking these various initiatives, the Company has been able to significantly reduce the negative impact on its performance. With the easing of lockdown restriction in the later part of the financial year, the company's performance has witnessed an improvement. Recently, there has been a surge in the spread of COVID – 19 and there have been consequential lockdowns. The Company has taken measures to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while finalizing various estimates in relation to these financials and use of the going concern basis for preparation of these financials upto the date of approval of these financial results by the Board of Directors. 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 as on the date of signing of these financial results. The actual impact of the global health pandemic may be different from the estimate, as the COVID 19 situation is still evolving in India and globally. However, the Company will continue to closely monitor any material changes to future economic condition.
- 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

Digitally signed by
NAGESWARAN
KALYANRAMAN
COIMBATORE
Date: 2021.05.25
17:43:34 +05'30'

C.K.Nageswaran
Whole Time Director
DIN 08236347

Place : Chennai
Date: 25 May 2021

B S R & Co. LLP

Chartered Accountants

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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, 2021, 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 consolidated net loss and other comprehensive income and other financial information of the group for the year ended March 31, 2021.

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.

Principal Office:

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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Emphasis of matter

We draw attention to Note 8 to the consolidated financial results which describes the litigation and issues pertaining to regularisation of the hospital building in which the Holding Company operates today and the related matters. A letter was received from Chennai Metropolitan Development Authority (CMDA) on 25 August 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularisation. The Holding Company is taking steps to complete the process of submission of the sought clearances and certificates, which involves taking a number of actions and significant expenses and capital expenditure. While the Holding Company is co-operating to get all the clearances, it has been legally advised that, as per the agreement between the Holding Company and Fortis Health Management Limited (FHML), it is not required to bear any expenses, revenue or capital nature, incurred towards regularisation of building and obtaining the requisite clearances and certificates (or for the expenses that may need to be incurred in the unlikely event that the regularisation is not approved) as all such expenses will be borne by FHML. The Holding Company also continues to believe that all Orders / Notices issued by CMDA prima facie would not result in any significant adverse impact on its operations/financial results or on the going concern status.

Our opinion is not modified in respect of this matter.

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.

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 consolidated net 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.

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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Auditor's 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.
- 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 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 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.

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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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

The consolidated annual financial results include the results for the quarter ended March 31, 2021 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

Harsh Vardhan Lakhotia

Partner

Membership No: 222432

ICAI UDIN: 21222432AAAABO3261

Digitally signed by
HARSH VARDHAN
LAKHOTIA

Date: 2021.05.25

18:07:42 +05'30'

Place: Chennai

Date: May 25, 2021

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floors,
No.1, Harrington Road, Chetpet,
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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 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, 2021, 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, 2021.

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 Standalone 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.

Principal Office:

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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Emphasis of matter

We draw attention to Note 8 to the standalone financial results which describes the litigation and issues pertaining to regularisation of the hospital building in which the Company operates today and the related matters. A letter was received from Chennai Metropolitan Development Authority (CMDA) on 25 August 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularisation. The Company is taking steps to complete the process of submission of the sought clearances and certificates, which involves taking a number of actions and significant expenses and capital expenditure. While the Company is co-operating to get all the clearances, it has been legally advised that, as per the agreement between the Company and Fortis Health Management Limited (FHML), it is not required to bear any expenses, revenue or capital nature, incurred towards regularisation of building and obtaining the requisite clearances and certificates (or for the expenses that may need to be incurred in the unlikely event that the regularisation is not approved) as all such expenses will be borne by FHML. The Company also continues to believe that all Orders / Notices issued by CMDA prima facie would not result in any significant adverse impact on its operations/financial results or on the going concern status.

Our opinion is not modified in respect of this matter.

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 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

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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Auditor's 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone 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.

B S R & Co. LLP

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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Other Matters

The standalone annual financial results include the results for the quarter ended March 31, 2021 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**

Harsh Vardhan Lakhota

Partner

Membership No: 222432

ICAI UDIN: 21222432AAAABN1875

 Digitally signed by HARSH
VARDHAN LAKHOTIA
Date: 2021.05.25 18:06:49
+05'30'

Place: Chennai

Date: May 25, 2021

Fortis Malar Hospital

52, 1st Main Road, Gandhi Nagar, Adyar,
Chennai - 600 020

Tel : +91 44 4289 2222

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 Statements of the Company for the Financial year ended March 31, 2021.

For Fortis Malar Hospitals Limited

**NAGESWARAN
KALYANRAMA
N COIMBATORE** Digitally signed by
NAGESWARAN
KALYANRAMAN
COIMBATORE
Date: 2021.05.25 17:47:22
+05'30'

**C K Nageswaran
Whole Time Director
DIN: 08236347**

**Place: Chennai
Date: May 25, 2021**

**YOGENDRA
KUMAR KABRA** Digitally signed by
YOGENDRA KUMAR KABRA
Date: 2021.05.25 17:48:04
+05'30'

**Yogendra Kumar Kabra
Chief Financial Officer**

**Place: Mumbai
Date: May 25, 2021**

FORTIS MALAR HOSPITALS LIMITED

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

Tel: 0172 5096001, Fax: 0172 5096002 Email: enquiries@fortismalar.com Website: www.fortismalar.com

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