



Fortis Malar Hospitals

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Email : secretarial.malar@malarhospitals.in

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FMHL/SE/BM/AUGUST'20

August 10, 2020

The General Manager
Department of Corporate Services
BSE Limited
PhirozeJeejeebhoy 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 10, 2020, *inter-alia*, considered and approved un-audited standalone and consolidated financial results of the Company for the quarter ended on June 30, 2020 along with limited review reports thereon.

Please find enclosed Un-audited standalone and consolidated financial results along with limited review reports for quarter ended on June 30, 2020.

The Board Meeting commenced at 1130 Hours and concluded at 1730 Hours.

This is for your information and records please.

Yours faithfully
For Fortis Malar Hospitals Limited

Mayank Jain

Mayank Jain
(Company Secretary & Compliance Officer)
M. No.: A26620

FORTIS MALAR HOSPITALS LIMITED

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

Tel: +91 172 5096001 Fax: +91 172 5096002 CIN: L85110PB1989PLC045948

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-2020

(Rs. in lakhs except EPS)

No.	Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Quarter ended			Consolidated Year ended	
		30-June-2020	31-Mar-2020	30-Jun-2019	31-Mar-2020	30-June-2020	31-Mar-2020	30-Jun-2019	31-Mar-2020		
		(Un audited)	(Audited) (Refer Note 5)	(Un audited)	(Audited)	(Un audited)	(Audited) (Refer Note 5)	(Un audited)	(Audited)		
1	Income										
	a) Revenue from operations	943.38	2,215.97	3,187.38	11,187.20	943.38	2,215.97	3,187.38	11,187.20		
	b) Other income	136.55	349.86	251.57	1,092.34	140.75	351.92	260.87	1,118.58		
	Total income	1,079.93	2,565.83	3,438.95	12,279.54	1,084.13	2,567.89	3,448.25	12,305.78		
2	Expenses										
	a) Purchase of medical consumables and drugs	165.02	291.73	661.09	2,097.21	165.02	291.73	661.09	2,097.21		
	b) Changes in inventories of medical consumables and drugs	5.63	12.97	14.28	34.16	5.63	12.97	14.28	34.16		
	c) Employee benefits expense	467.23	477.10	553.36	2,145.54	469.03	479.81	556.06	2,155.45		
	d) Finance costs	183.05	190.81	196.84	780.79	183.05	190.81	196.84	780.79		
	e) Professional charges / consultation fees to doctors	433.72	739.28	994.15	3,559.36	431.65	737.21	991.04	3,549.01		
	f) Clinical establishment fees	70.05	154.97	238.54	823.06	70.05	154.97	238.54	823.06		
	g) Depreciation and amortization expenses	321.06	325.73	302.22	1,253.11	321.05	325.73	302.22	1,253.11		
	h) Other expenses	382.40	707.66	663.38	2,801.88	383.35	708.84	664.07	2,806.49		
	Total expenses	2,028.16	2,900.25	3,623.86	13,495.11	2,028.84	2,902.07	3,624.14	13,499.28		
3	Loss before exceptional items and taxes (1-2)	(948.23)	(334.42)	(184.91)	(1,215.57)	(944.71)	(334.18)	(175.89)	(1,193.50)		
4	Exceptional items (refer note 6)	547.88	-	-	-	547.88	-	-	-		
5	Loss before tax (3+4)	(400.35)	(334.42)	(184.91)	(1,215.57)	(396.83)	(334.18)	(175.89)	(1,193.50)		
6	Tax expense	(105.67)	(87.60)	(51.44)	(309.88)	(105.09)	(87.53)	(48.93)	(304.14)		
	- Current tax	-	-	-	22.67	0.59	0.31	2.36	6.02		
	- Earlier year income tax	-	-	-	-	-	-	-	22.67		
	- Deferred tax	(105.67)	(87.60)	(51.44)	(332.55)	(105.68)	(87.84)	(51.29)	(332.83)		
7	Loss after tax (5-6)	(294.68)	(246.82)	(133.47)	(905.69)	(291.74)	(246.65)	(126.96)	(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 the defined benefit plans	(16.70)	(42.88)	(15.74)	(15.46)	(16.70)	(37.69)	(15.74)	(10.27)		
	(b) Income tax relating to items that will not be reclassified to profit or loss	4.65	11.93	4.38	4.30	4.65	10.58	4.38	2.95		
	Other comprehensive income / (loss) (net of tax)	(12.05)	(30.95)	(11.36)	(11.16)	(12.05)	(27.11)	(11.36)	(7.32)		
8	Total comprehensive income / (loss) for the period / year (7+8)	(306.73)	(277.77)	(144.83)	(916.85)	(303.79)	(273.76)	(138.32)	(896.68)		
	Total comprehensive income attributable to:										
	- Owners of the company	NA	NA	NA	NA	(303.79)	(273.76)	(138.32)	(896.68)		
	- Non-controlling interests	NA	NA	NA	NA	-	-	-	-		
9	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		
11	Reserves excluding revaluation reserves - other equity	NA	NA	NA	7,566.88	NA	NA	NA	7,765.24		
12	Earnings Per Share (EPS) based on (7) above (of Rs. 10 each) - (Not annualised in the quarters)										
	- Basic	(1.57)	(1.32)	(0.71)	(4.83)	(1.56)	(1.32)	(0.68)	(4.75)		
	- Diluted	(1.57)	(1.32)	(0.71)	(4.83)	(1.56)	(1.32)	(0.68)	(4.75)		



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STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30-JUNE-2020

Notes:

- 1 The unaudited standalone and consolidated financial results for the quarter ended 30 June 2020 has been reviewed by the Audit and Risk Management Committee and subsequently approved by the Board of Directors at their respective meeting held on 10 August 2020. The above results have been subjected to limited review by the Statutory auditors of the Company. The auditors have issued an unmodified review report.
- 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 The figures for the quarter ended 31 March 2020 are the balancing figures between the audited figures in respect of full financial year ended 31 March 2020 and published unaudited year to date figures upto the end of the third quarter of the previous financial year, which were subject to limited review.
- 6 Exceptional items for the quarter ended 30 June 2020 of Rs.547.88 lakhs relates to unconditional waiver/ concession of fixed clinical establishment fees for two quarters i.e (April to September 2020) 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.
- 7 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.
- 8 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 further 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 these financial results and use of the going concern basis for preparation of these financial results upto the date of approval of these financial results 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, deferral of capex along with judicious resource allocation and 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 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.
- 9 On 28 May 2020, the High Court of Judicature at Madras ('High Court') has pronounced a common order on the liability to pay Value Added Tax (VAT) under the provisions of Tamil Nadu Value Added Tax Act, 2006 on the stents, valve, x-ray etc. (except medicine) used while treating their in-house patients. High Court directed reply to be filed to notice, on the other hand has concluded on VAT applicability on prosthetics and implants. The said order pronounced disposes the writ petitions filed by the Company in 2012 against notices for proposal of revising the assessment order for assessment years from 2008-09 to 2011-12 issued by the Assistant Commissioner (CT) wherein an amount of Rs. 254.93 lakhs (Rs. 73.37 lakhs pertaining to implants) has been proposed to be demanded on 31 January 2012. The Company is awaiting for the certified copy of the final order and will file a writ appeal once the final order is received. The Company, based on legal advice, believes that the above Order / Notices issued are contestable and that the possibility of negative outcome is remote and accordingly, no adjustments are made in the financial results.
- 10 Figures for the prior periods / year have been reclassified/ regrouped wherever required to conform to the classification of the current periods.
- 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



C.K. Nageswaran
Whole Time Director
DIN: 08236347

Place : Gurugram
Date: 10 August 2020

Place : Gurugram
Date: 10 August 2020

B S R & Co. LLP

Chartered Accountants

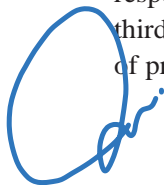
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Limited review report on unaudited quarterly standalone financial results of Fortis Malar Hospitals Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
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 2020 (“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 Listing Regulations. 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 3 months ended 31 March 2020 as reported in these 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.



B S R & Co. LLP

Limited review report on unaudited quarterly standalone financial results of Fortis Malar Hospitals Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Page 2 of 2

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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: 20222432AAAABH2458

Place: Chennai

Date: 10 August 2020

B S R & Co. LLP

Chartered Accountants

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Limited review report on unaudited quarterly consolidated financial results of Fortis Malar Hospitals Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
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 Company (the Parent and its subsidiary together referred to as “the Group”), for the quarter ended 30 June 2020, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (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 SEBI 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.

B S R & Co. LLP

Limited review report on unaudited quarterly consolidated financial results of Fortis Malar Hospitals Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Page 2 of 2

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 as reported in these 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, 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.

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: 20222432AAAABI9017

Place: Chennai

Date: 10 August 2020