

FMHL/SE/BM/AUGUST'22

August 2, 2022

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. August 2, 2022, *inter-alia*, considered and approved unaudited standalone and consolidated financial results of the Company for the quarter ended June 30, 2022 (“**Quarterly Results**”).

The Board Meeting commenced at 1400 Hours and concluded at 1725 Hours.

Please find enclosed Quarterly Results along with limited review reports thereon.

This is for your information and records please.

Yours faithfully
For **Fortis Malar Hospitals Limited**

Sandeep Singh
Company Secretary & Compliance Officer
Membership No. F9877
Encl.: as above

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 ENDED 30-JUNE-2022

(Rs. in lakhs except equity share data)

No.	Particulars	Standalone Quarter ended			Standalone Year ended	Consolidated Quarter ended			Consolidated Year ended
		30-June-2022	31-Mar-2022	30-June-2021	31-Mar-2022	30-June-2022	31-Mar-2022	30-June-2021	31-Mar-2022
		(Un audited)	(Audited) (Refer note 1)	(Un audited)	(Audited)	(Un audited)	(Audited) (Refer note 1)	(Un audited)	(Audited)
1	Income								
	a) Revenue from operations	2,009.74	2,261.51	2,318.09	8,617.82	2,009.74	2,261.51	2,318.09	8,617.82
	b) Other income	162.23	156.45	203.88	733.32	163.77	158.19	205.09	739.05
	Total income	2,171.97	2,417.96	2,521.97	9,351.14	2,173.51	2,419.70	2,523.18	9,356.87
2	Expenses								
	a) Purchase of medical consumables and drugs	309.16	430.62	555.76	1,726.18	309.16	430.62	555.76	1,726.18
	b) Changes in inventories of medical consumables and drugs	14.44	(41.54)	(12.71)	(23.69)	14.44	(41.54)	(12.71)	(23.69)
	c) Employee benefits expense	489.89	435.05	480.67	1,852.55	491.69	436.93	482.47	1,859.83
	d) Finance costs	155.10	154.89	172.13	655.80	155.10	154.89	172.13	655.80
	e) Professional charges / consultation fees to doctors	608.58	603.72	591.41	2,403.60	606.51	601.65	589.34	2,395.32
	f) Clinical establishment fees	150.76	167.03	170.01	637.58	150.76	167.03	170.01	637.58
	g) Depreciation and amortization expenses	301.94	323.55	308.34	1,253.17	301.94	323.55	308.34	1,253.17
	h) Other expenses	439.34	339.22	442.76	1,676.50	439.86	340.14	443.22	1,678.81
	Total expenses	2,469.21	2,412.54	2,708.37	10,181.69	2,469.46	2,413.27	2,708.56	10,183.00
3	Profit/ (loss) before tax (1-2)	(297.24)	5.42	(186.40)	(830.55)	(295.95)	6.43	(185.38)	(826.13)
4	Tax expense	-	51.19	(51.19)	-	0.32	51.55	(50.93)	1.22
	- Current tax	-	-	-	-	0.33	0.38	0.27	1.26
	- Earlier year income tax	-	-	-	-	-	(0.01)	-	(0.01)
	- Deferred tax charged/ (credit)	-	51.19	(51.19)	-	(0.01)	51.18	(51.20)	(0.03)
5	Loss after tax (3-4)	(297.24)	(45.77)	(135.21)	(830.55)	(296.27)	(45.12)	(134.45)	(827.35)
	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	16.63	7.75	(8.03)	(34.03)	16.63	7.85	(8.03)	(33.93)
	(b) Income tax relating to items that will not be reclassified to profit or loss	-	(2.23)	2.23	-	-	(2.26)	2.23	(0.03)
6	Other comprehensive income / (loss) (net of tax)	16.63	5.52	(5.80)	(34.03)	16.63	5.59	(5.80)	(33.96)
7	Total comprehensive loss for the period / year (5+6)	(280.61)	(40.25)	(141.01)	(864.58)	(279.64)	(39.53)	(140.25)	(861.31)
	Total comprehensive loss attributable to:								
	- Owners of the company	NA	NA	NA	NA	(279.64)	(39.53)	(140.25)	(861.31)
	- Non-controlling interests	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
9	Reserves excluding revaluation reserves - other equity	NA	NA	NA	5,921.30	NA	NA	NA	6,137.45
10	Earnings Per Share (EPS) based on (5) above (of Rs. 10 each) - (Not annualised in the quarters)								
	- Basic	(1.59)	(0.24)	(0.72)	(4.43)	(1.58)	(0.24)	(0.72)	(4.41)
	- Diluted	(1.59)	(0.24)	(0.72)	(4.43)	(1.58)	(0.24)	(0.72)	(4.41)

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Website: www.fortismalar.com; Email: secretarial.malar@malarhospitals.in
STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30-JUNE-2022

Notes:

- 1 The unaudited standalone and consolidated financial results for the quarter ended 30 June 2022 has been reviewed by the Audit and Risk Management Committee and subsequently approved by the Board of Directors at their respective meeting held on 2 August 2022. The above results have been subjected to limited review by the Statutory auditors of the Company. The auditors have issued an unmodified review report. Further, the standalone and consolidated figures for the quarter ended 31 March 2022 are the balancing figures between audited figures in respect of the full financial year ended 31 March 2022 and the published unaudited year to date figures upto the end of the third quarter of the previous financial year, which were subjected to limited review and were not subjected to audit.
- 2 These unaudited 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.
- 3 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").
- 4 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.
- 5 Request for regularization of the hospital building in which the Company operates was made vide an application dated 29th May 1999 to Chennai Metropolitan Development Authority ("CMDA"). In the year 2012, Land and hospital building was sold by the Company to Fortis Health Management Limited ("FHML"). Company and FHML had also simultaneously entered into a "Hospital and Medical Services Agreement" w.r.t. rendering of medical and healthcare services in the hospital premises (including right to use of the hospital building). CMDA by its Order dated 18th March 2016 ("Rejection Order") rejected the regularization application that was submitted in the year 1999. A statutory appeal was preferred in April 2016 before 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 3rd May 2016, CMDA served a "Lock & Seal" Notice stating that in view of the Rejection Order, 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 25th 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 number of actions, significant expenses and capital expenditure. During the ongoing pandemic, there were lockdowns resulting in limited and restricted access to various offices all across, which 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 20th May 2021, an update was sent to CMDA confirming that out of six requirements, as set out in their letter dated 25 August 2020, three have already been complied with and steps were underway for completion of the remaining actions. Further, the Company has obtained NOC from Airport authority of India dated 24 February 2022. While the Company is co-operating to get all the clearances, based on legal advice, Company is of the view that it is not required to bear any expenses, revenue or capital in nature, incurred towards regularization of building and for obtaining requisite clearances and certificates (or for the expenses that may be incurred in the unlikely event that the regularization 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.
- 6 In respect of Coronavirus (COVID – 19) pandemic, 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.
- 7 Figures for the prior periods / year have been reclassified/ regrouped wherever required to conform to the classification of the current periods / year.
- 8 These financial results are available on the BSE website (www.bseindia.com) and on the Company's website (www.fortismalar.com).

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

Chandrasekar R
Whole Time Director
DIN : 09414564

Place : Chennai
Date: 2 August 2022

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floors,
No.1, Harrington Road, Chetpet,
Chennai – 600 031, India

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Limited Review Report on unaudited standalone financial results of Fortis Malar Hospitals Limited for the quarter ended 30 June 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Fortis Malar Hospitals Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Fortis Malar Hospitals Limited (“the Company”) for the quarter ended 30 June 2022 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the three months ended 31 March 2022 as reported in these unaudited standalone financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Registered Office:

B S R & Co. LLP

6. We draw attention to Note 5 to the standalone financial results which describes the litigation and issues pertaining to regularisation of the hospital building in which the Company operates today pursuant to agreements with Fortis Health Management Limited ("FHML") 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 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 conclusion is not modified in respect of this matter.

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

Chartered Accountants

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

**Harsh Vardhan
Lakhotia**

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Harsh Vardhan Lakhotia

Partner

Chennai

02 August 2022

Membership No.: 222432

UDIN:22222432AOBYCD5208

B S R & Co. LLP

Chartered Accountants

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Limited Review Report on unaudited consolidated financial results of Fortis Malar Hospitals Limited for the quarter ended 30 June 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Fortis Malar Hospitals Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Fortis Malar Hospitals Limited (“the Parent”), and its subsidiary (the Parent and its subsidiary together referred to as “the Group”) for the quarter ended 30 June 2022 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the subsidiary company, Malar Stars Medicare Limited
5. Attention is drawn to the fact that the figures for the three months ended 31 March 2022 as reported in these unaudited consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Registered Office:

B S R & Co. LLP

7. We draw attention to Note 5 to the consolidated financial results which describes the litigation and issues pertaining to regularisation of the hospital building in which the Parent Company operates today pursuant to agreements with Fortis Health Management Limited ("FHML") 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 Parent 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 Parent Company is co-operating to get all the clearances, it has been legally advised that, as per the agreement between the Parent Company and 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 Parent 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 conclusion is not modified in respect of this matter.

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

Chartered Accountants

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

Harsh Vardhan
Lakhotia

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Harsh Vardhan Lakhotia

Partner

Chennai

02 August 2022

Membership No.: 222432

UDIN:22222432AOBYRH4453