

FHL/SEC/2020-21

June 11, 2020

The National Stock Exchange of India Ltd.
Corporate Communications Department
“Exchange Plaza”, 5th Floor, Bandra-Kurla
Complex, Bandra (East), Mumbai – 400051
Scrip Symbol: FORTIS**BSE Limited**
Corporate Services Department
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
Scrip Code:532843**Sub: Disclosure on impact of COVID-19 pandemic on the Business and Operations of the Company**

Dear Sir(s)/ Madam(s),

In compliance of Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circular SEBI/HO/CFD/CMD1/CIR/P/2020/84, dated May 20, 2020, please find below the impact of COVID-19 on the business and operations of the Company:

(i) Impact of COVID-19 pandemic on the business:

The lock down and travel restrictions due to COVID-19, have impacted the business and for the healthcare industry as a whole, for the following reasons:

- Patients choosing to postpone elective procedures;
- Significant drop in footfalls in Outpatients Department (OPD);
- Inter-state and intra-state movement restrictions impacting both patients and healthcare workers;
- Significant drop in the occupancy levels as a result of less patient footfalls and rising cases;
- Complete shutdown of international travel resulting in cancellation of planned surgeries of international patients;
- Fortis Hospital Vashi, Mumbai being designated as COVID-19 dedicated facility along with Fortis Hospital, Vasant Kunj, New Delhi. In addition, facilities allocating beds for COVID -19 patients have further been impacted by normal patient flows in these units;
- Precautions being taken to avoid contamination resulting in reduction in staff in attendance, moving shift timings and infrastructure challenges;
- Diagnostic volumes being impacted due to the lockdown, restriction of movement, postponement of elective treatments, low OPD footfalls and a decline in doctor consultations;
- Government regulations in certain geographies with respect to pricing and other restrictions pertaining to COVID-19 and /or non-COVID patients;

(ii) Ability to maintain operations including the factories/units/office spaces functioning and closed down:

Considering the Company falls under the category of Essential Services, none of our facilities were closed during the this lock down phase.

(iii) Schedule, if any, for restarting the operations:

Not Applicable.

(iv) Steps taken to ensure smooth functioning of operations:

- The Company started Flu Clinics in all its facilities in order to differentiate normal patients and suspected COVID-19 patients.
- Within a few days of the lock down, the Company operationalized tele/ video consulting services across network.
- Flu Kiosks were created in some hospitals where COVID-19 suspected patients undergo first level of screening without contact of Doctors
- The Company earmarked approximately 1000 beds for COVID- 19 patients across its network, with a potential to further scale up, if required.
- The diagnostics business developed segregated COVID -19 testing facilities in select exiting testing locations so as to not disrupt non-COVID patient flow.
- The diagnostics business further increased resources for Home collection of samples.
- Company undertook measures to ensure that critical equipment i.e. PPE Kits, Masks, Sanitizers, RT-PCR tests and other critical care equipment were available in its facilities both in hospitals and diagnostics labs for external and internal utilization.
- Company put in place proper screening, infection control and staff surveillance measures to reduce the chances of imported cases and nosocomial spread within the hospital.

(v) Estimation of the future impact of COVID-19 on its operations;

As the situation is still evolving rapidly, the Company is still in the process of accessing the complete impact of the pandemic on its business. It is also pertinent to note that despite current challenges, since the relaxation in lockdown restrictions in May, the Company has begun to witness early signs of a gradual increase in occupancy and other operational trends which is quite encouraging.

(vi) Details of impact of COVID-19 on listed entity's capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, internal financial controls, supply chain, demand of its product and services;

The COVID – 19 pandemic has impacted the revenues and profitability of the Company which became more evident in April 2020 with YoY occupancy in the hospital business falling to 29% versus 66 % in the corresponding previous period, impacting significantly the hospital business revenues , profitability and cash flows. The diagnostics business of the Company also witnessed a 75% drop in volumes in the month of April versus the corresponding previous period. However, with a slew of cost saving measures including voluntary salary reductions, optimization of administrative and sales and marketing costs, deferment of capex along with judicious resource allocation, the Company has been able to partly reduce the significant negative impact on business.

The Company has a well- capitalized Balance Sheet and has managed its liquidity position via cost efficiency initiatives, better working capital management and external funding. It does not expect any impact on its current ability to service debt and other financing arrangements or anticipate at present any disruptions in supply chain or any impact on internal financial controls.

With the lockdown restrictions easing in early May the Company has begun to witness signs of gradual improvement in operations but would continue to see an impact on its financials through the course of the remaining Apr- June quarter till normalization of business.



Fortis Healthcare Limited

Tower-A, Unitech Business Park, Block-F,
South City 1, Sector – 41, Gurgaon,
Haryana – 122 001 (India)

Tel : 0124 492 1033

Fax : 0124 492 1041

Emergency : 105010

Email : secretarial@fortishealthcare.com

Website : www.fortishealthcare.com

(vii) Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business;

The Company is making efforts with third parties / vendors for re-negotiation/ waivers and or deferment of its pay-out obligations. These are not expected to have any negative impact on the business. Given the present challenges, the Company has been able to successfully manage its liquidity position currently enabling it to meet its commitments as required.

(viii) Other relevant material updates about the listed entity's business: N.A.

This is for your information and records please.

Thanking you,
Yours faithfully,
For **Fortis Healthcare Limited**

Sumit Goel
Company Secretary
M. No. – F6661