

**FMHL/SEC/LODR/JULY'21**

**July 6, 2021**

BSE Limited  
Department of Corporate Services  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
Security Code: 523696

**Sub: Annual Report for the Financial Year 2020-21 and Notice of 30<sup>th</sup> Annual General Meeting under Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir,

This is in furtherance to our letter no. FMHL/SEC/LODR/JUNE'21 dated June 29, 2021 regarding, inter-alia, convening of 30<sup>th</sup> Annual General Meeting of the Company (“30<sup>th</sup> AGM”) on Thursday, July 29, 2021 through Video Conferencing/Other Audio Visual Means (“VC/OAVM”) Facility.

Please find enclosed electronic copy of the Notice of 30<sup>th</sup> AGM and Annual Report for the Financial Year 2020-21 including Audited Financial Statements (Standalone and Consolidated) for the year ended March 31, 2021 (“Annual Report”), being sent by email to those Members whose email addresses are registered with the Company/Depository Participant(s). The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide various MCA Circular(s) and SEBI Circular(s) issued in this regard. Notice of 30<sup>th</sup> AGM and Annual Report are also being uploaded on the website of the Company at [www.fortismalar.com](http://www.fortismalar.com).

This is for your information and record please.

Thanking You  
For **Fortis Malar Hospitals Limited**

**SANDEEP SINGH** Digitally signed by  
SANDEEP SINGH  
Date: 2021.07.06  
12:19:21 +05'30'

**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, Punjab – 160062

**Tel.:** No.: +91 172 5096001 Fax No.: +91 172 5096002

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

### NOTICE

**Notice** is hereby given that the **Thirtieth Annual General Meeting** of **Fortis Malar Hospitals Limited** will be held on Thursday, July 29, 2021 at 2.00 P.M. (IST) through Video Conferencing / Other Audio Visual Means ("VC / OAVM") Facility to transact following business:

#### ORDINARY BUSINESS

1. To consider and adopt the Audited Standalone Financial Statements of the Company together with the Report of Board and Auditors thereon and the Audited Consolidated Financial Statements of the Company including Report of Auditors thereon for the Financial Year ended on March 31, 2021.
2. To appoint a Director in place of Dr. Nithya Ramamurthy (DIN: 00255343), who retires by rotation and being eligible, offer herself for re-appointment as Director.

#### SPECIAL BUSINESS

3. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Cost Records and Audit) Rules, 2014, remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand only) plus out of pocket expenses and taxes, being paid to M/s. Jitender, Navneet & Co., Cost Auditors appointed by the Board of Directors, to conduct the audit of the cost records of the Company, for the Financial Year ended March 31, 2021, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By the Order of the Board  
For **Fortis Malar Hospitals Limited**

**Date: May 25, 2021**

**Place: Gurugram**

**Sandeep Singh**  
Company Secretary

#### NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") for the matter included in the notice, which is unavoidable and therefore proposed for seeking approval at AGM, is enclosed herewith.
2. Pursuant to provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and secretarial standards, the particulars of Director seeking appointment/re-appointment at this Annual General Meeting are annexed to the Notice.
3. In view of the massive continuing outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular no. SEBI / HO / CFD / CMD1 / CIR / P2020 / 79 dated May 12, 2020, SEBI / HO / CFD2 / CIR / P / 2021 / 11 dated January 15, 2021 issued by the Securities Exchange

Board of India ("SEBI Circulars") and in compliance with provisions of the Act and Listing Regulations, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM. The deemed venue for the 30<sup>th</sup> AGM shall be registered office of the Company.

4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM / AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC / OAVM and participate there at and cast their votes through e-voting.
5. Shareholders who will participate in the AGM through VC / OAVM can also pose question/feedback through question box option. Such questions by the Members shall be taken up during the meeting or shall be replied suitably, after the meeting by the Company.
6. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation upto 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend 30<sup>th</sup> AGM without any restriction on account of first-come-first-served principle.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

8. Attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
10. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the AGM through VC / OAVM Facility and e-Voting during the 30<sup>th</sup> AGM.
11. The Company has fixed, July 22, 2021 as the Cut-off Date for remote e-voting. The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. July 22, 2021 only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

**12. The instructions for members for remote e-voting and joining AGM are as under: -**

The remote e-voting period begins on July 26, 2021 at 9:00 A.M. and ends on July 28, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 22, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 22, 2021.

**I. INSTRUCTIONS FOR REMOTE e VOTING USING NSDL E-VOTING SYSTEM**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of MCA Circulars and SEBI Circulars on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<p>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at [https://eservices.nsdl.com /](https://eservices.nsdl.com/) with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf

- file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.
- b. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "**Join General Meeting**".
  - c. Now you are ready for e-Voting as the Voting page opens.
  - d. Cast your vote by selecting appropriate options i.e. assent/for or dissent/against, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  - e. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  - g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
  - h. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

## II. GENERAL GUIDELINES FOR SHAREHOLDERS

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- a. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- b. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800



22 44 30 or Ms. Soni Singh, Assistant Manager, NSDL, at designated e-mail IDs: evoting@nsdl.co.in, who will address the grievances related to electronic voting.

### III. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

- a. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company's email id i.e. secretarial.malar@malarhospitals.com or by sending an email to Kfintech (Registrar and Share Transfer Agent ("RTA") at einwards.ris@kfintech.com.
- b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial.malar@malarhospitals.com or by sending an email to Kfintech (Registrar and Share Transfer Agent ("RTA") at einwards.ris@kfintech.com.. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- c. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

### IV. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- c. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### V. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b. Members are encouraged to join the Meeting through Laptops for better experience.
- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

13. Members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company latest by July 25, 2021 through email on secretarial.malar@malarhospitals.in. Such questions shall be taken up during the meeting or replied by the Company suitably.

Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client

- ID/Folio no, No. of shares, PAN, mobile number at secretarial.malar@malarhospitals.in on or before July 25, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.
14. During 30<sup>th</sup> AGM, members may access scan copy of Register of Director and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contract and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon login into NSDL e-voting system at <https://www.evoting.nsdl.com>
  15. Pursuant to Sections 205A and 205C of the Companies Act, 1956 and/ or Section 123 of the Companies Act, 2013 and other applicable provisions, if any, all unclaimed/ unpaid application money etc. remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company, will be / have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Any person may claim the shares or apply for refund, as the case may be, to the Authority by submitting an online application in Form IEPF-5 available on the website [www.jepf.gov.in](http://www.jepf.gov.in) along with fee specified by the Authority.
  16. The Board of Directors has appointed Mr. Ramit Rastogi, Company Secretary in whole-time practice (C.P. No. 18465), as Scrutiniser to scrutinise the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.  
The Scrutiniser shall, after conclusion of voting at the AGM, first download votes cast at the Meeting and thereafter unblock votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall within 48 hours of conclusion of the AGM, submit a Consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or an authorised person who shall countersign the same and declare the results of voting forthwith.
  17. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions. The results shall be declared within 48 hours after the Annual General Meeting of the Company. The results along with Scrutiniser's Report shall be placed on the website of the Company ([www.fortismalar.com](http://www.fortismalar.com)), website of NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) and by filing with the Stock Exchange.
  18. In respect of the physical shareholding, in order to prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar of any change in their addresses, telephone numbers, e-mail ids, nominees or joint holders, as the case may be.  
The Securities and Exchange Board of India ('SEBI') has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.
  19. Pursuant to the Listing Regulations, shares of a listed entity can only be transferred in demat form w.e.f. April 1, 2019 except in cases of transmission or transposition. Therefore, shareholders are encouraged in their own interest to dematerialise their shareholding to avoid hassle in transfer of shares and eliminate risks associated with physical shares. Members can write to the Registrar in this regard.
  20. Pursuant to the provisions of Section 72 of the Act, the members holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Members holding shares in demat form may contact their respective Depository Participants for availing this facility and the Registrar in respect of shares held in physical form.
  21. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut- off date of July 22, 2021.
  22. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 30<sup>th</sup> AGM by email and holds shares as on the cut-off date i.e. July 22, 2021, may obtain the User ID and password by sending a request to the Company's email address [secretarial.malar@malarhospitals.in](mailto:secretarial.malar@malarhospitals.in). However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)



23. During 30<sup>th</sup> AGM, the Chairman shall, after response to questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.
24. In line with the MCA Circulars/SEBI Circulars, the Notice calling the AGM has been uploaded on the website of the Company at [www.fortismalar.com](http://www.fortismalar.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).

## EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act, 2013)

### Item No. 3

The Board, on the recommendation of the Audit & Risk Management Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ended on March 31, 2021 as per the following details:

Name of the Cost Audit Firm	Amount (In ₹)
M/s. Jitender, Navneet & Co, Cost Accountants	75,000/- (plus out of pocket expenses and taxes)

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit and Risk Management Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended March 31, 2021.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice except to the extent of their respective shareholding, (if any).

The Board recommends the Ordinary Resolution set out in the accompanying Notice for approval by the Members.

By Order of the Board  
For **Fortis Malar Hospitals Limited**

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

**Sandeep Singh**  
Company Secretary

## DETAILS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard-2]

Dr. Nithya is a Senior Consultant Obstetrician & Gynaecologist having more than 38 years of rich experience as a medical professional. She has worked as Medical Officer at Government Hospital, Serambun, West Malaysia and then worked as Director & Obstetrician & Gynaecologist at Malar Polyclinic, Chennai. Later, she has promoted Malar Hospitals (now Fortis Malar Hospitals) along with her husband.

Dr. Nithya Ramamurthy specialises in Gynaecology & Obstetrics and also holds the record performing over 10,000 Laparoscopic Surgeries. She is also a member of 'Inner Wheel of India' and Member of 'Federation of Obstetrician & Gynaecologists Association', South India.

Original date of appointment: May 1, 2006

Shareholding in the Company as on March 31, 2021: 8,59,377

Dr. Nithya is not related to any other Director and/or Key Managerial Personnel of the Company. During the financial year 2020-21, Dr. Nithya attended seven Board meetings.

Directorships held in other Companies (excluding foreign companies) as on date along with Memberships/ Chairmanships of committees of other companies (only Audit Committee and Stakeholders Relationship Committee): None

Dr. Nithya is a Non-Executive Director liable to retire by rotation. Details of sitting fees paid to her has been disclosed in Form MGT-9 forming part of the Board Report.

None of the Directors or Key Managerial Personnel (KMP) or their relatives except Dr. Nithya, herself, are concerned or interested, financially or otherwise, in the Resolution at Item No. 2 of the accompanying Notice, except to the extent of their respective shareholding, if any.

The Board recommends the Ordinary Resolution set out in the accompanying Notice for approval by the Members.

நன்றி  
धन्यवाद  
धन्यवाद  
നന്ദി  
**THANK YOU**  
ಧನ್ಯವಾದಗಳು  
நன்றி  
उगाडा पंढरास

A BIG THANK YOU FROM A GRATEFUL NATION TO OUR  
**FRONTLINE WARRIORS**

**ANNUAL REPORT 2020-21**



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## Investor Information

BSE code: 523696

AGM date: July 29, 2021

AGM mode: Video Conferencing (“VC”) /  
Other AudioVisual Means (“OAVM”)

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For online version of this annual report, please visit:

<https://www.fortismalar.com>

Or simply scan







# CORPORATE INFORMATION

## Board of Directors

Mr. Daljit Singh, Chairman

Mr. C.K. Nageswaran

Ms. Shailaja Chandra

Dr. Nithya Ramamurthy

Mr. Ramesh Lakshman Adige

Mr. Ravi Rajagopal

## Company Secretary and Compliance Officer

Mr. Sandeep Singh

## Chief Financial Officer

Mr. Yogendra Kumar Kabra

## Statutory Auditors

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floor,

No 1, Harrington Road, Chetpet,

Chennai 600 031, India

## Registered Office

Fortis Hospital, Sector 62, Phase VIII,

Mohali, Punjab- 160062

Ph.: +91-172-5096001, Fax: +91-172-5096002

Email Id: secretarial.malar@malarhospitals.in

Website: www.fortismalar.com

## Registrar and Transfer Agent

KFin Technologies Private Limited

Selenium, Tower B,

Plot No. 31 & 32, Financial District,

Nanakramguda, Seelingampally Mandal

Hyderabad-500032

Phone No. - +91 40 6716 2222

Fax No. - +91 40 23431551.

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com



# BOARD OF DIRECTORS



**Mr. Daljit Singh**  
Non-Executive Director  
and Chairman



**Mr. C.K Nageswaran**  
Whole-time Director



**Ms. Shailaja Chandra**  
Independent Director



**Dr. Nitya Ramamurthy**  
Non-Executive Director



**Mr. Ramesh L Adlge**  
Independent Director



**Mr. Ravi Rajagopal**  
Independent Director



Fortis Malar, Chennai, is today recognised as a world-class institution in the healthcare space, thanks to the painstaking efforts of a wonderful team comprising of dedicated doctors, nurses, paramedics, support staff and hospital administrators.

Daljit Singh, Chairman

# CHAIRMAN'S MESSAGE

Dear Shareholders,

I am honoured to present the results of your Company for the year ended March 31 2021.

At the very outset, I would like to put on record the Board's sincere thanks and appreciation for all our doctors, nurses and staff members, who have been battling the COVID-19 pandemic relentlessly. Their great personal sacrifices and resolute commitment towards patients in spite of the significant personal risk is both humbling and inspiring.

The financial year under review was very challenging for your Company. Several key specialists had decided to move on in FY2019-20. In addition, the COVID-19 pandemic added yet another level of complexity. Occupancy remained low during the first quarter because of the Government mandated lockdown. By the second quarter, your Company commenced admission of COVID-19 patients, which hit a peak in October. By December 2020, the COVID-19 admissions had started waning and reduced to negligible levels by February 2021. However, with the second COVID-19 wave hitting the country, an uptick in the number of COVID-19 admissions was observed in the last fortnight of March 2021. I am happy to share that your Company was able to treat more than 650 COVID-19 positive patients till March 31, 2021, with over 96% success rate.

In February 2021, your hospital started community vaccination services for the public and by March 31, we had completed around 1,350 vaccinations.

Throughout the lockdown period, your hospital's consultants and other staff worked hard and continued to provide medical services to the public. Your hospital commenced tele-consults with OPD patients.

Given the precarious situation, the leadership had to take some difficult decisions. Both clinical as well as non-clinical costs were reduced to make up for the lower revenues. All consultants and top ranking administrative staff took voluntary salary cuts during the year at different points in time. To achieve further efficiencies in our manpower cost structure, the total headcount was appropriately optimised, which also resulted in substantial savings in our personnel costs during the year. Despite such stringent cost controls, your Company faced a stiff challenge in getting back to profitability, as the regular



I am happy to share that your Company was able to treat more than 650 COVID-19 positive patients till March 31, 2021, with over 96% success rate.



non-COVID occupancy came down to around 40% from the pre-COVID levels.

During the year, your Company achieved Annual Revenue of ₹ 77.49 Crores as against ₹ 123.06 Crores in the previous financial year. Profit / (Loss) before tax was ₹ (-)11.31 Crores as compared to ₹ (-)11.93 Crores in the previous financial year. Net profit / (loss) after tax was ₹ (-)7.87 Crores compared to ₹ (-)8.89 Crores in the previous financial year. The average revenue per occupied bed (ARPOB) stood at ₹ 144 Lakhs in FY 2020-21 as against ₹ 171 Lakhs in FY 2019-20. The average length of stay (ALOS) was 5.27 days in FY 2020-21 compared to 4.02 days in FY 2019-20.

Your hospital has continued to uphold its commitment towards patients in spite of the severe headwinds. We assure you that we will continue to do our best for all our stakeholders in the year ahead. I thank you for your continued support and I am sure that we shall soon turn the tide, emerging stronger, more resilient and vibrant than ever before.

With warm regards,

**Daljit Singh**  
Chairman  
Fortis Malar Hospitals Limited

# BOARD REPORT

Dear Members,

Your Directors have pleasure in presenting their 30<sup>th</sup> Annual Report of Fortis Malar Hospitals Limited (“the Company”) along with Audited Standalone and Consolidated Financial Statement and Auditors’ Report thereon for the Year ended March 31, 2021.

## FINANCIAL RESULTS

The highlights of Consolidated and Standalone Financial Summary of your Company are as follows:

(₹ in Lakhs)

Particulars	Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations	6,924.41	11,187.20
Other Income	825.09	1,118.58
<b>Total Income</b>	<b>7,749.50</b>	<b>12,305.78</b>
Total Expenses	7,558.09	11,465.38
<b>Profit before Finance Charges, Taxes, Depreciation &amp; Amortisation (EBITDA)</b>	<b>191.41</b>	<b>840.40</b>
Less: Finance Charges, Depreciation & Amortisation	2,007.42	2,033.90
<b>Profit / (Loss) before exceptional item and tax</b>	<b>(1,816.01)</b>	<b>(1,193.50)</b>
Exceptional items	684.85	0.00
<b>Profit / (Loss) before tax</b>	<b>(1,131.16)</b>	<b>(1,193.50)</b>
Less: Tax Expenses	(344.29)	(304.14)
<b>Profit / (Loss) for the year</b>	<b>(786.87)</b>	<b>(889.36)</b>
Other Comprehensive Income (Net of Taxes)	20.39	(7.32)
Total Comprehensive Loss for the year	(766.48)	(896.68)

(₹ in Lakhs)

Particulars	Standalone	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations	6,924.41	11,187.20
Other Income	808.12	1,092.34
<b>Total Income</b>	<b>7,732.53</b>	<b>12,279.54</b>
Total Expenses	7,556.62	11,461.21
<b>Profit before Finance Charges, Taxes, Depreciation &amp; Amortisation (EBITDA)</b>	<b>175.91</b>	<b>818.33</b>
Less: Finance Charges, Depreciation & Amortisation	2,007.42	2,033.90
<b>Profit / (Loss) before exceptional item and tax</b>	<b>(1,831.51)</b>	<b>(1,215.57)</b>
Exceptional items	684.85	0.00
<b>Profit / (Loss) before tax</b>	<b>(1,146.66)</b>	<b>(1,215.57)</b>
Less: Tax Expenses	(345.33)	(309.88)
<b>Profit / (Loss) for the year</b>	<b>(801.33)</b>	<b>(905.69)</b>
Other Comprehensive Income (Net of Taxes)	20.33	(11.16)
Total Comprehensive Loss for the year	(781.00)	(916.85)

## BOARD REPORT (Contd.)

### STATE OF COMPANY'S AFFAIR, OPERATING RESULTS AND PROFITS

Fortis Malar Hospital (formerly known as Malar Hospital) was acquired by Fortis Group in early 2008. The hospital founded in 1989, has established itself as one of the largest corporate hospitals in Chennai, providing quality super specialty and multi-speciality healthcare services. With a total bed-strength of 170, including 50 ICU beds, the hospital focuses on providing comprehensive medical care in the areas of Cardiology and Cardiac Surgery, Neuro Surgery, Gynaecology, Orthopedics, Gastroenterology, Neurology, Pediatrics, Diabetics, Nephrology and Internal Medicine.

Fortis Malar Hospital has a state of the art Cath Lab and multiple dedicated cardiac operation theatres and intensive coronary care units. Several rare and complex Adult and Pediatric, Cardiac surgeries, Orthopedic and Joint replacements, Neurosurgeries and Plastic reconstruction surgeries have been performed at this hospital. The hospital's Obstetrics and Gynaecology services are among the busiest in the city, successfully performing many complicated deliveries and surgeries. They are supported by a dedicated Neonatology unit.

The company entered the financial year on the back of exits of key clinicians the previous year. The first quarter saw extremely low occupancy due to the Government mandated lockdown. By end of June we started admitting Covid-19 patients and the end of the year, the company had treated more than 650 Covid patients with more than 96% success rate. Occupancy peaked to a high of 54% in October, when Covid was at its peak. Covid occupancy came to almost negligible levels by mid-February – but by March 15, 2021 the second wave of Covid infections had started.

During this entire time, the fear of getting infected while visiting a hospital took hold of all patients – Non-Covid Out-patient footfalls dropped by 30%, while elective surgeries were being postponed. As a result, the overall business saw a dip as compared to the previous year.

### SIGNIFICANT MATTERS DURING THE YEAR UNDER REVIEW

#### OPEN OFFER

Pursuant to execution of Share Subscription Agreement on July 13, 2018 ("SSA"), Northern TK Venture Pte Limited ("NTK" or the "Acquirer"), a wholly owned subsidiary of IHH Berhad, subscribed to 235,294,117 new equity shares of Fortis Healthcare Limited ("FHL") with a face value of ₹ 10 each ("Subscription Shares"), constituting approximately 31.1% of the total voting equity share capital of FHL on a fully diluted basis ("Expanded Voting Share Capital") for a total consideration of ₹ 4,000 Crores and FHL issued and allotted the Subscription Shares by way of preferential allotment in accordance with the terms of the SSA ("Subscription"). As a consequence of the Subscription, the Acquirer together with IHH Healthcare Berhad ("PAC 1") and Parkway Pantai Limited ("PAC 2"), (collectively referred to as the "PACs") made a mandatory open offer, by filing a public announcement dated July 13, 2018. The Subscription was completed in accordance with the terms of the SSA on November 13, 2018 and NTK became the controlling shareholder of FHL.

As a consequence of the Subscription, NTK was required to carry out the following:

- (i) A mandatory open offer for acquisition of up to 197,025,660 equity shares of face value of ₹ 10 each in FHL, representing additional 26% of the Expanded Voting Share Capital of FHL, at a price of not less than ₹ 170 per share ("Fortis Open Offer") or such higher price as required under the Securities and Exchange Board of India ("SEBI") (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations"); and
- (ii) In light of the acquisition of the controlling stake of FHL, a mandatory open offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of ₹ 10 each in Fortis Malar Hospitals Limited ("Malar"), representing 26% of the paid-up equity shares of Malar at a price of ₹ 60.10 per share ("Malar Open Offer"). The Malar Open Offer is subject to the completion of the Fortis Open Offer.

On December 14, 2018, Hon'ble Supreme Court of India passed an order in the matter of "Mr. Vinay Prakash Singh v. Sameer Gehlaut & Ors.", directing "status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained" ("Order"). Pursuant thereto, decision was taken not to proceed with the Fortis Open Offer and Malar Open Offer until further order(s) / clarification(s) / direction(s) are issued by the Hon'ble Supreme Court of India. As of May 12, 2021, the hearings in the Supreme Court have been concluded and the judgement/order has been reserved.

## BOARD REPORT (Contd.)

### RECLASSIFICATION OF PROMOTERS

The Company received a request letter ("FHSL Letter") from Fortis Hospitals Limited ("FHSL") (immediate holding company and one of the Promoters) stating that FHSL is a wholly owned subsidiary of Fortis Healthcare Limited ("FHL") and FHL, vide its letter FHL/SEC/2019-20 dated June 03, 2019 captioned "Reclassification of Promoters", intimated to stock exchanges [viz. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE")] regarding the approval granted by the stock exchanges viz. BSE & NSE for reclassification of the following promoters as public shareholders: Malvinder Mohan Singh – Trust, Harpal Singh, Abhishek Singh, Malvinder Mohan Singh, Shivinder Mohan Singh, Fortis Healthcare Holdings Private Limited, Malav Holdings Private Limited, RHC Holding Private Limited ("Erstwhile Promoters of FHL") and that the only remaining promoter of FHL is Northern TK Venture Pte. Limited ("NTK"). Further, Securities and Exchange Board of India ("SEBI"), had on October 17, 2018, December 21, 2018, March 19, 2019 and June 28, 2019 ("SEBI Orders"), directed that Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh shall not associate themselves with the affairs of FHL and FHSL in any manner whatsoever, till further directions. FHSL, being Promoter and largest shareholder of the Company, is holding 11,752,402 equity shares representing 62.71% stake in the Company. Further, other than FHSL, following entities are Promoter / Promoter Group Companies ("Identified Promoter / Promoter Group") of the Company:

Sl. No.	Name	PAN	Number of shares held on March 31, 2021
1	PS Trust (Acting and Represented by its trustees, Mr. Malvinder Mohan Singh and Dr. Shivinder Mohan Singh)	AACTP6651N	100
2	Fortis Healthcare Holdings Private Limited	AAACF6715A	100
3	Oscar Investments Limited	AAACO1722C	0
4	Shivi Holdings (P) Limited	AAACO2664H	100
5	RHC Finance Private Limited	AAACW7196C	100
6	Todays Holdings Private Limited	AACCT7136K	100
7	Malav Holdings Private Limited	AADCM1170B	0
8	RHC Holding Private Limited	AAKCS7686P	0

In view of the letter received from FHSL and the facts stated herein above, the Board considered the same and empowered certain officials to issue letters to Identified Promoter / Promoter Group for intimating the decision of the Company with respect to reclassification of status of said members as public shareholders. Identified Promoters did not respond to the letters and emails sent by the Company on August 5, 2019 seeking their respective consent with respect to their reclassification. Therefore, the Board accorded its approval for proceeding with reclassification of said Identified Promoters and the said proposal was also approved by the shareholders of the Company. The Company made an application with said effect with BSE Limited for its approval.

BSE informed the Company vide its email dated January 21, 2021 to file an application for reclassification of promoters with SEBI under regulation 102 of LODR Regulations. Accordingly, Company has submitted application for reclassification of promoters with SEBI. Further, SEBI has granted exemption vide letter no. SEBI/HO/CFD/CMD1/OW/2021/2489/1/M dated March 23, 2021 from the applicability of the procedural requirements specified at Regulation 31A(3)(a)(i) and 31A(8)(a) and (b) of SEBI LODR. Further, the Company has been advised to ensure compliance with all other provisions of regulation 31 A of the LODR Regulations for reclassification of promoters. As on date of this Board Report matter is pending before BSE.

### OPERATIONAL AND FINANCIAL PERFORMANCE

Your company achieved a consolidated total income of ₹ 77.49 Crores during the current year as against ₹ 123.06 Crores in the corresponding financial year ended March 31, 2020. EBITDA for the year stood at ₹ 1.91 Crore compared to ₹ 8.40 Crore for the previous corresponding year. The Profit / (Loss) before exceptional and tax for the period stood at ₹ (18.16) Crores as against ₹ (11.93) Crores during the corresponding year. The Profit / (Loss) before tax for the period stood at ₹ (11.31) Crores as against ₹ (11.93) Crores during the corresponding year. Profit / (Loss) for the year stood at ₹ (7.87) Crores in the current financial year compared to ₹ (8.89) Crores in the previous year.



## BOARD REPORT (Contd.)

Regarding the key performance indicators, the Company's average revenue per occupied bed (ARPOB) for the current year stood at ₹ 144 Lakhs as against ₹ 171 Lakhs in the previous year. The average length of stay (ALOS) was at 5.27 days in Financial Year 2020-21 compared to 4.02 days in Financial Year 2019-20. Occupancy of the hospital during the year was at 36% as compared to 48% in the previous year. There has been no change in the nature of business of the Company during the year under review.

### DIVIDEND AND TRANSFER TO RESERVES

The Board of Directors of your Company has not recommended any dividend for the FY 2020-21. Accordingly, there has been no transfer to General Reserves.

### LOANS / ADVANCES / INVESTMENTS / GUARANTEES

Particulars of Loans / Advances / Investments / Guarantees given & outstanding during FY 2020-21 are mentioned in notes to financial statements.

### PUBLIC DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public pursuant to the provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF FY 2020-21 AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of FY 2020-21 and date of the report.

### STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has in place adequate internal financial controls with reference to financial statements. During the year such controls were tested and no reportable material weakness in the design or operation was observed.

### DETAILS OF SUBSIDIARY

During the year under review, your Company has only one subsidiary Company i.e. Malar Stars Medicare Limited. Main object of the said wholly-owned subsidiary company include setting up, managing / administering hospital(s) and to provide Medicare and Healthcare services.

Further note that the Board of Directors has adopted a policy for determining "material subsidiary" pursuant to Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is available at <https://www.fortismalar.com/investor-relations/investorcatdetails/policies-other-documents1>

Basis the Consolidated Audited Annual Accounts of the Company for FY 2020-21, your Company has no "material subsidiary" in terms of the said policy and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANY

Consolidated financial statements of your Company and its subsidiary, prepared in accordance with applicable Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, forms part of the Annual Report. In terms of Section 136 of the Companies Act, 2013, financial statements of the subsidiary company will be provided to any shareholder of the Company who asks for it and said annual accounts will also be kept open for inspection at the registered office of the Company and that of subsidiary. Performance and financial position along with contribution of the subsidiary to the overall performance of your Company which also included in the Consolidated Financial Statements of the Company is mentioned below: -

## BOARD REPORT (Contd.)

### FORM NO. AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures  
Part A: Subsidiaries

(₹ in Lakhs)

S. No.	Particulars	Year ended March 31, 2021
1	Name of the subsidiary	MALAR STARS MEDICARE LIMITED
2	The date since when subsidiary was acquired	N.A.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period same as Holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.
5	Share Capital	5.00
6	Reserves & Surplus	212.88
7	Total Assets	225.66
8	Total Liabilities	7.78
9	Investments	Nil
10	Turnover	8.28
11	Profit before Taxation	15.50
12	Provision for Taxation	1.04
13	Profit after Taxation	14.46
14	Proposed Dividend	None
15	Extent of Shareholding (in percentage)	100%

#### Notes:

1. Name of subsidiaries which are yet to commence operation – None
2. Name of subsidiaries which have been liquidated or sold during the year – None

#### Part B: Associates and Joint Ventures

As on March 31, 2021, the Company does not have any associate Company and / or Joint Venture.

#### For and on behalf of the Board of Directors of Fortis Malar Hospitals Limited

**Daljit Singh**  
Chairman  
DIN 00135414

**Yogendra Kumar Kabra**  
Chief Financial Officer

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

**Sandeep Singh**  
Company Secretary & Compliance Officer  
Membership No. F9877

## BOARD REPORT (Contd.)

### CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act, 2013 and applicable Indian Accounting Standard ('Ind-AS'), the audited consolidated financial statement is provided in the Annual Report.

### AUDITORS

#### 1. STATUTORY AUDITOR

The Board of Directors, considering the size and requirement of the Company, approved the appointment of M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), upon recommendations of Audit and Risk Management Committee, for a period of five years to conduct statutory audit of the Company for the Financial Years commencing from April 1, 2019 to March 31, 2024. The said appointment was approved by the shareholders at their 28<sup>th</sup> Annual General Meeting, accordingly they hold the office of statutory auditor from 28<sup>th</sup> Annual General Meeting until the conclusion of 33<sup>rd</sup> Annual General Meeting to be held in year 2024.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### 2. COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with the relevant rules made thereunder or any amendments thereof, the Company is required to maintain cost records and accordingly such accounts and records are made and maintained by the Company in respect of its hospital activity and the same is required to be audited. Your Board had, upon the recommendation of the Audit & Risk Management Committee, appointed M/s Jitender, Navneet & Co., Cost Accountants to audit the cost accounts of the Company for FY 2020-21 at a remuneration of upto ₹ 75,000 (Rupees Seventy Five Thousand) plus taxes and out-of-pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s Jitender, Navneet & Co., Cost Auditors is included in Notice convening the Annual General Meeting.

The Notes referred to in the Cost Auditors' Report are self-explanatory and do not call for any further comments. The Cost Auditors' Report does not contain any qualification, reservation or adverse remark.

#### 3. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Mukesh Agarwal & Co., Practicing Company Secretary to undertake the Secretarial Audit of the Company. It is hereby confirmed that the Company has complied with the provisions of SS-1 i.e. Secretarial Standard on meetings of Board of Directors and SS-2 i.e. Secretarial Standard on General Meetings. The Report of the Secretarial Auditor for the FY 2020-21 does not contain any qualification, reservation or adverse remark and it is annexed herewith as "Annexure I".

#### 4. INTERNAL AUDITOR

Upon the recommendation of the Audit and Risk Management Committee, the Board of Directors had appointed Mr. Rajiv Puri, Head Risk and Internal Audit of the Holding Company, as the Chief Internal Auditor of the Company and authorised him to engage independent firms for conducting the internal audit. Accordingly, EY was engaged to perform Internal Audit for the Company for FY 2020-21.

During the period under review no fraud was reported by the above stated Auditors.

### SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During FY 2020-21, there was no significant material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

## BOARD REPORT (Contd.)

### CHANGE IN THE NATURE OF BUSINESS

During FY 2020-21, there was no change in the nature of the business of the Company.

### STOCK OPTIONS AND CAPITAL STRUCTURE

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the ESOP Scheme of the Company in accordance with the applicable SEBI Guidelines. Each option when exercised would be converted into one fully paid up equity share of ₹ 10 each of the Company.

The Company has not made any provision of money for purchase of, or subscription for, its own shares or of its holding Company.

Pursuant to the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended from time to time, the details of stock options as on March 31, 2021 under the "Malar Employees Stock Option Plan 2008" are set out in the "Annexure-II" to this Board' Report.

The certificate from the Statutory Auditors of the Company stating that the Schemes have been implemented in accordance with the SEBI Guidelines would be placed at the Annual General Meeting for inspection by members.

The details pertaining to shares in suspense account are specified in the report of Corporate Governance forming part of the Board Report.

### EXTRACT OF ANNUAL RETURN

Extract of Annual Return is annexed herewith as "Annexure III".

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Particulars required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, regarding Conservation of Energy, Technology Absorption and Foreign Exchange is given in "Annexure IV", forming part of the Board Report.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Management has the overall responsibility to design, implement and monitor an effective control environment that is aligned to the operating environment and inherent business risks. The internal control system has been designed to commensurate with the nature of business, size and complexity of operations and is monitored by the management to provide reasonable assurance on the achievement of objectives, effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

An entity level control framework sets the control philosophy and principles which guide the organisation policy and operating processes. Your Company has institutionalised a robust process and internal control system commensurate with its size and operations. The organisational hierarchy, role, responsibility, authority and accountability structures have been defined to provide an enabling environment for business functions and units to operate as per the designed control environment. Review and oversight procedures are designed to monitor effective adherence to design.

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and through its observations provides an input to the management to support continuous improvement program. The internal audit program is managed by an Internal Audit function directly reporting to the Audit & Risk Management Committee of the Board.

The scope and authority of the Internal Audit Function is derived from the Audit Charter approved by the Board. The Internal Audit function develops an internal audit plan to assess control design and operating effectiveness, as per the risk assessment methodology.

The Internal Audit function provides assurance to the Board and management that a system of internal control is designed and deployed to manage key business risks and is operating effectively. For the identified observations, management provides an action plan to address the process and control deficiencies noted in the internal audit reviews and action plans are monitored for compliance by the Internal Audit Function under the supervision and guidance of the Audit and Risk Management Committee.

## BOARD REPORT (Contd.)

### CORPORATE SOCIAL RESPONSIBILITY –JOURNEY THROUGH THE YEAR (2020-21)

As a responsible corporate citizen and a member of the Indian healthcare ecosystem, your Company strongly believe that we can meaningfully alleviate the problem of inequitable access to quality healthcare. By creating and supporting social sector programmes linked to health and well-being, we seek to leverage our skills, experience, capabilities, technologies and facilities to address a critical social need for the vulnerable sections of society. We have continuously enabled programmes and initiatives, based on rigorous needs assessment, leading creating social awareness and change in the communities.

The CSR initiatives of your Company are focussed on contributing to need based program through Trust / NGO / Society focussed on need-based programs for the community. The CSR activities are carried out in a collaborative and inclusive manner not only to align and synergise the social enterprise work of the group companies but also to expand their circle of partnerships with Government, Non-Government Organisations (NGOs), other corporates and individuals.

However, during the Financial Year under review, your Company did not have any obligation to make CSR contribution, hence, no initiatives have been taken during the year.

The details of particulars pursuant to Section 134(3)(o) of the Companies, Act, 2013 read with rule 9 of the Companies (CSR) Rules, 2014 is given in '**Annexure - V**', forming part of this report.

### DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Dr. Nithya Ramamurthy, Director is liable to retire by rotation at the ensuing Annual General Meeting and has offered herself for re-appointment. On the recommendation from Nomination & Remuneration Committee, the Board has recommended her re-appointment as a director liable to retire by rotation. As required under Regulation 36 of SEBI LODR and Secretarial Standard information or details of Dr. Nithya Ramamurthy are provided in the Notice convening the ensuing Annual General Meeting.

During the period under review, the Board of Directors has appointed Ms. Shailaja Chandra as non-executive Independent Director on the Board of the Company w.e.f. March 10, 2021 for a period of 5 years. Ms. Shailaja Chandra being above 75 years of age, her appointment was also approved by the shareholders of the Company by way of Special Resolution through postal ballot.

Further, during the period under review, the Board has appointed Mr. Mayank Jain as Company Secretary of the Company w.e.f. April 3, 2020 and Mr. Yogendra Kumar Kabra as Chief Financial Officer w.e.f. June 13, 2020.

During the period under review, Mr. Murai Pejaver, Independent Director, resigned from the office of Independent Director of the Company with effect from January 18, 2021, Mr. Shashak Porwal resigned from the office of Company Secretary of the Company w.e.f. April 3, 2020, Mr. Saravanan Venkatesan resigned from the position of Chief Financial Officer w.e.f. closing hours of June 12, 2020 and Mr. Mayank Jain has resigned from the office of Company Secretary of the Company w.e.f. closing hours of March 31, 2021.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and the SEBI (Listing Agreement and Disclosure Requirements) Regulations, 2015.

Post closure of Financial Year 2020-21, your Company has appointed Mr. Sandeep Singh as Company Secretary and Compliance Officer of the Company and designated him as Key Managerial Personnel of the Company w.e.f. May 25, 2021.

There is no inter-se relationship between the Board Members.

As on the date of the report, Mr. C K Nageswaran, Whole-time Director, Mr. Yogendra Kumar Kabra, Chief Financial Officer and Mr. Sandeep Singh, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company.

During FY 2020-21, seven meetings were held by the Board of Directors. The details of board / committee meetings and the attendance of Directors are provided in the Corporate Governance Report forming part of the Annual Report.

Disclosures regarding the following are also mentioned in report on Corporate Governance:

1. Composition of Committee(s) of the Board of Directors and other details;
2. Details of establishment of Vigil Mechanism;

## BOARD REPORT (Contd.)

3. Details of remuneration paid to all the Directors including Stock Options; and
4. Commission received by Whole Time Director, if any.

### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board and the respective committees are required to carry out performance evaluation of the Board as a body, the Directors individually, Chairman as well as that of its Committees.

The Board of Directors of your Company, in order to give objectivity to the evaluation process identified an independent third party for conducting board evaluation exercise for this financial year.

The following process of evaluation was approved by the Nomination and Remuneration Committee and the Board of Directors:

S. No.	Process	Remarks	Criteria for Evaluation (including Independent Directors)
1.	Kick Off Board Evaluation Program	The Chairperson kick starts the process. Appointed and designated independent external agency as Process Coordinator	-
2.	Evaluation forms and One to One discussion	Process Coordinator interacted with the Board members to assess performance, invite direct feedback and seek inputs to identify opportunities for improvement. Process Coordinator circulated the feedback questionnaire to the board members and invited feedback from individuals, after collecting the key findings, one to one discussions were conducted to seek further clarity.	This includes Board focus (Strategic inputs), Board Meeting Management, KPI's, suggestions to improve Board performance Board Effectiveness Management Engagement, governance, risk management and addressing of follow up requests.
3.	Evaluation by the Board and of Independent Directors	A compilation of the individual self-assessments and one to one discussions were placed at the meetings of the Independent Director's (ID's) and the Board of Directors (BoD) for them to review collectively.	This includes demonstration of integrity, commitment, attendance at the meetings, contribution and participation, professionalism, contribution while developing Annual Operating Plans, demonstration of roles and responsibilities, review of high risk issues & grievance redressed mechanism, succession planning, working of Board Committees etc.
4.	Final recording and reporting	Based on the above, a final report on Board Evaluation 2020-21 was presented at a meeting of the Board of Directors.	NA



## BOARD REPORT (Contd.)

### MANAGERIAL REMUNERATION

Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under: -

**a) Comparison and ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY 2020-21**

(Amount in ₹)

Name of the Director*	Remuneration of Director	Median Remuneration of employees	Ratio
Mr. C. K. Nageswaran	48,51,385	3,30,000	1:15

**b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during the financial year under review**

Name of Director / KMP	Designation	% increase in Remuneration
Mr. C K Nageswaran	Whole Time Director	0%
Mr. Saravanan Venkatesan <sup>1</sup>	Chief Financial Officer	NA
Mr. Yogendra Kumar Kabra <sup>2</sup>	Chief Financial Officer	NA
Mr. Mayank Jain <sup>3</sup>	Company Secretary & Compliance Officer	NA

1. Resigned w.e.f. closing hours of June 12, 2020.

2. Appointed w.e.f. June 13, 2020.

3. Appointed w.e.f. April 3, 2020 and resigned w.e.f. closing hours of March 31, 2021.

c) The percentage increase in the median remuneration of employees in FY 2020-21 is 3% (14% in the last year)

d) The number of permanent employees on the rolls of Company is 454 as on March 31, 2021.

**e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration**

Particulars	For FY 2020-21
(A) Average percentile increases already made in the salaries of employees other than the managerial personnel	0%
(B) Percentile increases in the managerial remuneration	0%
Comparison of (A) and (B)	0%
Justification	NA
Any exceptional circumstances for increase in the managerial remuneration	NA

## BOARD REPORT (Contd.)

- f) Salary details along with the variable component and other benefits of the remuneration being paid to directors are detailed below:

(Amount in ₹)

Name of the Director*	Salary, Allowances & Perquisites	Performance Incentives	Retiral Benefits	Service Contract (As Whole Time Director)	
				Tenure	Notice Period
Mr. C K Nageswaran	48,51,385	5,79,262	3,24,396	3 years w.e.f. October 02, 2018	3 Months

\* None of the other Directors was paid any remuneration, except sitting fees and the fees paid for services rendered in the professional capacity.

- g) Remuneration has been paid to Directors and KMPs as per Board Governance Document / the Remuneration Policy of the Company;

### Remuneration Policy:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a remuneration policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director etc. and the same is also available on the website of the Company at the link <https://www.fortismalar.com/investor-relations/investorcatdetails/policies-other-documents1>.

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Board Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office and / or Corporate Office of the Company during business hours between 10.00 am to 12.00 noon on working days (Except Saturday) of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

## RELATED PARTY TRANSACTIONS

There were a few significant Related Party Transactions made by the Company with related parties. Disclosures as required under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in "Annexure VI" in Form AOC-2 as specified under the Companies Act, 2013.

All Related Party Transactions were placed before the Audit and Risk Management Committee for approval as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Prior omnibus approval of the Audit and Risk Management Committee was obtained for the transactions which were of foreseeable and repetitive nature. The transactions entered into pursuant to such omnibus approval so granted are audited and a statement giving details of all related party transactions was placed before the Audit and Risk Management Committee on a quarterly basis.

The Company has developed a Related Party Transactions Policy / Framework and Standard Operating Procedures for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and the same is available at the link: <https://www.fortismalar.com/frontend/investorrelations/Related-Party-Transactions-Framework-Document-1557140823.pdf>.

None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company, except to the extent of sitting fees and the fees paid for services rendered in the professional capacity and remuneration approved by the Board of Directors and as disclosed in this Annual Report.

## **BOARD REPORT (Contd.)**

### **RISK MANAGEMENT POLICY**

The Company has designed a risk management policy and framework for risk identification, assessment, mitigation plan development and monitoring of action to mitigate the risks. The key objective of the Enterprise Risk Management (“ERM”) policy is to provide a formalised framework to enable judicious allocation of resources on the critical areas which can adversely impact the Company’s ability to achieve its objectives. The policy is applicable to the Company and its subsidiaries. This framework enables the management to develop and sustain a risk-conscious culture, wherein, there is a high degree of organisation-wide awareness and understanding of external and internal risks associated with the business. The policy defines an architecture and oversight structure to assist effective implementation. By clearly defining terms and outlining roles and responsibilities, ERM promotes risk ownership, accountability, self-assessment and continuous improvement to minimise adverse impact on achievement of business objectives and enhance the Company’s competitive advantage. The details thereof are covered under the Management and Discussion Analysis Report which forms part of the Annual Report.

### **POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT**

Your Company has adopted a Policy for Prevention, Prohibition and Redressal of sexual harassment. We have not received any complaint during the FY under review relating to sexual harassment hence there was no complaint pending as on March 31, 2021. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The same may also be read in terms of Companies (Accounts) Rules, 2014.

### **MANAGEMENT’S DISCUSSION AND ANALYSIS REPORT**

Management’s Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

### **REPORT ON CORPORATE GOVERNANCE**

Your Company continues to place greatest emphasis on managing its affairs with diligence, transparency, responsibility and accountability. Your Company is committed to adopting and adhering to the best Corporate Governance practices recognised globally. Your Company understands and respects its fiduciary role and responsibility towards stakeholders and the society at large and strives hard to serve their interests, resulting in creation of value and wealth for all stakeholders at all times.

The report of Board of Directors of the Company on Corporate Governance is given in the section titled “Report on Corporate Governance” forming part of this Annual Report.

Certificate of M/s. Mukesh Agarwal & Co., Company Secretary in Whole-time Practice, regarding compliance with the Corporate Governance requirements as stipulated in Clause E, Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with the Corporate Governance Report.

### **CODE OF CONDUCT**

Declaration by Mr. C K Nageswaran, Whole-time Director, confirming compliance with the ‘Code of Conduct’ is enclosed with Corporate Governance Report.

### **DIRECTORS’ RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for financial year ended March 31, 2021 and of the loss of the Company for the said period;

## BOARD REPORT (Contd.)

- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Central Government, State Governments and all other Government agencies for the assistance, co-operation and encouragement they have extended to the Company.

Your Directors also take this opportunity to extend a special thanks to the medical fraternity and patients for their continued co-operation, patronage and trust reposed in the Company.

Your Directors also greatly appreciate the commitment and dedication of all the employees at all levels, that has contributed to the growth and success of the Company. Your Directors also thank all the strategic partners, business associates, Banks, financial institutions and our shareholders for their assistance, co-operation and encouragement to the Company during the year.

**By the Order of the Board**  
For **Fortis Malar Hospitals Limited**

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

**Daljit Singh**  
Chairman

## **ANNEXURE I**

### **FORM NO. MR-3**

#### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,**

**The Members,**

**Fortis Malar Hospitals Limited**

**Fortis Hospital Sector-62 Phase-VIII,**

**Mohali-160062**

We, Mukesh Agarwal & Co., have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Fortis Malar Hospitals Limited (hereinafter referred to as the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Fortis Malar Hospitals Limited for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We have also examined compliance with the applicable Clauses / Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (where the shares of the Companies are listed) and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Secretarial Standards etc. mentioned above.

## ANNEXURE I (Contd.)

### We further report that

During the period under review, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the above-mentioned provisions.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent reasonably in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried through requisite majority and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

- (i) Appointed Ms. Shailaja Chandra as Independent Director on the Board of the Company.
- (ii) Approved appointment of Mr. Yogendra Kumar Kabra as Chief Financial Officer and Key Managerial Personnel on the Board of the Company.
- (iii) Approved appointment of Mr. Mayank Jain as Company Secretary and Key Managerial Personnel on the Board of the Company.
- (iv) Took note of resignation of Mr. Murari Pejavar from Directorship of the Company.
- (v) Took note of the resignation of Mr. Shashank Porwal and Mr. Mayank Jain as the Company Secretary and Key Managerial Personnel of the Company.

for **Mukesh Agarwal & Company**

**Mukesh Kumar Agarwal**

**M No-F5991**

**C P No.3851**

**UDIN: F005991C000367594**

**Place: Delhi**

**Date: May 25, 2021**

Note: This report is to be read with our letter of even date which is annexed as "Annexure-A" and forms an integral part of this report.

## ANNEXURE-A

To,  
The Members,  
Fortis Malar Hospitals Limited  
Fortis Hospital Sector-62 Phase-VIII,  
Mohali-160062

The Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Due to COVID 19 Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

for **Mukesh Agarwal & Company**

**Mukesh Kumar Agarwal**

**M No-F5991**

**C P No.3851**

**UDIN: F005991C000367594**

**Place: Delhi**

**Date: May 25, 2021**



## ANNEXURE II

### Employee Stock Option Schemes (ESOSs)

#### Disclosure Pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

#### 1. GENERAL DISCLOSURES

- a. Relevant disclosure under 'Guidance note on Accounting for employee share based payments' issued by Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time - For details please refer to notes to Standalone Financial Statements mentioned in the Annual Report 2020-21;
- b. Diluted Earnings Per Share in accordance with "AS-20-Earning Per Share" for the year ended March 31, 2021 stood at ₹ (4.28)

#### 2. SCHEME SPECIFIC DISCLOSURES

##### i. General Disclosures

S. No.	Particulars	Disclosures																								
1	Date of Shareholder's Approval	The Scheme was approved at the General Meeting held on September 29, 2008. The Scheme was subsequently modified at the General Meeting held on August 21, 2009.																								
2	Total Number of options approved under ESOP Scheme 2008	929712																								
3	Vesting requirements	<ul style="list-style-type: none"> <li>25% on completion of first year from the date of grant.</li> <li>25% on completion of second year from the date of grant.</li> <li>25% on completion of third year from the date of grant.</li> <li>25% on completion of fourth year from the date of grant.</li> </ul>																								
4	Exercise Price	The Grant Price is determined based on the Closing Price of the Equity Shares of the company, prior to the date of the meeting of the Nomination and Remuneration Committee (NRC) (formerly known as Remuneration Committee) in which Stock Options were granted on BSE Limited. Accordingly Exercise Price of the Options granted by NRC at its meeting held on August 21, 2009 was fixed at ₹ 26.20 per equity share having face value of ₹ 10 each.																								
5	Maximum term of Options Granted	Options granted shall vest within a period of four years from the date of grant.																								
6	Sources of Share (Primary, Secondary or Combination)	Primary																								
7	Variation in terms of Options	There has been no variation in the terms of Options during the year.																								
8	Method used for Accounting of ESOS (Intrinsic or Fair Value)	Intrinsic																								
9 (a)	Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	<p>The effect on the profit and earning per share had the fair value method been adopted, is presented below:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: right;">(Amount is ₹)</th> </tr> </thead> <tbody> <tr> <td style="width: 70%;">Profit/(Loss) after tax as reported</td> <td style="width: 15%; text-align: right;">(-)</td> <td style="width: 15%; text-align: right;">801.33 Lacs</td> </tr> <tr> <td>Add: Intrinsic Value Compensation Cost</td> <td style="text-align: right;">Nil</td> <td></td> </tr> <tr> <td>Less: Fair Value Compensation Cost</td> <td style="text-align: right;">Nil</td> <td></td> </tr> <tr> <td>Adjusted Profit</td> <td style="text-align: right;">(-)</td> <td style="text-align: right;">801.33 Lacs</td> </tr> <tr> <td>Earnings Per Share</td> <td></td> <td style="text-align: right;">Basic      Diluted</td> </tr> <tr> <td>As reported</td> <td style="text-align: right;">(4.28)</td> <td style="text-align: right;">(4.28)</td> </tr> <tr> <td>As adjusted</td> <td style="text-align: right;">(4.28)</td> <td style="text-align: right;">(4.28)</td> </tr> </tbody> </table>	(Amount is ₹)			Profit/(Loss) after tax as reported	(-)	801.33 Lacs	Add: Intrinsic Value Compensation Cost	Nil		Less: Fair Value Compensation Cost	Nil		Adjusted Profit	(-)	801.33 Lacs	Earnings Per Share		Basic      Diluted	As reported	(4.28)	(4.28)	As adjusted	(4.28)	(4.28)
(Amount is ₹)																										
Profit/(Loss) after tax as reported	(-)	801.33 Lacs																								
Add: Intrinsic Value Compensation Cost	Nil																									
Less: Fair Value Compensation Cost	Nil																									
Adjusted Profit	(-)	801.33 Lacs																								
Earnings Per Share		Basic      Diluted																								
As reported	(4.28)	(4.28)																								
As adjusted	(4.28)	(4.28)																								

## ANNEXURE II (Contd.)

S. No.	Particulars	Disclosures
9 (b)	Impact on the profits of the Company and on the earnings per share ("EPS") arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Nil
10	a) Weighted average exercise price, b) Weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	₹ 26.20 Nil

### ii. Options Movement during the FY 2020 – 21

S. No.	Particulars	Disclosures
1	Number of options outstanding at the beginning of the period	22,500
2	Number of options granted during the year	-
3	Number of options forfeited / lapsed during the year	11,250
4	Number of options vested during the year	-
5	Number of options exercised during the year	-
6	Number of shares arising as a result of exercise of options	-
7	Money realised by exercise of options (₹), if scheme is implemented directly by the company	-
8	Loan repaid by the Trust during the year from exercise price received	-
9	Number of options outstanding at the end of the year	11,250
10	Number of options exercisable at the end of the year	11,250

### iii. Employees Details who were granted options during the year

S. No.	Particulars	Name of Employee	Designation	Number of options granted during the year	Exercise Price
1	Key Managerial Personnel and Senior Managerial Personnel				
2	Employee who received grant in any one year equal to or more than 5% of Options granted during the Year				
3	Identified Employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant			NIL	

## ANNEXURE II (Contd.)

### iv. Accounting Method and Assumptions

Method used for ESOPs	Intrinsic Value Method
Risk free interest rate	7.50%
Expected Life	5 Years
Expected Volatility	67.42%
Expected Dividends	0%
Price of underlying shares in market at the time of Option grant	26.20

**By the Order of the Board**  
For **Fortis Malar Hospitals Limited**

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

**Daljit Singh**  
Chairman

## ANNEXURE III

### FORM NO. MGT 9

#### EXTRACT OF ANNUAL RETURN

As on Financial Year ended on March 31, 2021

**Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company  
(Management & Administration) Rules, 2014**

#### I. REGISTRATION & OTHER DETAILS:

S. No.	Particulars	Details
1	CIN	L85110PB1989PLC045948
2	Registration Date	April 13, 1989
3	Name of the Company	Fortis Malar Hospitals Limited
4	Category / Sub-category of the Company	Public Company / Limited by Shares
5	Address of the Registered office & contact details	Fortis Hospital, Sector 62, Phase VIII, Mohali, Punjab – 160062 <b>Tel. No.:</b> +91 172 5096001 Fax No. +91 172 5096002 <b>Email Id:</b> <a href="mailto:secretarial.malar@malarhospitals.in">secretarial.malar@malarhospitals.in</a> <b>Website:</b> <a href="http://www.fortismalar.com">www.fortismalar.com</a>
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any	KFin Technologies Private Limited Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Seelingampally Mandal Hyderabad-500032 Phone No. - +91 40 6716 2222 Fax No. - +91 40 23431551. E-mail: <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a> Website: <a href="http://www.kfintech.com">www.kfintech.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the Product / service*	% to total turnover of the Company
1	To establish hospitals and clinics and to conduct the same to provide comprehensive healthcare for the society in the various branches of medicine such as General Surgery, General Medicine, Pediatrics, Neurology, Cardiology, ENT, Ophthalmology, Radiology, Pathology, Gastro-entology, Urology, Thoracic Surgery, Plastic surgery, Orthopaedics and other allied specialties and to provide facilities for post graduate medical education/medical research.	861	100

\*As per National Industrial Classification - Ministry of Statistics and Programme Implementation

## ANNEXURE III (Contd.)

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	IHH Healthcare Berhad* Level 11 Block A, Pantai Hospital Kuala Lumpur, 8 Jalan Bukit Pantai, 59100 Kuala Lumpur, Malaysia	-	Holding Company	-	2(46)
2	Integrated Healthcare Holdings Limited* Level 11 Block A, Pantai Hospital Kuala Lumpur, 8 Jalan Bukit Pantai, 59100 Kuala Lumpur, Malaysia	-	Holding Company	-	2(46)
3	Parkway Pantai Limited* 111 Somerset Road, #15-01 Triple One Somerset, Singapore 238164	-	Holding Company	-	2(46)
4	Northern TK Venture Pte. Limited* 111 Somerset Road, #15-01 Triple One Somerset, Singapore 238164	-	Holding Company	-	2(46)
5	Fortis Healthcare Limited* Fortis Hospital, Sector-62, Phase-VIII, Mohali, Punjab – 160062	L85110PB1996PLC045933	Holding Company	-	2(46)
6	Fortis Hospitals Limited Escorts Heart Institute and Research Centre, Okhla Road, New Delhi – 110025	U93000DL2009PLC222166	Holding Company	62.71	2(46)
7	Malar Stars Medicare Limited No. 52, First Main Road, Gandhi Nagar, Adyar, Chennai, Tamil Nadu – 600020	U93000TN2009PLC072209	Subsidiary Company	100.00	2(87)

\* No direct shareholding in the Company.

There is no associate company of Fortis Malar Hospitals Limited.

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### (i) Category-wise Share Holding

S. No.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR APRIL 01, 2020				NO. OF SHARES HELD AT THE END OF THE YEAR MARCH 31, 2021				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>									
(1)	INDIAN									
(a)	Individual /HUF	100	0	100	0.00	100	0	100	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	11752802	0	11752802	62.71	11752802	0	11752802	62.71	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00

### ANNEXURE III (Contd.)

S. No.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR APRIL 01, 2020				NO. OF SHARES HELD AT THE END OF THE YEAR MARCH 31, 2021				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(1) :</b>	<b>11752902</b>	<b>0</b>	<b>11752902</b>	<b>62.71</b>	<b>11752902</b>	<b>0</b>	<b>11752902</b>	<b>62.71</b>	<b>0.00</b>
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total A(2) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total A=A(1)+A(2)</b>	<b>11752902</b>	<b>0</b>	<b>11752902</b>	<b>62.71</b>	<b>11752902</b>	<b>0</b>	<b>11752902</b>	<b>62.71</b>	<b>0.00</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>									
(1)	INSTITUTIONS									
(a)	Mutual Funds / UTI	0	36000	36000	0.19	0	13500	13500	0.07	(0.12)
(b)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(1) :</b>	<b>0</b>	<b>36000</b>	<b>36000</b>	<b>0.19</b>	<b>0</b>	<b>13500</b>	<b>13500</b>	<b>0.07</b>	<b>(0.12)</b>
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	839236	24701	863937	4.61	1254826	14800	1269626	6.77	2.16
(b)	Individuals									
(i)	Individuals holding nominal share capital upto ₹ 1 Lakh	1663960	1040246	2704206	14.43	1526543	423519	1950062	10.40	(4.02)
(ii)	Individuals holding nominal share capital in excess of ₹ 1 Lakh	1903804	236840	2140644	11.42	1613372	236840	1850212	9.87	(1.55)
(c)	Others									
	Clearing Members	3284	0	3284	0.02	6537	0	6537	0.03	0.02
	Directors	859377	0	859377	4.59	859377	0	859377	4.59	0.00
	IEPF	0	0	0	0.00	773753	0	773753	4.13	4.13
	Non Resident Indians	198111	126500	324611	1.73	195791	2500	198291	1.06	(0.67)
	<b>NRI Non-Repatriation</b>	<b>54698</b>	<b>0</b>	<b>54698</b>	<b>0.29</b>	<b>65399</b>	<b>0</b>	<b>65399</b>	<b>0.35</b>	<b>0.06</b>
	Trusts	2100	0	2100	0.01	2100	0	2100	0.01	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total B(2) :</b>	<b>5524570</b>	<b>1428287</b>	<b>6952857</b>	<b>37.10</b>	<b>6297698</b>	<b>677659</b>	<b>6975357</b>	<b>37.22</b>	<b>0.12</b>
	<b>Total B=B(1)+B(2) :</b>	<b>5524570</b>	<b>1464287</b>	<b>6988857</b>	<b>37.29</b>	<b>6297698</b>	<b>691159</b>	<b>6988857</b>	<b>37.29</b>	<b>0.00</b>
	<b>Total (A+B) :</b>	<b>17277472</b>	<b>1464287</b>	<b>18741759</b>	<b>100.00</b>	<b>18050600</b>	<b>691159</b>	<b>18741759</b>	<b>100.00</b>	<b>0.00</b>



## ANNEXURE III (Contd.)

S. No.	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR APRIL 01, 2020				NO. OF SHARES HELD AT THE END OF THE YEAR MARCH 31, 2021				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A+B+C) :</b>	<b>17277472</b>	<b>1464287</b>	<b>18741759</b>	<b>100.00</b>	<b>18050600</b>	<b>691159</b>	<b>18741759</b>	<b>100.00</b>	<b>0.00</b>

### (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding as on April 01, 2020			Shareholding as on March 31, 2021			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Fortis Hospitals Limited	11752402	62.71	62.90	11752402	62.71	0.00	0.00
2.	Fortis Healthcare Holdings Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
3.	Oscar Investments Limited	0	0.00	0.00	0	0.00	0.00	0.00
4.	Shivi Holdings (P) Limited	100	0.00	0.00	100	0.00	0.00	0.00
5.	RHC Finance Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
6.	Today's Holdings Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
7.	Malav Holdings Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
8.	RHC Holdings Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
9.	PS Trust (Acting and Represented by its trustees, Mr. Malvinder Mohan Singh and Dr. Shivinder Mohan Singh)	100	0.00	0.00	100	0.00	0.00	0.00

### (iii) Change in Promoters' Shareholding: Nil

Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares	No. of shares	% of total shares
At the beginning of the year	-	-	11752902	62.71	11752902	62.71
Changes during the year	-	-	Nil	Nil	Nil	Nil
At the end of the year	-	-	11752902	62.71	11752902	62.71

## ANNEXURE III (Contd.)

### (iv) Shareholding Pattern of top 10 Shareholder (other than Directors, Promoters, holders of ADR/GDRs) between April 01, 2020 and March 31, 2021

Sl. no.	Folio / Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	EXEMPTCATG	IEP	Opening Balance	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY M	0	0.00	April 01, 2020			0	0.00
			Purchase				November 06, 2020	13630	Transfer	13630	0.07
			Purchase				December 04, 2020	760123	Transfer	773753	4.13
			Closing Balance				March 31, 2021			773753	4.13
2	AAACR4122R	LTD	Opening Balance	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	580521	3.10	April 01, 2020			580521	3.10
			Purchase				May 01, 2020	628	Transfer	581149	3.10
			Purchase				May 08, 2020	20	Transfer	581169	3.10
			Purchase				May 22, 2020	855	Transfer	582024	3.11
			Purchase				June 12, 2020	8204	Transfer	590228	3.15
			Purchase				June 19, 2020	4800	Transfer	595028	3.17
			Sale				July 10, 2020	(500)	Transfer	594528	3.17
			Purchase				July 24, 2020	4771	Transfer	599299	3.20
			Purchase				July 31, 2020	3471	Transfer	602770	3.22
			Purchase				August 07, 2020	7510	Transfer	610280	3.26
			Purchase				August 14, 2020	3088	Transfer	613368	3.27
			Purchase				August 21, 2020	1926	Transfer	615294	3.28
			Purchase				August 28, 2020	6408	Transfer	621702	3.32
			Purchase				September 04, 2020	1175	Transfer	622877	3.32
			Purchase				September 11, 2020	1254	Transfer	624131	3.33
			Purchase				September 30, 2020	733	Transfer	624864	3.33
			Purchase				October 09, 2020	800	Transfer	625664	3.34
			Purchase				November 27, 2020	8600	Transfer	634264	3.38
			Purchase				December 04, 2020	7003	Transfer	641267	3.42

### ANNEXURE III (Contd.)

Sl. no.	Folio / Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
			Purchase				December 11, 2020	735	Transfer	642002	3.43
			Purchase				December 18, 2020	721	Transfer	642723	3.43
			Purchase				December 25, 2020	13242	Transfer	655965	3.50
			Purchase				December 31, 2020	6832	Transfer	662797	3.54
			Purchase				January 01, 2021	100	Transfer	662897	3.54
			Purchase				January 08, 2021	18024	Transfer	680921	3.63
			Purchase				January 15, 2021	49890	Transfer	730811	3.90
			Purchase				January 22, 2021	82974	Transfer	813785	4.34
			Purchase				January 29, 2021	8885	Transfer	822670	4.39
			Purchase				February 05, 2021	12620	Transfer	835290	4.46
			Purchase				February 12, 2021	36296	Transfer	871586	4.65
			Purchase				February 19, 2021	250	Transfer	871836	4.65
			Purchase				March 05, 2021	1155	Transfer	872991	4.66
			Purchase				March 12, 2021	34921	Transfer	907912	4.84
			Purchase				March 19, 2021	46788	Transfer	954700	5.09
			Purchase				March 26, 2021	28860	Transfer	983560	5.25
			Purchase				March 31, 2021	6532	Transfer	990092	5.28
			Closing Balance				March 31, 2021			990092	5.28
3	AAFPN0949Q	PUB	Opening Balance	RUCKMANI NATARAJAN	546960	2.92	April 01, 2020			546960	2.92
			Closing Balance				March 31, 2021			546960	2.92
4	AABPV7237P	PUB	Opening Balance	SUNITA KANTILAL VARDHAN	247294	1.32	April 01, 2020			247294	1.32
			Purchase				May 08, 2020	640	Transfer	247934	1.32
			Closing Balance				March 31, 2021			247934	1.32
5	AEIPG7246Q	PUB	Opening Balance	A M GOPALAN	231028	1.23	April 01, 2020			231028	1.23
			Closing Balance				March 31, 2021			231028	1.23
6	ATEPK1529K	NRI	Opening Balance	KUMUNTA MUNISAMY	170000	0.91	April 01, 2020			170000	0.91
			Closing Balance				March 31, 2021			170000	0.91

### ANNEXURE III (Contd.)

Sl. no.	Folio / Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase / Decrease in share holding	Reason	Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
7	AAHPS0806R	PUB	Opening Balance	THYAGARAJAN SENTHILKUMARAN	124741	0.67	April 01, 2020			124741	0.67
			Sale				January 29, 2021	(700)	Transfer	124041	0.66
			Sale				March 19, 2021	(1300)	Transfer	122741	0.65
			Closing Balance				March 31, 2021			122741	0.65
8	AADPG2222P	PUB	Opening Balance	ATUL GOEL	70483	0.38	April 01, 2020			70483	0.38
			Closing Balance				March 31, 2021			70483	0.38
9	AAACO1691E	LTD	Opening Balance	OMEGA FINHOLD PVT LTD	27704	0.15	April 01, 2020			27704	0.15
			Purchase				May 29, 2020	1934	Transfer	29638	0.16
			Purchase				July 24, 2020	4321	Transfer	33959	0.18
			Purchase				July 31, 2020	6000	Transfer	39959	0.21
			Purchase				August 07, 2020	2403	Transfer	42362	0.23
			Purchase				August 21, 2020	4138	Transfer	46500	0.25
			Purchase				September 11, 2020	18527	Transfer	65027	0.35
			Purchase				September 30, 2020	7430	Transfer	72457	0.39
			Purchase				October 09, 2020	1238	Transfer	73695	0.39
			Purchase				October 16, 2020	2913	Transfer	76608	0.41
			Purchase				December 04, 2020	9613	Transfer	86221	0.46
			Sale				December 11, 2020	(7039)	Transfer	79182	0.42
			Sale				December 25, 2020	(5862)	Transfer	73320	0.39
			Sale				January 08, 2021	(6000)	Transfer	67320	0.36
			Purchase				February 26, 2021	2000	Transfer	69320	0.37
			Closing Balance				March 31, 2021			69320	0.37
10	AAHHS6392E	HUF	Opening Balance	SHREYANS V MEHTA (HUF)			April 01, 2020			69181	0.37
			Sale				January 08, 2021	(69181)	Transfer	0	0.00
			Closing Balance				March 31, 2021			0	0.00

## ANNEXURE III (Contd.)

### (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director and Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
1.	Mr. Daljit Singh, Chairman (Non-Executive Non-Independent Director)	Nil	–	April 01, 2020	0	NA	Nil	–
		Nil	–	March 31, 2021	0	NA	Nil	–
2.	*Mr. Murari Pejavar (Non-Executive Independent Director)	Nil	–	April 01, 2020	0	NA	Nil	–
		Nil	–	January 17, 2021	0	NA	Nil	–
3.	Dr. Nithya Ramamurthy (Non-Executive Non-Independent Director)	859377	4.59	April 01, 2020	0	NA	859377	4.59
		859377	4.59	March 31, 2021	0	NA	859377	4.59
4.	Mr. Ramesh Lakshman Adige (Non-Executive Independent Director)	Nil	–	April 01, 2020	0	NA	Nil	–
		Nil	–	March 31, 2021	0	NA	Nil	–
5.	Mr. Ravi Rajagopal	Nil	–	April 01, 2020	0	NA	Nil	–
				March 31, 2021				
6.	Mr. C K Nageswaran (Whole Time Director)	Nil	–	April 01, 2020	0	NA	Nil	–
		Nil	–	March 31, 2021	0	NA	Nil	–
7.	**Ms. Shailaja Chandra (Non-Executive Independent Director)	Nil	–	March 10, 2021	0	NA	Nil	–
		Nil	–	March 31, 2021	0	NA	Nil	–
8.	§Mr. Shashank Porwal, Company Secretary & Compliance Officer	Nil	–	April 01, 2020	0	NA	Nil	–
		Nil	–	April 03, 2020	0	NA	Nil	–
9.	§§Mr. Mayank Jain, Company Secretary & Compliance Officer	Nil	–	April 03, 2020	0	NA	Nil	–
		Nil	–	March 31, 2021	0	NA	Nil	–
10.	#Mr. Saravanan V., Chief Financial Officer	Nil	–	April 01, 2020	0	NA	Nil	–
		Nil	–	June 12, 2020	0	NA	Nil	–
11.	##Mr. Yogendra Kumar Kabra, Chief Financial Officer	Nil	–	June 13, 2020	0	NA	Nil	–
		Nil	–	March 31, 2021	0	NA	Nil	–

\*Resigned w.e.f. January 18, 2021

\*\*Appointed w.e.f. March 10, 2021

§Resigned w.e.f. April 3, 2020

§§Appointed w.e.f. April 3, 2020 and resigned w.e.f. closing hours of March 31, 2021

#Resigned w.e.f. closing hours of June 12, 2020

##Appointed w.e.f. June 13, 2020

## ANNEXURE III (Contd.)

### VI) INDEBTEDNESS - Indebtedness of the Company including interest outstanding / accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>	NIL	NIL	NIL	NIL
Addition				
Reduction				
Net Change				
<b>Indebtedness at the end of the financial year</b>	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager
		Mr. C K Nageswaran#
		(April 01, 2020 to March 31, 2021)
		(Amount in ₹)
<b>1</b>	<b>Gross salary</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,30,647
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
<b>2</b>	<b>*Stock Option</b>	-
<b>3</b>	<b>Sweat Equity</b>	-
<b>4</b>	<b>Commission</b>	
	- as % of profit	-
	- others, specify	-
<b>5</b>	<b>Others (Leave encashment and other benefits as per the Company's Policy)</b>	
<b>6</b>	<b>Total</b>	54,30,647
<b>7</b>	<b>Ceiling as per the Act</b>	The aggregate remuneration shall be in accordance with Section 197 and Schedule V of Companies Act, 2013.

#No stock option has been granted.



## ANNEXURE III (Contd.)

### B. Remuneration to other Directors –

(Amount in ₹)

Sl. No.	Name of Directors	*Particulars of Remuneration - Sitting Fees
<b>1</b>	<b>Independent Directors</b>	
	*Mr. Pejavar Murari	Nil
	Mr. Ramesh L. Adige	12,00,000
	Mr. Ravi Rajagopal	7,50,000
	#Ms. Shailaja Chandra	Nil
<b>2.</b>	<b>Other Non-Executive Directors</b>	
	Mr. Daljit Singh	11,00,000
	Dr. Nithya Ramamurthy	6,00,000
	Overall Ceiling as per the Act	Sitting fees is payable as per the provisions specified under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

\*Resigned w.e.f. January 18, 2021.

#Appointed w.e.f. March 10, 2021.

No commission was paid to any of the Directors for FY 2020-21.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(Amount in ₹)

Sl. No.	Particulars of Remuneration	#Saravanan V, Chief Financial Officer (Key managerial personnel)	*Yogendra Kumar Kabra, Chief Financial Officer (Key managerial personnel)
<b>1</b>	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,14,389	NA
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NA
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NA
<b>2</b>	<b>*Stock Option</b>	NIL	NA
<b>3</b>	<b>Sweat Equity</b>	NIL	NA

## ANNEXURE III (Contd.)

(Amount in ₹)

Sl. No.	Particulars of Remuneration	#Saravanan V, Chief Financial Officer (Key managerial personnel)	§Yogendra Kumar Kabra, Chief Financial Officer (Key managerial personnel)
4	<b>Commission</b>	NIL	NA
	- as % of profit	NIL	NA
	Others specify	NIL	NA
5	<b>Others (Leave encashment and other benefits as per the Company's Policy)</b>	NIL	NA
	<b>Total</b>	<b>6,14,389</b>	NA

\* No stock option has been granted.

# Resigned w.e.f. closing hours of June 12, 2020.

§ Appointed w.e.f. June 13, 2020.

**VII. Neither any penalty / punishment was levied against the Company nor there was any case of Compounding of Offences made against the Company, in terms of Companies Act, 2013, during FY 2020-21.**

**By the Order of the Board**  
For **Fortis Malar Hospitals Limited**

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

**Daljit Singh**  
Chairman

## ANNEXURE – IV

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as per Section 134(3)(m) read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2021 is as given below:

#### A. Conservation of Energy

- a) Energy conservation measures taken: Replacing normal CFL / Tube lights with LED lights as on requirement

#### B. Technology Absorption

1. Research & Development (R & D): - Nil
2. Technology Absorption, Adaptation & Innovation:
  - a) Efforts in brief, made towards technology absorption, adaptation & innovation: -  
We have purchased the transport ventilator, the latest version of Arthroscopic Equipment of Smith and Nephew LENS and TURIS version 2 and a flexible fiberoptic bronchoscope.
  - b) All these have added great value towards delivering anatomically precise, minimal access treatment thereby reducing ALOS, morbidity and overall patient outcomes

#### C. Foreign Exchange Earnings and Outgo

- a) Activities relating to exports: Initiatives taken to increase exports, development of new export markets for products and services and export plans: Nil.
- b) Total foreign exchange earned and used:
  - (i) Earnings: ₹ 90.29 Lakhs
  - (ii) Expenditure: CIF Value of Imports: Nil  
Others ₹ 19.89 Lakhs

**By the Order of the Board**  
For **Fortis Malar Hospitals Limited**

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

**Daljit Singh**  
Chairman

## ANNEXURE V

### CORPORATE SOCIAL RESPONSIBILITY

#### 1. A brief outline of the Company CSR Policy

Under the guiding principles detailed in the Code of Conduct including amongst others:

- Conducting our operation in an honest and fair manner with integrity and openness.
- Respecting the human rights, dignity and legitimate interest of all individuals directly or indirectly associated with us.
- Providing a safe, healthy work and business environment directly or indirectly associated with us.
- Ensuring conduct which sustains and enhances the global reputation and image of the organisation.
- The initiatives will be targeted to the needs of the 'disadvantaged, vulnerable and marginalised' sections of society.

The Board of Director has approved the CSR policy for the Company. The said policy approaches this area under the philosophy that the company efforts should strive towards building and sustaining a healthier humanity. The policy elucidates the concept of growing our business in a socially and environmentally responsible manner through an active role in empowering communities and driving social development and positive change.

With above in mind the policy seeks as an objective to bring focus, leveraging its inherent skills, experience and knowledge.

The policy holds itself out as a forward-looking aspirational charter which recommends liberal interpretation, promotes activity under the spirit of partnership and recommends that initiatives be targeted to the needs of the disadvantaged, vulnerable and marginalised sections of society. While the underlying guidance is to bring alignment of varied activities under the focus umbrella, it recognises the need to record presence and contribution in such weak links in society where its mere presence and support could drive significant social benefit. In keeping with such themes, program/s such as supporting charitable healthcare infrastructure, disaster relief, preventive healthcare awareness through different channels of communication, remain well within the range of the policy objectives.

The policy seeks to define the specific roles and responsibilities associated with administration, program design and execution. It further clarifies the governance, monitoring, reporting and disclosure requirements.

As an enterprise in the critical domain of healthcare, the Company has participated and implemented various socially responsive programs since its inception. While some or many of these programs may not meet the strict interpretation of the new CSR rules, thereby impacting the assessment and eligibility of the 2% spent, these programs remain significant Fortis contributions to society and the Board, the Policy and Senior Management remain committed to continuing with them in the wider interests. The cumulative spend over such initiatives and programs would far exceed the strict CSR rules. Even so the Company remains committed to ensuring compliance to applicable regulation requirement.

#### 2. Composition of the CSR Committee

The composition of the CSR committee as on March 31, 2021 is as follows:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Daljit Singh	Non-Executive Non-Independent Director	1	1
2	Mr. Ramesh L Adige	Non-Executive Independent Director	1	1
3	Dr. Nithya Ramamurthy	Non-Executive Non-Independent Director	1	0

## ANNEXURE V TO THE DIRECTORS' REPORT (Contd.)

### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

The Board has approved the constitution of a standalone CSR Committee with a delegated mandate. The current composition and mandate of the committee are available and updated on the Company's website at

<https://www.fortismalar.com/investorrelations/investorcatdetails/corporate-social-responsibility-committee1>

The policy as approved by the Board is available on the Company's web site at

<https://www.fortismalar.com/frontend/investorrelations/CSR%20Policy-1559121868.pdf>

### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not applicable

### 6. Average Net Profit of the Company as per Section 135(5): ₹ (64.50) Lakhs

### 7 (a). Two percent of average net profit of the company as per section 135(5): Nil

### 7 (b). Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

### 7 (c). Amount required to be set off for the financial year, in any: Nil

### 7 (d). Total CSR obligation for the financial year (7a+7b-7c): Nil

### 8 (a). CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
Nil					

### 8 (b). Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)		
S. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency		
				State	District							Name	CSR Reg. No.
Nil													

## ANNEXURE V TO THE DIRECTORS' REPORT (Contd.)

### 8 (c). Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)
S. No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)		Location of the Project	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes / No)	Mode of implementation - Through implementing agency	
			State	District				Name	CSR Reg. No.
Nil									

(₹ in Lakhs)

1	2	3	4	5	6	7	8	9
S. No.	CSR Project or activity identified	Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)	Contributing Entity	Projects or program Local Area or other Specify the State and District where projects and programs were undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads	Cumulative Expenditure up to the Reporting Period	Amount Spent: Direct or through implementing agency
1	Savera	i, ii	Fortis Malar Hospitals Limited	Pan India	-	-	111.96	Designated Special Purpose Vehicle
2	COVID-19	viii	Fortis Malar Hospitals Limited	Pan India	-	-	9.50	Direct to Prime Minister's National Relief Fund
<b>TOTAL</b>					-	-	<b>121.46</b>	

8 (d). Amount spent in Administrative Overheads: Nil

8 (e). Amount spent on Impact Assessment, if applicable: Not applicable

8 (f). Total amount spent for the Financial Year (8b+8c+8d+8e): Nil

8 (g). Excess amount for set off, if any: Not applicable

S. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-



## ANNEXURE V TO THE DIRECTORS' REPORT (Contd.)

### 9 (a).Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount (in ₹)	Date of transfer	
Nil							

### 9 (b).Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
S. No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
Nil								

### 10. Details relating to the asset created or acquired through CSR spent in the financial year: Nil

- (a). Date of creation or acquisition of the capital asset(s): Nil
- (b). Amount of CSR spent for creation or acquisition of capital asset: Nil
- (c). Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Nil
- (d). Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Nil

### 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable

**On behalf of the Board of Directors  
Fortis Malar Hospitals Limited**

**C K Nageswaran**  
Whole Time Director

**Daljit Singh**  
Chairman of Board and Chairman of CSR Committee

## ANNEXURE VI

### AOC-2

#### PARTICULARS OF CONTRACT / ARRANGEMENT MADE WITH RELATED PARTIES

[pursuant to Clause (h) of Sub Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This form pertains to the disclosure of particulars of contracts / arrangement entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

#### Details of contracts or arrangements or transaction not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2021, which are not at arm's length basis, except for entering into Memorandum of Understanding for offering discounts to the employees / Directors of the Group Companies on certain healthcare services.

#### Details of material contracts or arrangements or transaction at arm's length basis

The details of material contracts or arrangements or transactions entered into during the year ended March 31, 2021, which are at arm's length basis

Name of Related Party	Nature of Relationship	Nature of Contract / arrangement / transaction	Duration of the Contract / arrangement / transaction	Salient terms of the Contract/ arrangement / transaction including the value, if any	Date of approval by the Board / Committee, if any	Amount paid in advance
Fortis Health Management Limited	Associate of Holding Company (till January 14, 2019) Fellow Subsidiary (w.e.f January 15, 2019)	Availing of services	Continuing Agreement (upto October, 2027)	Existing hospital service agreement is a continuous agreement; ₹ 2,73,93,900/- per quarter fixed + 7.5% on Operating Income	April 16, 2018	-
Escorts Heart Institute & Research Centre Limited	Fellow subsidiary	Inter Corporate Loan given	Continuing arrangement (upto January, 2022)	Loan Limit of ₹ 35,00,00,000 as per MoU. Loan Closing Balance as on March 31, 2021 - ₹ 35,00,00,000 Interest @ 10.50% PA	April 16, 2018	-
Fortis Healthcare Limited	Intermediate Holding Company	Inter Corporate Loan given	Up to July 8, 2023	Loan Limit of ₹ 28,00,00,000 as per MoU. Loan Closing Balance as on March 31, 2021 - ₹ 28,00,00,000 Interest @ 10.50% PA	July 7, 2020	-

By the Order of the Board  
For Fortis Malar Hospitals Limited

Date: May 25, 2021  
Place: Gurugram

Daljit Singh  
Chairman

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## SECTION I – THE INDIAN HEALTHCARE ENVIRONMENT

### THE NOVEL CORONAVIRUS (COVID – 19) OUTBREAK AND ROLE OF THE HEALTHCARE INDUSTRY

The year gone by has witnessed perhaps the worst global healthcare crisis in over a decade. The unexpected outbreak of COVID-19 has severely impacted countries across both the developed and the developing world and has challenged healthcare systems at a never seen before scale. The loss of human lives and the suffering of people have been overwhelming and deeply saddening. The pandemic's rapid spread and the limited understanding of the virus and its various strains has altered the ways of both social and personal interactions as well as revised professional working styles.

Governments across the globe and their respective healthcare systems have worked in tandem with healthcare institutions such as the World Health Organisation (WHO) to mitigate this unfortunate human calamity.

Our country too has borne the brunt of the pandemic in FY21 and witnessed a second wave in early FY22 that has had a far worse impact in terms of covid cases and resultant deaths. The pandemic in India, has seen ~29.4 Mn patients being infected with the virus, the second largest number after the United States and ~3.9 Lakhs deaths (Source : Government : Arogya Setu App, data as on June 30, 2021). While challenges in healthcare infrastructure and lack of medical resources have been a severe constraint in controlling the pandemic, our healthcare institutions both public and private have acted on a war footing to scale up infrastructure across the healthcare value chain be it in terms of beds, isolation centers, medical equipment, medicines or testing capabilities. Clinicians, nurses and paramedics have and continue to work dedicatedly to ensure the best available care for covid patients.

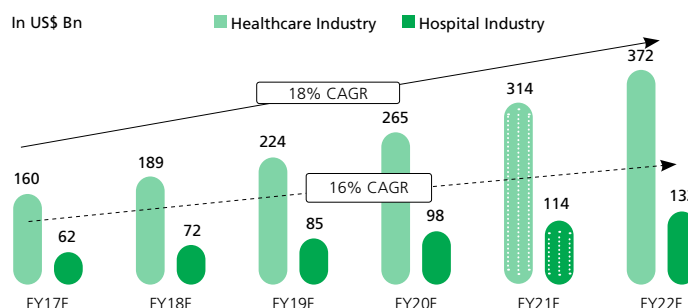
In the aftermath of the second wave seen in early FY22, the government and healthcare institutions in the country have scaled up their resource capabilities to be better prepared for the future were such a crisis to happen again. At the same time collective efforts are underway to accelerate the manufacturing of vaccines and ensuring that vaccination programs cover the population of the country as quickly as possible. The government has earmarked a significant investment outlay for vaccination and allied resources required to mitigate the pandemic.

#### (A) Snapshot of The Indian Healthcare and Hospital Industry

India's healthcare sector is one of the largest sectors both in terms of revenue as well as employment. Healthcare comprises hospitals, medical devices, pharmaceutical, clinical trials, telemedicine, medical tourism, health insurance and diagnostics. The size of the overall Indian Healthcare market was estimated at US\$ 265 Billion in 2020. The hospital and the diagnostics segment forms a relatively large portion of the overall healthcare market and is estimated to contribute approximately 40-45% share in the overall healthcare market segment. Both the hospital and the diagnostics segment are highly fragmented with a substantial majority of facilities being in the unorganised segment and only handful of hospital and diagnostics players forming the organised market. The Government i.e. public healthcare system comprises secondary and tertiary care hospitals in key cities and primary healthcare centres (PHCs) in rural areas. The private sector provides secondary, tertiary and quaternary care hospital facilities with a major concentration in metros, tier I and tier II cities. The hospital industry in India is also characterised by an unequitable balance between public and private hospital infrastructure in select major cities like New Delhi wherein public infrastructure outweighs private healthcare availability (Source: CDDEP - Centre for Disease Dynamics Economics and Policy); also providing a further potential for private healthcare to expand and grow in such locations.

The overall Indian healthcare sector is expected to record a three-fold rise, at a CAGR of 18% during 2017-2022 to reach US\$ 372 Billion in 2022 from US\$ 160 Billion in 2017 (Source: IBEF.org). India's hospital industry stood at US\$ 62 Billion in FY17 and is expected to grow at a CAGR of 16% to reach US\$ 132 Billion by FY22.

#### Size of the Indian Healthcare and Hospital Industry



Source: IBEF, Frost and Sullivan, LSI Financial Services, Deloitte, TechSci Research

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

### (i) Characteristics of the Industry

- Growing health awareness and changing attitude towards preventive healthcare
- Low cost and better value driven outcomes driving the country's medical tourism segment.
- Rising income levels and a higher per capita income resulting in increasing affordability and demand for good quality healthcare services
- The pandemic catalysing long-term changes in attitudes towards personal health and hygiene, health insurance, fitness and nutrition.

The relative lack of public healthcare infrastructure offering tertiary and quaternary healthcare services in a majority of states in the country as compared to private healthcare

### (ii) Government Initiatives

The Government of India has been taking a holistic approach to Health and is focusing on strengthening three areas: Preventive, Curative, and Wellbeing. Select key initiatives taken by the government to promote Indian Healthcare industry are as under.

- a. Launch of the PM AtmaNirbhar Swasth Bharat Yojana, with an outlay of about ₹ 64,180 Crores over 6 years. This will enable developing capacities of primary, secondary, and tertiary care health systems, strengthen existing national institutions, and create new healthcare institutions. This will be in addition to the National Health Mission.
- b. To strengthen nutritional content, delivery, outreach, and outcome, the government plans to merge the Supplementary Nutrition Programme and the Poshan Abhiyan and launch the Mission Poshan 2.0. An intensified strategy to be adopted to improve nutritional outcomes across 112 Aspirational Districts.
- c. Plans to increase the number of research and COVID-19 RT-PCR labs to strengthen COVID-19 testing services.
- d. Providing an amount of ₹ 35,000 Crores for Covid-19 vaccination program for the year 2021-22.

The government has outlaid a budget of ₹ 2,23,846 Crores for Health and Wellbeing in 2021-22 as against previous year's budget of ₹ 94,452 Crores, an increase of 137%. (Source: Budget 2021-22, Government of India).

Furthermore, as per the Union Health Ministry, the Government of India aims to increase the public healthcare expenditure to 2.5% of the Gross Domestic Product (GDP) by 2025.

- a. Launch of the PM Atma Nirbhar Swasth Bharat Yojana, with an outlay of about ₹ 64,180 Crores over 6 years. This will enable developing capacities of primary, secondary, and tertiary care health systems, strengthen existing national institutions, and create new healthcare institutions. This will be in addition to the National Health Mission.
- b. Plans to increase the number of research and COVID-19 RT-PCR labs to strengthen COVID-19 testing services by making COVID-19 testing affordable and more accessible to every citizen of the country.
- c. Providing an amount of ₹ 35,000 Crores for COVID-19 vaccination program for FY 2021-22.
- d. A budget outlay of ₹ 2,23,846 Crores for Health and Wellbeing in 2021-22 as against previous year's budget of ₹ 94,452 Crores.

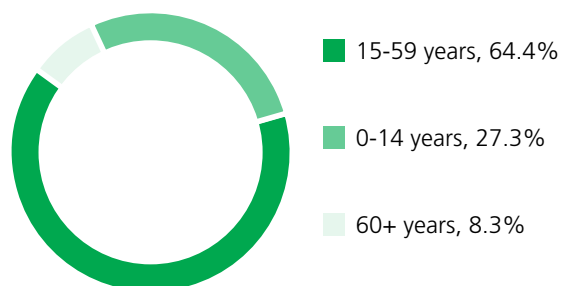
### (iii) Key Growth Drivers

The demand for healthcare services in India is likely to remain robust in the foreseeable future. The current COVID-19 pandemic will also see the need for healthcare services as being one of paramount importance in terms of coverage, preparedness and accessibility, providing a further impetus to growth and longer-term opportunity for the sector. Some of the key factors that are expected to drive demand for healthcare services are graphically depicted as follows.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

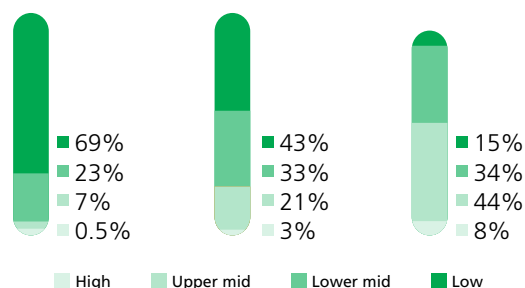
### Favorable demographics of India – Increasing geriatric population

India's Demographic Dividend, 2015



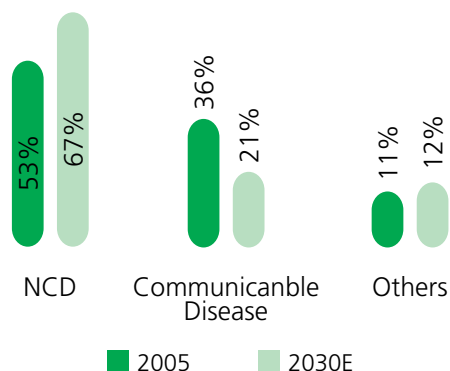
### Changing income profile of Indian Population – shall increase the demand for quality healthcare services

Income profiles in India



Source: Jefferies Healthcare Sector Report

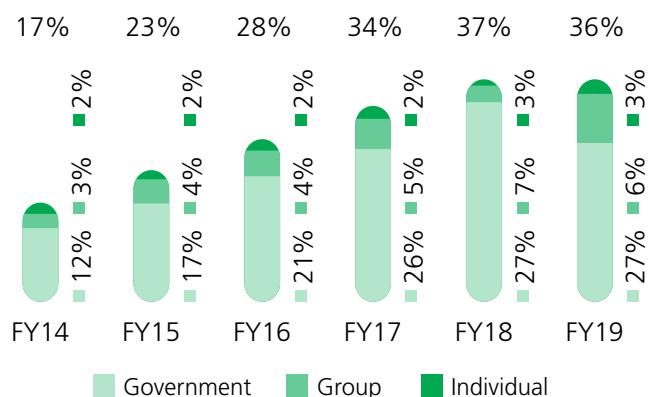
### Changing disease profile of India's population – Increasing burden of Non communicable diseases



Source: Jefferies Healthcare Sector Report

### Increasing Insurance penetration making healthcare more accessible

Health insurance penetration



Source: Goldman Sacks

#### (iv) Impact on healthcare sector due to COVID-19 during FY 2020-21

The COVID-19 pandemic has placed an enormous strain on the global healthcare sector's workforce, infrastructure and supply chain. COVID-19 is also accelerating change across the ecosystem and forcing public and private health systems to adapt and innovate in a short period of time.

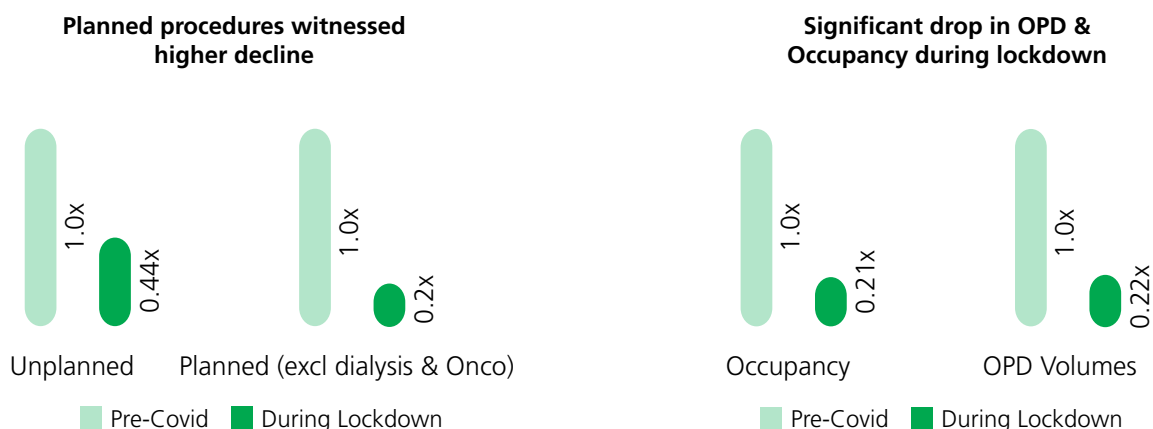
India also faced a similar impact wherein almost all the sectors, including healthcare, were significantly impacted due to the nationwide lockdown. However, private Indian healthcare players have and continue to steadfastly provide all support that the government needs in terms of testing, isolation beds., medical staff and equipment, home healthcare support and other measures that are required in order to mitigate the pandemic.

The healthcare industry, along with the central and state governments, set up dedicated COVID-19 hospitals, isolation centres and tech-enabled mapping of resources. To effectively manage the outbreak, the Indian government also leveraged technology and developed various applications both at the central and state-levels. The Aarogya Setu mobile app which assisted in syndromic mapping, contact tracing and self-assessment was widely used throughout the country.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

### COVID-19 Impact on the healthcare organisations during FY 2020-21:

- Restriction on movement and fear of contagion led to a significant decline in OPD volumes as well as bed occupancy fell sharply during the lockdown.
- Further, restriction on global travels substantially impacted medical tourism segment as the flow of visiting patients from various neighbouring countries halted.
- Post Unlock 1, occupancy across the healthcare facilities witnessed traction primarily due to high occupancy related to COVID-19 beds and a marginal recovery in non-covid occupancy. Specialties such as Oncology and Dialysis did not see any significant decline. Other specialties have been recovering but at a slow pace.



Source: PwC report – Impact of COVID-19 on Med Tech Industry in India

- The government continues to monitor and implement price control on Covid treatments in select geographies and price caps on Covid tests.
- Private healthcare players incurred huge capital expenditure in setting up Isolation wards and quarantine centres, new equipment, separate patient flow areas and temporary structures to screen staff / patients converting their premises into hybrid facilities for COVID-19 and non-COVID-19 treatment.
- Hospitals also witnessed increase in their operational costs due to adoption of infection control measures for healthcare workers and patient (for example disposables use, staff training, shift management, technology deployment, staff insurance coverage, disinfection procedures, lodging and transport of staff etc.).
- As a result of the pandemic the private healthcare industry witnessed a sharp decline in revenue and with the increased operational expense reported reduced profitability.

### Key Trends being observed in the Hospital business

#### a) Hospital recovery likely to be gradual

- While Q1 faced the maximum impact on occupancy, Hospitals witnessed higher occupancy in Q2 & Q3 of FY 2020-21 with the ramp up primarily due to higher occupancy in Covid beds. A slow recovery was also observed in Non Covid bed occupancy which gained traction towards end Q3 and in Q4.
- Hospitals witnessed varied recovery rate across various specialties beginning September, 2021. Some of the trends being observed in medical specialties are enumerated below:
  - o Non-surgical revenue is seeing a faster recovery than the surgical segment.
  - o Oncology and Dialysis have not witness any significant decline.
  - o Under the surgical segment, Cardiac and Neuro surgeries are recovering faster than other segment while elective surgeries (orthopaedics) is taking longer to reach normal levels.
  - o Given the intense second wave in early FY22, non-covid occupancy declined once again in early Q1 of FY22 with a significant rise in covid occupancy. From mid-May FY22, early and encouraging signs of declining covid

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

cases are being seen; traction is also being witnessed in non-covid occupancy. With the same trend expected to continue, hospital occupancy could reach normal levels in the short to medium term.

### **b) Emerging Trends in the healthcare space as a result of the COVID-19 pandemic.**

#### **• Home healthcare and Teleconsultations**

- o Home healthcare is likely to witness significant traction mainly driven by geriatric population. Many private healthcare players are partnering with home healthcare firms or setting up a separate vertical to cater to this segment.
- o Most of the hospitals encouraged teleconsultations and even launched digital platforms to provide various healthcare services (telemedicine, digital test reports, etc) which can be offered through the virtual medium.
- o Diagnostic players increased their focus on the home collection segment

#### **• Patient and Staff Safety**

- o Various initiatives have been taken to ensure the patient and staff safety such as screening at entry, separate patient flow as well as setting up a separate wing for Covid patients, altering the visiting hours, etc.
- o Rapid recovery protocols have been formed as most patients prefer home care over-staying at the hospital.
- o New medical protocols have been setup for surgical procedures.
- o Mandatory Covid tests for patients who will be undergoing any surgical procedure.

### **(B) Outlook on Healthcare Sector**

The Covid pandemic has exposed the inadequacy of the Indian healthcare sector, for both public as well as private sector. It has showcased the requirement to significantly strengthen the sector to withstand such pandemic in the future. The Government will have to evaluate thoroughly and substantially improve upon its funding for the healthcare infrastructure. Shortage of manpower in the sector needs to be addressed in an efficient manner which should also target the healthcare related vocational trainings. The pandemic is also expected to result in the shifting of healthcare focus from curative care to preventive care and will also bring about major change in hygiene and social etiquettes.

Healthcare delivery is expected to witness a significant transition going forward with an emphasis on technology, digitisation and information systems. Virtual consultations by healthcare professionals could become the mainstream care delivery model post-pandemic. Home healthcare services has picked up during the last one year and is expected to continue to gain traction given the current environment. The hospitals will have to set new rigorous protocols for all the inpatients and attendants against communicable diseases which may have repercussions on the hospital staff as well as other patients. In the diagnostics space, preventive care and wellbeing testing segment is expected to grow at a higher pace compared to the industry growth rate. Integrated health tracking mobile applications, government initiatives, and online services such as booking appointment online for preventive healthcare check-ups, obtaining reports online, home collection of samples will further augment future growth in this industry.

While all these pose a challenge in the short to medium term, over the longer term these would result in a more robust healthcare environment in terms of quality, affordability and accessibility.

## **SECTION II**

### **(A) THE COMPANY**

Fortis Malar Hospital Limited (FMHL) is one of the distinguished multi super-specialty corporate hospitals in Chennai providing comprehensive medical care in areas of Cardiology, Cardio-Thoracic Surgery, Neurology, Neurosurgery, Orthopedics, Nephrology, Gynecology, Gastroenterology, Urology, Pediatrics, Diabetics and so on.

Established in 1992, Malar Hospital, over the years became a household name for tertiary care hospital services in Chennai. In late 2007, Fortis Healthcare Limited (FHL) – India's fastest growing hospital network, acquired a majority stake in Malar Hospital Limited. Thus, paving the way for superlative healthcare services.

Today, Fortis Malar Hospital has a vast pool of talented and experienced doctors, who are further supported by a team of highly qualified, experienced & dedicated support staff & cutting-edge technology. The hospital has an infrastructure comprising of around 170 beds including about 50 ICU beds, 7 Operation theaters, state-of-the-art digital flat panel Cath lab, an ultra-modern dialysis unit besides a host of other world-class facilities.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

In November 2018, Northern TK Ventures Pte Ltd (a 100% subsidiary of IHH Healthcare Bhd) became the largest shareholder of FHL on account of acquisition of ~31% stake through preferential allotment for ₹ 4,000 Crores. Subsequently, IHH / Northern TK Ventures Pte Ltd was classified as promoter of the FHL. IHH also plans to bring open offer for acquiring up to 26% stake in FHL as well as in FMHL, subject to the subscription by the minority shareholders to the open offer. Pursuant to order dated December 14, 2018 passed by the Court, the open offer has been put on hold. As of May 12, 2021, the hearings in the Supreme Court have been concluded and the judgement/order has been reserved. Further details are mentioned in the Directors Report under the sub-heading of 'Significant Matters during the year under review.'

### (ii) Clinical Excellence

- A team of doctors at Fortis Malar successfully implanted the state-of-the-art Leadless pacemaker on a 75-year-old patient. The device is the smallest and lightest pacemaker in the world. The patient was admitted to the hospital with a complete heart block along with complaints of excessive tiredness.
- Doctors at Fortis Malar perform a challenging Multiple Fragment Surgery on a 70-year-old lady with multiple comorbidities including COVID-19. The patient also had Chronic Obstructive Pulmonary Disease (COPD), Diabetes and Hypertension. The patient suffered the fractured elbow after a fall and was immediately rushed to the hospital.
- A team of doctors at Fortis Malar Hospital performed one of its kind minimally invasive Mitral Valve Replacement Procedure on a 35-year-old lady, an underprivileged daily wage worker hailing from Thiruvallur district. This life saving surgery was covered under Tamil Nadu Chief Minister's Comprehensive Health Insurance Scheme.
- A Social Activist from Tiruvannamalai gave new lease of life to four people. The deceased had met with an accident and was declared brain dead at Fortis Malar, following which his family decided to donate his organs. The team of doctors at Fortis Malar harvested four of his organs, of which one kidney was allocated to Fortis Malar, the other to Madras Medical Mission Hospital, liver to Apollo Hospital, Chennai and corneas to Sankara Nethralaya.
- A 46 Years old comorbid, COVID+ patient with acute myocardial infarction was successfully treated with PTCA (Angioplasty) at Fortis Malar Hospital
- Fortis Malar Hospital successfully treated a 19-year-old patient, who attempted suicide with multiple fractures. A series of multiple surgeries were performed to fix the fractures on the heels, legs, pelvis and spine. A year later, and after multiple surgeries and physiotherapy, the patient, can walk now on her own.
- The Hospital successfully conducted a total hip replacement procedure on a 67-year-old patient who had broken his hip through an accidental fall. The patient was quickly admitted and was checked under a 256 slice CT scan which has a 3D and 360-degree view of the underlying bone structure and density. The scan also revealed degeneration of the bones that occurs naturally with age.

### (B) OPERATIONAL AND FINANCIAL PERFORMANCE

Your company achieved a consolidated total income of ₹ 77.49 Crores during the current year as against ₹ 123.06 Crores in the corresponding financial year ended March 31, 2020. EBITDA for the year stood at ₹ 1.91 Crore compared to ₹ 8.40 Crores for the previous corresponding year. The Profit / (Loss) before exceptional and tax for the period stood at ₹ (18.16) Crores as against ₹ (11.93) Crores during the corresponding year. The Profit / (Loss) before tax for the period stood at ₹ (11.31) Crores as against ₹ (11.93) Crores during the corresponding year. Profit / (Loss) for the year stood at ₹ (7.87) Crores in the current financial year compared to ₹ (8.89) Crores in the previous year.

Regarding the key performance indicators, the Company's average revenue per occupied bed (ARPOB) for the current year stood at ₹ 144 Lakhs as against ₹ 171 Lakhs in the previous year. The average length of stay (ALOS) was at 5.27 days in Financial Year 2020-21 compared to 4.02 days in Financial Year 2019-20. Occupancy of the hospital during the year was at 36% as compared to 48% in the previous year. There has been no change in the nature of business of the Company during the year under review.

Key Ratio	2020-21	2019-20	Change %
Debtors Turnover (x)	3.32	4.01	(17%)
Inventory Turnover (x)	9.58	14.43	(34%)
Interest Coverage Ratio (x)	NA	NA	-
Current Ratio (x)	2.43	1.74	1%
Debt Equity Ratio (x)	NA	NA	-

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Key Ratio	2020-21	2019-20	Change %
Operating Profit Margin (%)	(9%)	(2%)	268%
Net Profit Margin (%)	(11%)	(8%)	43%
Return on Network (%)	(9%)	(9%)	(4%)

### (C) HUMAN RESOURCE

The primary objective of any human resource management is to ensure the availability of competent and willing workforce to the organisation as well as to meet the needs, aspirations, values and dignity of individuals / employees and having due concern for the socio-economic problems of the community and the country. During the year, your company focused on these objectives keeping in mind the disastrous Covid Pandemic that has engulfed the entire world.

The company continued with its successful CCDC (Communicating Care is Delivering Care) training program, a 3-day behavioural program for new nurse joiners. In these 3 days, the new nurse joiners are educated with Fortis' expected standard of behaviour focussing on our manner of patient care so that the patient is less stressed and cooperates with us for a faster and healthier recovery. This year we started a new Fortis Nurses Induction program – called Virohan. This is a structured program covering induction and functional training aimed at reducing attrition.

The total number of employees stood at 454 as on March 31, 2021.

### (D) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control system has been designed to commensurate with the nature of business and complexity of operations and is monitored by the management to provide reasonable assurance on the achievement of objectives, effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The Company has institutionalised a robust process and internal control system commensurate with its size and operations.

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and through its observations provides an input to the management to support continuous improvement program. The internal audit program is managed by an Internal Audit function directly reporting to the Audit & Risk Management Committee of the Board.

### **FORWARD LOOKING STATEMENT**

*Except for the historical information contained herein, statements in this discussion which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy, future business plans, our growth and expansion in business, the impact of any acquisitions, our financial capabilities, technological implementation and changes, the actual growth in demand for our products and services, cash flow projections, our exposure to market risks as well as other general risks applicable to the business or industry. The Company undertakes no obligation to update forward looking statements to reflect events or circumstances after the date thereof, except as may be required by law. These discussions and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.*

### **References**

- Impact of COVID-19 on the Medtech Industry by PwC
- India's Budget 2021-22
- FICCI Re-engineering-Indian-Healthcare-2.0
- IBEF, Healthcare Update, November 2020
- Goldman Sachs – India: Healthcare Services (Seeking the Specialist)
- Jefferies Equity Research
- Market Research, Equity and Other Reports, Web Articles, Press & Media Reports and Others

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE / CODE OF GOVERNANCE

Your Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholder value while safeguarding the interest of all stakeholders. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. It is this conviction that has led the Company to make strong corporate governance values intrinsic in all its operations. The Company is led by distinguished Board, which includes Independent Directors. The Board provides a strong oversight and strategic counsel.

Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The core values of your Company's governance process include independence, integrity, accountability, transparency, responsibility and fairness. Its business policies are based on ethical conduct, health, safety and a commitment to build long term sustainable relationship with all stakeholders.

The Company is in compliance with the mandatory requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR], as applicable, with regard to corporate governance.

## 2. BOARD OF DIRECTORS

### A) Composition of the Board

The Board of Directors ("the Board") of the Company consists of an optimal combination of Executive, Non-Executive and Independent Directors which represent a mix of professionalism through knowledge and experience. The Directors have in depth knowledge of business in addition to the expertise in their respective areas of specialisation. The Board brings in strategic guidance, leadership and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to high standards of ethics, transparency and disclosure.

As on March 31, 2021, the Board comprises of 6 (Six) Directors, of whom, 1 (One) is an Executive Director and 5 (five) are Non-Executive Directors (including two Woman Director). Amongst the Non-Executive Directors, 3 (three) are Independent Directors. The Non-Executive Directors bring an external and wider perspective in Board's deliberations and decisions. The size and composition of the Board conforms to the requirements of Regulation 17 of SEBI LODR, as on March 31, 2021. Other details relating to the Directors as on March 31, 2021 are as follows:

S. No.	Name of Director	Category	Directorships held in other companies <sup>1</sup>	Committees Membership in Other Companies <sup>2</sup>	Chairmanship in committees of other Companies <sup>2</sup>	Names of the listed entities where the person is a director and the category of directorship
1	Mr. Daljit Singh DIN – 00135414	Chairman and Non-Executive Non-Independent Director	-	0	0	-
2	Dr. Nithya Ramamurthy DIN – 00255343	Non-Executive Non-Independent Director	-	0	0	-
3	Mr. Ramesh L. Adige DIN – 00101276	Non-Executive Independent Director	2	2	0	Premier Limited (Independent Director)
4	Mr. C K Nageswaran DIN – 08236347	Whole Time Director	1	0	0	-
5	Mr. Ravi Rajagopal DIN – 00067073	Non-Executive Independent Director	3	3	0	Fortis Healthcare Limited (Independent Director)

## REPORT ON CORPORATE GOVERNANCE (Contd.)

S. No.	Name of Director	Category	Directorships held in other companies <sup>1</sup>	Committees Membership in Other Companies <sup>2</sup>	Chairmanship in committees of other Companies <sup>2</sup>	Names of the listed entities where the person is a director and the category of directorship
6	Ms. Shailaja Chandra <sup>3</sup> DIN-03320688	Non-Executive Independent Director	3	2	0	<ul style="list-style-type: none"> <li>Fortis Healthcare Limited (Independent Director)</li> <li>Birla Corporation Limited (Independent Director)</li> </ul>

<sup>1</sup>The Directorships held by Directors as mentioned above, do not include directorships in Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Fortis Malar Hospitals Limited.

<sup>2</sup>Represents Memberships / Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies (excluding Fortis Malar Hospitals Limited, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

<sup>3</sup>Appointed as Non-Executive Independent Director w.e.f. March 10, 2021.

During the year under review, Mr. Murari Pejavar resigned from the position of Independent Director of the Company w.e.f. January 18, 2021. Mr. Murari Pejavar being an advisor to President of FICCI was required to participate in FICCI's major and most critical function, therefore he was not able to devote sufficient time to the Company. Mr. Murari has confirmed that there were no other material reason for his resignation other than stated above.

In accordance with Regulation 26 of SEBI (LODR), none of the Directors on Board is a member in more than ten committees and / or as Chairperson of more than five committees across all the listed entities in which he / she is Director. Further, none of the Independent Directors serves in more than seven listed companies and also the Whole-time Director of the Company doesn't serve as an Independent Director in any other listed Company. Also, none of our Directors are related to each other.

Further, as per the amended SEBI LODR, the details of a matrix setting out the skills / expertise / competence of the board of directors specifying the list of core skills / expertise / competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board should be identified, following specifications should be considered for appointing directors. Following are desirable requirements and shall be considered on "best fit combination" basis across the board members instead of each individual along with naming directors who hold such skills / expertise / competence: -

Particulars / Names	Mr. Daljit Singh	Mr. C K Nageswaran	Dr. Nithya Ramamurthy	Ms. Shailaja Chandra	Mr. Ramesh L. Adige	Mr. Ravi Rajagopal
<b>Educational Qualifications in respective functional domain.</b>	✓	✓	✓		✓	✓
<b>Understanding of the corporate governance and stakeholder management frameworks.</b>	✓	✓	✓	✓	✓	✓
<b>Strong Financial Acumen and understanding of financial controls</b>	✓	✓			✓	✓
<b>Able to provide prudent insights on issues of strategy, performance, risk management &amp; standards of conduct.</b>	✓	✓	✓	✓	✓	✓

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Particulars / Names	Mr. Daljit Singh	Mr. C K Nageswaran	Dr. Nithya Ramamurthy	Ms. Shailaja Chandra	Mr. Ramesh L. Adige	Mr. Ravi Rajagopal
Experience / Exposure / association with healthcare industry.	✓	✓	✓	✓	✓	
Understanding of a multi-faceted business operation.	✓	✓	✓	✓	✓	✓
Is well networked in the industry / Functional domain	✓	✓	✓	✓	✓	✓

### B) Independent Directors

Independent Directors fulfil all the conditions for being Independent to the Company, as stipulated under Regulation 16 (1)(b) of SEBI LODR and the Companies Act, 2013. The maximum tenure of Independent Directors is determined in accordance with the Companies Act, 2013 and Regulation 25(2) of SEBI LODR. The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the terms and conditions of such appointment is disclosed on the website of the Company viz. [https://www.fortismalar.com/frontend/investorrelations/Template\\_for\\_appointment\\_of\\_Non\\_Executive\\_Directors%20\(3\)-1557141588.pdf](https://www.fortismalar.com/frontend/investorrelations/Template_for_appointment_of_Non_Executive_Directors%20(3)-1557141588.pdf).

Further, in compliance with Regulation 25(2) of SEBI (LODR) Regulations, 2015, the Company has made familiarisation programmes to familiarise Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The detail of such familiarisation programme is available at <https://www.fortismalar.com/frontend/investorrelations/Familiarisation%20Programme%202019-20-1595820770.pdf>.

Based on declaration received from independent directors, the Board is of the opinion that independent directors fulfil the conditions specified in these regulations and are independent of the management.

### C) Disclosure regarding appointment or re-appointment of Directors

Pursuant to the provisions of Section 149 of the Companies Act, 2013, all the Independent Directors hold office for tenure of five consecutive years and are not liable to retire by rotation. Every appointment made to the Board is recommended by the Nomination and Remuneration Committee after considering various factors such as qualification, positive attributes, area of expertise and other criteria as laid down in the "Board of Directors Governance Standards". The same is further taken for shareholders' approval, as and when required, under the provisions of applicable laws.

Ms. Shailaja Chandra, has been appointed as an Independent Director with effect from March 10, 2021.

As per the provisions of Companies Act, 2013, Dr. Nithya Ramamurthy is liable to retire by rotation at the ensuing Annual General Meeting and offered herself for re-appointment. On the recommendation of Nomination & Remuneration Committee, the Board has recommended her re-appointment as a director liable to retire by rotation. As required under Regulation 36 of SEBI LODR the information or details pertaining to the Directors seeking appointment/ re-appointment in the ensuing Annual General Meeting are provided in the Notice convening the ensuing Annual General Meeting:

#### Board Functioning & Procedure

The Board plays a pivotal role in ensuring good governance. In accordance with Regulation 17(2) of SEBI LODR, the Board meets at least 4 (four) times a year, with a maximum time gap of one hundred and twenty days between any two consecutive meetings. Whenever necessary additional meetings were held. The agenda for each Board meeting is drafted in consultation with the Chairman and Whole-time Director and circulated in advance to the Board Members to facilitate meaningful discussion at the meeting.

The provisions and procedures relating to Performance Evaluation of the Directors and Familiarisation Program forms part of the Board Report.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### During the year ended March 31, 2021, 7 (Seven) Board Meetings were held on:

- i) April 3, 2020
- ii) June 12, 2020
- iii) July 7, 2020
- iv) August 10, 2020
- v) August 24, 2020
- vi) November 6, 2020
- vii) February 1, 2021

The last Annual General Meeting of the Company was held on August 27, 2020. The attendance of each Director at the Board Meetings held during the year ended March 31, 2021 and at the last Annual General Meeting (AGM) is as under: -

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Daljit Singh	7	Yes
<sup>1</sup> Mr. Murari Pejavar	0	No
Dr. Nithya Ramamurthy	7	Yes
Mr. Ramesh Lakshman Adige	7	Yes
Mr. C K Nageswaran	7	Yes
Mr. Ravi Rajagopal	7	Yes
<sup>2</sup> Ms. Shailaja Chandra	0	NA

<sup>1</sup>Resigned w.e.f. January 18, 2021

<sup>2</sup>Appointed w.e.f. March 10, 2021

Due to prevailing circumstances, all meetings were held through audio video means.

### Availability of information to the members of Board:

As required under Schedule II- Part A of SEBI LODR, to the extent applicable, inter alia following information is placed before the Board:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of Audit and Risk Management Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

### Statutory Compliances

The Board periodically reviews the mechanism put in place by the Management to ensure compliances with Laws and Regulations as may be applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliances, if any.

### Code of Conduct

The Board has prescribed a Code of Conduct for all employees of the Company including Senior Management and Board Members which covers transparency, behavioural conduct, gender friendly work-place, legal compliance and protection of the Company's property and information.

Further, in terms of Schedule IV of the Companies Act, 2013 the Company has adopted a separate Code of Conduct for Independent Directors. In terms of Regulation 26 of SEBI LODR, Senior Management and Board Members have confirmed compliance with the Codes for FY 2020-21. The aforesaid codes are also hosted on the website of the Company.

A declaration to this effect signed by the Whole-time Director of the Company, forms part of this Report.

## 3. COMMITTEES OF THE BOARD

In terms of provisions of SEBI LODR read with the Companies Act, 2013, the Board has formed four Committees viz. Audit and Risk Management Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.

Keeping in view of the requirement of the Companies Act, 2013 as well as SEBI LODR the Board decides the terms of reference of these Committees and assignments of members of various Committees. The recommendation, if any, of these Committees are submitted to the Board for approval.

### A) AUDIT AND RISK MANAGEMENT COMMITTEE

#### Composition of the Committee

As on March 31, 2021, Audit and Risk Management Committee comprised of the following members, namely: -

S. No.	Name of Members	Designation	Category
1	Mr. Ramesh Lakshman Adige	Chairman	Non-Executive Independent Director
2	Mr. Daljit Singh	Member	Non-Executive Non-Independent Director
3	Mr. Ravi Rajagopal	Member	Non-Executive Independent Director

Mr. Murari Pejavar has resigned as a director and member of the Committee w.e.f January 18, 2021.

The Members of the Committee are financially literate and also have requisite accounting and financial management expertise. The Company Secretary of the Company acts as the Secretary of the Committee.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

**The salient roles and responsibilities associated with the Audit and Risk Management Committee include, but are not limited to the following:**

- Oversight of the financial reporting process and the disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible;
- To recommend appointment, remuneration and terms of appointment of auditors of the Company;
- To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
- To review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv) Significant adjustments made in the financial statements arising out of audit findings.
  - v) Compliance with listing and other legal requirements relating to financial statements.
  - vi) Disclosure of any related party transactions.
  - vii) Qualifications in the draft audit report.
- To review with the management, the quarterly financial statements before submission to the board for approval;
- To review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- To approve fresh or any subsequent modification of transactions of the Company with related parties;
- To scrutinise inter-corporate loans and investments;
- To do valuation of undertakings or assets of the Company, wherever it is necessary;
- To do evaluation of internal financial controls and risk management systems;
- To monitor the end use of funds raised through public offers and related matters;
- To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- To discuss with internal auditors for any significant findings and follow up there on;
- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;



## REPORT ON CORPORATE GOVERNANCE (Contd.)

- To approve appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- To carry out any other function as is mentioned in the terms of reference of the Audit and Risk Management Committee.

The above said roles, accountabilities and responsibilities reflect salient terms of reference of the Audit and Risk Management Committee. However, the detailed and exhaustive mandate / terms of reference of the Audit and Risk Management Committee are also available on the website of the Company at <https://www.fortismalar.com/frontend/investorrelations/Audit-Risk-Management-Committee-Mandate-1557140857.pdf>.

### Meetings and Attendance during the year

During the financial year ended March 31, 2021, 6 (six) meetings of Audit and Risk Management Committee were held on:

- i) June 12, 2020
- ii) July 7, 2020
- iii) August 10, 2020
- iv) August 24, 2020
- v) November 6, 2020
- vi) February 1, 2021

The attendance at the Audit and Risk Management Committee Meetings held during the year under review are as under:

Sr. No.	Name of Members	No. of Meetings attended
1	Mr. Ramesh Lakshman Adige, Chairman	6
2	Mr. Daljit Singh	6
3	<sup>1</sup> Mr. Murari Pejavar	0
4	Mr. Ravi Rajagopal	6

<sup>1</sup>Resigned from Company w.e.f. January 18, 2021

## B) NOMINATION AND REMUNERATION COMMITTEE

### Composition of the Committee

As on March 31, 2021, the Nomination and Remuneration Committee comprised of the following members: -

S. No.	Name of Members	Designation	Category
1	Mr. Ramesh Lakshman Adige	Chairman	Non-Executive Independent Director
2	Mr. Daljit Singh	Member	Non-Executive Non-Independent Director
3	Dr. Nithya Ramamurthy	Member	Non-Executive Non-Independent Director
4	<sup>1</sup> Mr. Ravi Rajagopal	Member	Non-Executive Independent Director

<sup>1</sup>Appointed as member of the Committee w.e.f. March 25, 2021

**The salient roles and responsibilities associated with the Nomination and Remuneration Committee include, but are not limited to, the following:**

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of every Director's performance;

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- To devise a policy on Board diversity;
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of Independent Directors on the basis of the report of performance evaluation.

The above said roles, accountabilities and responsibilities reflect salient terms of reference of the Nomination and Remuneration Committee. However, the detailed and exhaustive mandate / terms of reference of the said Committee are also available on the website of the Company at <https://www.fortismalar.com/frontend/investorrelations/Nomination-&-Remuneration-Committee-Mandate-1576243459.pdf>.

### Meetings and Attendance

During the financial year ended March 31, 2021, 4 (four) meetings of the Nomination and Remuneration Committee were held on:

- April 3, 2020
- June 11, 2020
- August 10, 2020
- February 1, 2021

The attendance at the Nomination and Remuneration Committee Meetings held during the year under review is as under: -

Sr. No.	Name of Members	No. of Meetings attended
1	Mr. Ramesh Lakshman Adige	4
2	Mr. Daljit Singh	4
3	<sup>1</sup> Mr. Murari Pejavar	0
4	Dr. Nithya Ramamurthy	3
5	<sup>2</sup> Mr. Ravi Rajagopal	0

<sup>1</sup>resigned from Company w.e.f. January 18, 2021

<sup>2</sup>Appointed as member of the Committee w.e.f. March 25, 2021

Company Secretary of the Company acts as Secretary of the Committee.

### Remuneration Policy & criteria of making payments to Executive and Non-Executive Directors

Remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice.

The Directors' remuneration policy of your Company confirms to the provisions of the Companies Act, 2013 and this policy forms part of "Board Governance document" which is available at Company website on <https://www.fortismalar.com/frontend/investorrelations/Governance%20Document-1571650694.pdf>.

The remuneration paid / payable to the Executive Director i.e. Whole-time Director is recommended by the Nomination and Remuneration Committee, decided by the Board and approved by the Shareholders.

Presently, the Non-Executive Directors are being paid sitting fees for attending the meetings of Board of Directors and various Committees of the Board viz. Audit and Risk Management Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. Independent Directors are also being paid sitting fees for their separate meeting.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Remuneration to Directors

#### Executive Director(s)

The details of remuneration paid to Executive Directors during the financial year ended March 31, 2021 are as under:-

Name of the Director	Salary, Allowances & Perquisites (₹)	Performance Incentives (₹)	Retiral Benefits (₹)	Service Contract	
				Tenure	Notice Period
Mr. C K Nageswaran	48,51,385	5,79,262	3,24,396	3 years w.e.f. October 02, 2018	3 Months

#### Notes:

- 1) No Retiral Benefits were paid to Mr. Nageswaran towards "Employer's PF Contribution and Gratuity" respectively.
- 2) No severance fees is payable on termination of contract.
- 3) As on March 31, 2021, Mr. Nageswaran did not hold any equity shares in the Company.
- 4) No Stock options of the Company have been granted to Mr. Nageswaran. Further, he was not paid any commission from the Company or its Holding / Subsidiary Company during the year.

#### Non – Executive Directors

Except the sitting fees being paid to Non-Executive Directors and the fees for services rendered in the professional capacity, there is no other pecuniary relationship or transaction between such Directors and the Company.

Details of sitting fees paid to the Non-executive Directors for the financial year ended March 31, 2021 and their shareholding as on that date is as follows: -

Particulars of Director	Sitting Fee (Amount in ₹)	Shareholding in the Company as on March 31, 2021
Mr. Daljit Singh	11,00,000	Nil
<sup>1</sup> Mr. Murari Pejavar	Nil	Nil
Dr. Nithya Ramamurthy	6,00,000	8,59,377
Mr. Ramesh Lakshman Adige	12,00,000	Nil
Mr. Ravi Rajagopal	7,50,000	Nil

<sup>1</sup>Resigned from the Company w.e.f. January 18, 2021.

Except for Dr. Nithya Ramamurthy, Non-Executive Director, to whom 20,000 Stock Options have been granted under ESOP 2008 Scheme of the Company, the Company has not granted any stock options to any other Director.

Except as stated above and as disclosed in this Annual Report including notes to Financial Statements, there was no other pecuniary relationship or transaction of the Non-Executive Director(s) vis-à-vis the Company, during the year under review. Further, none of the Non-Executive Directors are holding any convertible instrument of the Company.

### C) STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Composition of the Committee

As on March 31, 2021, the Stakeholders Relationship Committee comprised of the following members, namely:

Sr. No.	Name of Members	Designation	Category
1	Mr. Ramesh Lakshman Adige	Chairman	Non-Executive Independent Director
2	Mr. Daljit Singh	Member	Non-Executive Non-Independent Director
3.	Mr. C. K. Nageswaran	Member	Executive Director (Whole-time Director)
4.	Dr. Nithya Ramamurthy	Member	Non-Executive Non-Independent Director

Company Secretary acts as the Secretary of the Committee.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The salient roles and responsibilities associated with the Stakeholders Relationship Committee include, but are not limited to the following:

- To approve / refuse / reject registration of transfer / transmission of Securities;
- To authorise issue of Share Certificates after split / Consolidation / Replacement and duplicate Share certificates;
- To authorise printing of Share Certificates;
- To affix or authorise affixation of the Common Seal of the Company on Share Certificates approved by the Committee on behalf of the Company.
- To authorise Managers / Officers / Signatories for signing Share Certificates as well as for endorsing share transfers.
- To monitor redressal of shareholders' and investors' complaints about transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc.
- Such other functions as may be assigned by the Board.

The above said roles, accountabilities and responsibilities reflect salient terms of reference of the Stakeholders Relationship Committee. However, the detailed and exhaustive mandate / terms of reference of the said Committee are also available on the website of the Company at <https://www.fortismalar.com/frontend/investorrelations/Stakeholder-Relationship-Committee-Mandate-1557141106.pdf>.

Company Secretary acts as Compliance Officer of the Company.

### Meeting and Attendance

The Stakeholders Relationship Committee meets as and when required. During the year under review, 4 (four) meetings were held on:

- June 11, 2020
- August 10, 2020
- November 6, 2020
- February 1, 2021

The attendance of the members of the Stakeholders Relationship Committee at the said meetings was as follows: -

Sr. No.	Names of the Members	No. of Meetings attended
1	Mr. Ramesh Lakshman Adige, Chairman	4
2	Mr. Daljit Singh	4
3	Dr. Nithya Ramamurthy	2
4	Mr. C. K. Nageswaran	3

### Status of Shareholders' Complaints during Financial Year 2020-21

Number of complaints pending from last year	:	Nil
Number of shareholders' complaints received during the year	:	87
Number of complaints not resolved to the satisfaction of shareholders	:	Nil
Number of pending complaints as on March 31, 2021	:	Nil

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

#### Composition of the Committee

The Committee as on March 31, 2021 comprised of the following members, namely: -

Sr. No.	Names of Members	Designation	Category
1	Mr. Daljit Singh	Chairman	Non-Executive Non-Independent Director
2	Mr. Ramesh L Adige	Member	Non-Executive Independent Director
3	Dr. Nithya Ramamurthy	Member	Non-Executive Non-Independent Director

Company Secretary acts as the Secretary of the Committee.

#### Accountabilities, Roles and Responsibilities

The salient roles and responsibilities associated with the Corporate Social Responsibility Committee inter alia include, but are not limited to, the following:

- To review and make recommendations, as appropriate, with regard to the Company's Corporate Social Responsibility (CSR) policy indicating the activities to be undertaken by the Company;
- To review the various proposals of CSR programmes / projects as submitted by CSR department of the Company and if thought fit, approval thereof, provided that the same is within the framework of CSR Policy;
- To identify and appoint various eligible agencies / entities for execution of CSR programmes or projects of the Company;
- To recommend the amount of expenditure to be incurred on the CSR activities as per the framework of CSR Policy.
- To fix the schedule of implementation of CSR projects and programmes and supervise and review the same;
- To liaise with management on the Company's CSR program, including significant sustainable development, community relations and procedures;
- To satisfy itself that management of the Company monitor trends and emerging issues in the corporate social responsibility field and evaluates the impact on the Company;
- To schedule regular reports from CSR Department(s) and / or various eligible agencies or entities on the Company's CSR performance to assess the effectiveness of the CSR program;
- To identify the principal areas of risks and impacts relating to corporate social responsibility and ensuring that sufficient resources are allocated to address these liabilities;
- To review the annual budget for the Company's CSR activities to confirm that sufficient funding is provided for compliance with this mandate;
- To review the Company's CSR performance and to assess the effectiveness of the CSR program and to determine whether the Company is taking all appropriate actions in respect of those matters and has been duly diligent in carrying out its responsibilities and to make recommendations for improvement, wherever appropriate; and
- To open various bank account(s) and authorise the bank signatories, as may be required, for execution of various CSR programmes or projects of the Company and change, if any, of said signatories and closure of said bank account(s).

The above-mentioned roles and responsibilities reflect the salient terms of reference and responsibilities for the Corporate Social Responsibility Committee. The detailed and exhaustive mandate of the Corporate Social Responsibility Committee is available on the website of the Company at <https://www.fortismalar.com/frontend/investorrelations/Corporate-Social-Responsibility-Mandate-1557142145.pdf>.

#### Meetings and Attendance during the year

The Corporate Social Responsibility Committee meets as and when required. During the year under review, 1 (one) meeting was held on June 11, 2020.

The attendance of the members of the Corporate Social Responsibility Committee at the said meeting was as follows: -

Sr. No.	Names of the Members	No. of Meetings attended
1	Mr. Daljit Singh, Chairman	1
2	Dr. Nithya Ramamurthy	0
3	Mr. Ramesh L Adige	1

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### INDEPENDENT DIRECTORS MEETING

Independent Directors meets as and when required. During the year under review, 2 (two) meetings were held on:

- i) June 11, 2020
- ii) February 1, 2021

The salient roles and responsibilities associated with the Independent Directors Meeting include, but are not limited to, the following:

- a) review the performance of non-independent directors and the board of directors as a whole;
- b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

### 4. SUBSIDIARY COMPANY

During the Financial Year under review, your Company has one unlisted subsidiary Company i.e. Malar Stars Medicare Limited. Audit and Risk Management Committee of the Company reviews financial statements and investments made by Malar Stars Medicare Limited. Minutes of the Board Meetings as well as statements of significant transactions and arrangements entered into by Malar Stars Medicare Limited were placed before the Board of Directors of the Company.

The Company has also formulated a policy for determining 'material' subsidiaries and such policy has also been disclosed on the Company's website i.e. [www.fortismalar.com](http://www.fortismalar.com) and the web link of the same is <https://www.fortismalar.com/frontend/investorrelations/Policy%20on%20Material%20Subsidiary%20Company-1559121470.pdf>.

Basis the Consolidated Audited Annual Accounts of the Company for FY 2020-21, the Company has no "material subsidiary" in terms of the provisions of SEBI LODR.

### 5. WHOLE TIME DIRECTOR / CHIEF FINANCIAL OFFICER CERTIFICATION

Certificates of Whole-time Director and Chief Financial Officer as stipulated in Regulation 17(8) of SEBI LODR was placed before the Board along with financial statements for the year ended March 31, 2021. The Board reviewed and took the same on record. The said certificate forms part of the Annual Report.

### 6. GENERAL BODY MEETINGS

The location and time of the General Meetings held during the preceding three years are as under: -

Financial Year	Date	Time	Address	Special resolution passed
2017-18	September 28, 2018	10:30 A.M.	National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali – Punjab-160062	• Approval of modification of terms and conditions of appointment of Mr. Meghraj A. Gore as Whole Time Director
2018-19	September 26, 2019	10:30 A.M.	National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali – Punjab-160062	• Appointment of Mr. Coimbatore Kalyanraman Nageswaran as Whole Time Director of the Company. • Approval of re-appointment of Mr. Ramesh L. Adige as Non-Executive and Independent Director for second term. • Approval of re-appointment of Mr. Murari Pejavar as Non-Executive and Independent Director for second term.
2019-20	August 27, 2020	2.00 P.M.	Through Video Conferencing / Other Audio - Visual Means	Nil

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Details of resolution passed by way of Postal Ballot.

Pursuant to Regulation 44 of SEBI LODR and Section 108, 110 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, the members of the Company have during the year under review, approved the following resolutions by way of postal ballot.

#### I. Postal ballot notice dated May 7, 2020 (Result declared on June 13, 2020)

- (a) Approval for entering into the material related party transaction under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Ordinary Resolution).
- (b) Approval for entering into the material contract with related party under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Special Resolution).
- (c) Approval for appointment of Mr. Ravi Rajagopal as Non-Executive Independent Director (Ordinary Resolution).
- (d) Approval for waive off service fee payable to BT entity as described herein below and amendment in any of the terms and conditions of Hospital and Medical Services Agreement (HMSA), including termination thereof (Special Resolution).

For the conduct of the aforementioned postal ballot / electronic voting exercise, Mr. Ramit Rastogi of Ramit Rastogi & Associates, Practicing Company Secretaries (C.P. No. 18465), was appointed as the Scrutiniser.

Summary of the results of aforementioned Postal Ballot / electronic voting process announced by Mr. Mayank Jain, Company Secretary of the Company on June 13, 2020:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Approval for entering into the material related party transaction under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	1,77,869	1,73,987 (97.82%)	3,882 (2.18%)
Approval for entering into the material contract with related party under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011	1,19,30,271	1,19,26,389 (99.97%)	3,882 (0.03%)
Approval for appointment of Mr. Ravi Rajagopal as Non-executive Independent Director	1,19,30,271	1,19,25,814 (99.96%)	4,457 (0.04%)
Approval for waive off service fee payable to BT entity as described herein below and amendment in any of the terms and conditions of Hospital and Medical Services Agreement (HMSA), including termination thereof.	1,19,30,271	1,19,26,388 (99.97%)	3,883 (0.03%)

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### II. Postal ballot notice dated February 5, 2021 (Result declared on March 11, 2021)

a) Approval of appointment of Ms. Shailaja Chandra (DIN: 03320688) as an Independent Director of the Company For the conduct of the aforementioned postal ballot / electronic voting exercise, Mr. Ramit Rastogi of Ramit Rastogi & Associates, Practicing Company Secretaries (C.P. No. 18465), was appointed as the Scrutiniser.

Summary of the results of aforementioned Postal Ballot / electronic voting process announced by Mr. Mayank Jain, Company Secretary of the Company on March 11, 2021:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Approval of appointment of Ms. Shailaja Chandra (DIN: 03320688) as an Independent Director of the Company	1,17,55,933	1,17,53,384 (99.9783%)	2,549 (0.0216%)

There is no immediate proposal for passing any resolution through Postal Ballot as on the date of this report, except as per the details available in public domain.

Till the date of signing of this report, no Special Resolution is proposed to be conducted through postal ballot, unless as disclosed by the Company.

Further, resolution(s), if required, shall be passed by Postal Ballot during the year ending on March 31, 2022, as per the prescribed procedure under the Companies Act, 2013 and SEBI LODR.

#### Procedure for voting by Postal Ballot and E-voting

In compliance with the provisions of SEBI LODR and Section 108, 110 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder, the Company provides E-voting facility to the members. The Notice of Postal Ballot along with the Explanatory Statement pertaining to the draft Resolution(s) explaining in detail, the material facts along with the Postal ballot form and the postage prepaid self-addressed envelope, are sent to all the members, whose name appear on the register of members as on the cut-off date, under secured mode of Posting / through e-mail. The members were given option to vote through e-voting facility. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013.

The members are required to carefully read the instructions printed in the Postal Ballot Form, fill up the Form, give their assent or dissent on the resolution(s) at the end of the Form and sign the same as per the specimen signature available with the Company or Depository Participant, as the case may be, and return the form duly completed so as to reach the scrutiniser before the close of working hours of the last date fixed for the purpose or post their assent or dissent through e-voting module. Postal Ballot Form received after this date, is strictly treated as if the form has not been received from the member.

Voting rights are reckoned on the basis of number of shares and paid-up value of shares registered in the name of the shareholders on the specified date. A resolution is deemed to have been passed as special resolution if the votes cast in favour are at least three times than the votes cast against and in case of ordinary resolution the resolution is deemed to have been passed, if the votes cast in favour are more than the votes cast against.

For the members who opted for e-voting facility, they casted their votes via electronic platform (<https://evoting.kfintech.com>) of KFIN Technologies Private Limited (KFIN).

Scrutiniser appointed for the purpose scrutinises postal ballots and e-votes received and submits his consolidated report to the Company. Results are thereafter displayed on the website of the Company i.e. [www.fortismalar.com](http://www.fortismalar.com).



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 7. DISCLOSURES

#### **Related party transactions**

Details of transactions with related parties, as prescribed in SEBI LODR, are placed before the Audit and Risk Management Committee periodically. Further, details of all material transactions, if any, with related parties are also disclosed quarterly along with the compliance report on Corporate Governance. The Company has adopted a Policy on 'Materiality on Related Party Transactions' and the weblink for the same is <https://www.fortismalar.com/frontend/investorrelations/Related-Party-Transactions-Framework-Document-1557140823.pdf>.

During the period under review, material related party transaction(s) were entered with related parties of the Company with the required approval of the shareholders and other approvals as required.

#### **Accounting Treatment**

While in the preparation of financial statements, the treatment that has been prescribed in the Accounting Standards, has been followed to represent the facts in the financial statements in a true and fair manner.

#### **Compliances by the Company**

The Company has complied with requirements of the Stock Exchange, SEBI and other statutory authorities on all matters relating to capital markets. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI and other statutory authorities relating to the above during the last three years.

#### **Management**

During the year under review, no material financial and commercial transaction has been entered by Senior Management personnel, where they have any personal interest that may have potential conflict with the Company at large. The Company has obtained requisite declarations from all Senior Management Personnel in this regard and the same were placed before the Board of Directors on periodic basis.

#### **Code of Conduct and Prevention of Insider Trading**

Code of Conduct for Prevention of Insider Trading of Fortis Malar Hospitals Limited, as approved by the Board of Directors, inter alia, prohibits purchase or sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The said Code is available on the Company's website <https://www.fortismalar.com/frontend/investorrelations/Policy%20Code%20of%20Conduct%20for%20prevention%20of%20Insider%20Trading-1559121572.pdf>.

#### **Whistle Blower Policy / Vigil Mechanism**

The Company strongly supports and strives to provide a structured platform via Whistle Blower Policy / Vigil Mechanism for reporting of instances of alleged wrongful conduct or gross waste or misappropriation of funds including instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct.

Through this Policy, the Company seeks to provide a procedure for all the employees, directors and other stakeholders of the Company to report their concerns about unethical and improper practice taking place in the Company and provide for adequate safeguards against victimisation of director(s) / employee(s) / stakeholder(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit and Risk Management Committee, in exceptional cases. It protects employees, officers, directors and stakeholders who in good faith raise a concern about irregularities within the Company. It is hereby confirmed that no personnel were denied access to the Audit and Risk Management Committee.

The Company has adopted a Whistle Blower Policy in line with the requirements laid down under the Companies Act, 2013 and SEBI LODR. The same is available at the website of the Company at <https://www.fortismalar.com/frontend/investorrelations/Whistle%20Blower%20Policy-1581315350.pdf>.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 8. MEANS OF COMMUNICATION

- i) **Results:** The financial results are generally published in Business Standard/Financial Express (English - all editions across India) and Rozana Spokesman (Punjabi – Regional Editions).
- ii) **Website:** The financial results hosted on the Company's website viz. [www.fortismalar.com](http://www.fortismalar.com).
- iii) **News Release, Presentations:** The press releases/ official news, detailed presentation made to media, analysts, institutional investors etc., if any, are displayed on the Company's website. Official Media Releases, if any, are also sent to the stock exchange before dissemination to the media.
- iv) **Intimation to the Stock Exchange:** The Company also intimates the Stock Exchange all price sensitive information or such other matters, if any, which in its opinion are material and of relevance to the Shareholders.
- v) **BSE Corporate Compliance and the Listing Centre:** BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others in accordance with SEBI LODR are filed electronically.
- vi) **SEBI Complaints Redress System (SCORES):** Investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- vii) **Designated Exclusive email-id:** The Company has designated the following email-id for investor servicing: [secretarial.malar@malarhospitals.in](mailto:secretarial.malar@malarhospitals.in). Investors can also mail their queries to Registrar and Transfer Agent at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).

### 9. GENERAL SHAREHOLDER INFORMATION

- a) **Annual General Meeting: July 29, 2021 at 2.00 P.M. (IST) through OAVM/VC.**
- b) **The Financial Year of the Company - April 01 to March 31**  
**Financial Calendar 2021-22 (tentative & subject to change)**

S. No.	Tentative Schedule	Tentative Date (On or before)
1.	Financial Reporting for the quarter ending June 30, 2021	August 14, 2021
2.	Financial Reporting for the quarter ending September 30, 2021	November 14, 2021
3.	Financial Reporting for the quarter ending December 31, 2021	February 14, 2022
4.	Financial Reporting for the quarter ending March 31, 2022	May 30, 2022
5.	Annual General Meeting for the year ending March 31, 2022	On or before September 30, 2022

- c) **Listing on Stock Exchanges**

The Equity shares of the Company are listed on BSE Limited (BSE), Phiroze Jeejeebhoy Tower, Dalal, Street, Mumbai – 400001.

The Company has paid the listing fee of BSE Limited for FY 2020-21.

- d) **Stock Code**

Stock / Scrip Code at BSE Limited is 523696

ISIN for Equity INE842B01015

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### e) Market Price Data

The Equity shares of the Company are listed on BSE Limited.

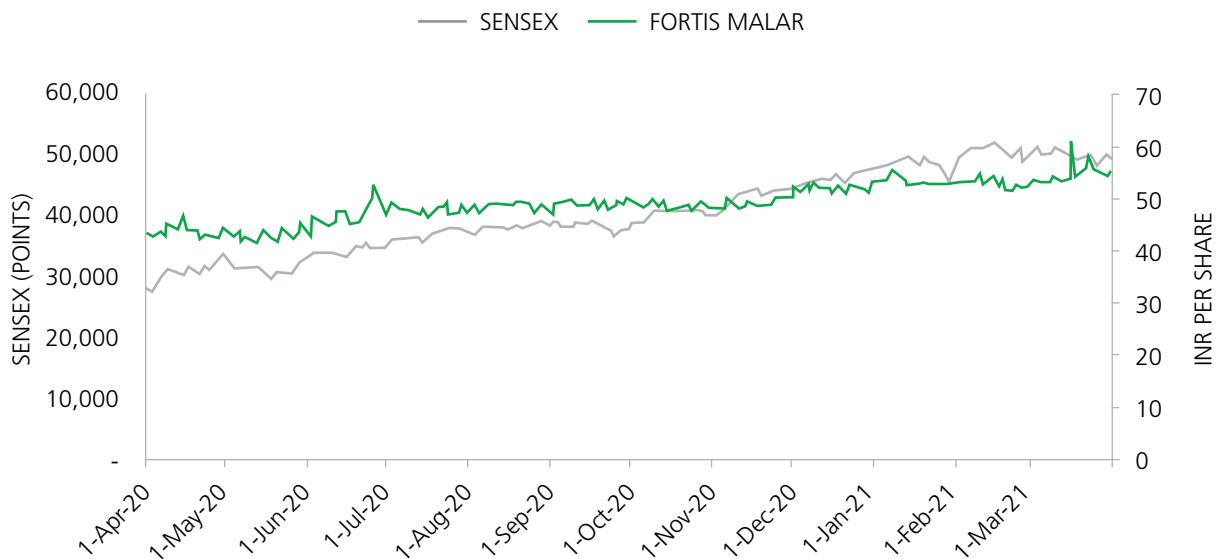
Monthly High and Low Quotations of Shares traded on BSE

	High	Low
Apr-20	46.8	42.6
May-20	45.5	41.6
Jun-20	52.8	43.0
Jul-20	49.4	46.8
Aug-20	49.8	47.4
Sep-20	50.3	47.1
Oct-20	49.8	47.8
Nov-20	50.5	48.1
Dec-20	53.5	50.3
Jan-21	55.4	52.6
Feb-21	55.0	51.5
Mar-21	60.7	52.3

Based on monthly closing data of Fortis Malar Stock Price (Rupee per share)

### f) Performance in comparison to broad based indices (BSE Sensex)

Based on monthly closing data of BSE Sensex (Value) and Fortis Malar (Rupee per share)



## REPORT ON CORPORATE GOVERNANCE (Contd.)

- g) Details of commodity price risk or foreign exchange risk and hedging activities (commodity or otherwise), as applicable, during financial year under review** - Details of commodity price, risk on foreign exchange risk & hedging activity (commodity or otherwise), as applicable, during the financial year under review are provided in notes to accounts which forms part of the Annual Report. It is hereby confirmed that the Company is not involved in commodity and / or derivative market.
- (h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)** – Not Applicable
- (i) The Company is in receipt of a certificate from M/s Mukesh Agarwal & Co., Practicing Company Secretaries certifying that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority**

It is confirmed that at there was no instance during FY 2020-21 when the Board had not accepted any recommendation of any committee of the Board.

- (k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:**

Particular of Services	Name of Auditor	(*₹ in lakhs)
Statutory Audit Fees	B S R & Co. LLP	5.75
Tax Audit Fees	B S R & Co. LLP	0.55
Other Services Limited Review / OPE & GST	B S R & Co. LLP	12.09
<b>TOTAL</b>		<b>18.39</b>

\* On Accrual Basis.

- (l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013:**
- number of complaints filed during the financial year – Nil
  - number of complaints disposed of during the financial year – Nil
  - number of complaints pending as on end of the financial year – Nil

**m) Registrar and Transfer Agent**

KFin Technologies Private Limited  
Selenium, Tower B,  
Plot No. 31 & 32, Financial District,  
Nanakramguda, Seilingampally Mandal  
Hyderabad-500032  
Phone No. - +91 40 6716 2222  
Fax No. - +91 40 23431551.  
E-mail: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### n) Share Transfer System

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Whole-time Director and/or Company Secretary. A summary of transposition / transmission of securities of the Company so approved by the Whole-time Director / Company Secretary is placed at every Board meeting / Stakeholders' Relationship Committee.

The Company has obtained half yearly certificate(s) of compliance from the Compliance Officer and the authorised representative of Registrar and share transfer Agent pertaining to compliance with share transfer formalities as required under SEBI LODR.

### o) Distribution of Shareholding as on March 31, 2021

Sr. No.	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	8566	92.59	8578670.00	4.58
2	5001- 10000	332	3.59	2884600.00	1.54
3	10001- 20000	168	1.82	2633510.00	1.41
4	20001- 30000	58	0.63	1498260.00	0.80
5	30001- 40000	17	0.18	628640.00	0.34
6	40001- 50000	20	0.22	957490.00	0.51
7	50001- 100000	42	0.45	3322090.00	1.77
8	100001& Above	49	0.53	166914330.00	89.06
	<b>Total:</b>	<b>9252</b>	<b>100.00</b>	<b>187417590.00</b>	<b>100.00</b>

### p) Shareholding Pattern of Equity Shares as on March 31, 2021

S. No	Description	No. of Cases	Total Shares	% Equity
1	MUTUAL FUNDS	1	13500	0.07
2	TRUSTS	2	2100	0.01
3	RESIDENT INDIVIDUALS	8897	3566967	19.03
4	PROMOTERS	1	100	0.00
5	EMPLOYEES	8	92550	0.49
6	NON RESIDENT INDIANS	35	198291	1.06
7	PROMOTERS BODIES CORPORATE	5	11752802	62.71
8	CLEARING MEMBERS	16	6537	0.03
9	DIRECTORS	29	65399	0.35
10	NON RESIDENT INDIAN NON REPATRIABLE	65	1269626	6.77
11	BODIES CORPORATES	1	859377	4.59
12	H U F	1	773753	4.13
	<b>Total:</b>	<b>191</b>	<b>140757</b>	<b>0.75</b>

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### q) Dematerialisation of Shares and Liquidity

Requests for dematerialisation of shares are processed by RTA expeditiously and confirmation in respect of dematerialisation is entered by RTA in depository system of respective depositories, by way of electronic entries for dematerialisation of shares generally on weekly basis. In case of rejections, documents are returned under objection to Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

As on March 31, 2021, 1,80,50,600 Equity shares representing 96.31% of the paid-up Equity Capital of the Company had been dematerialised.

The Company's Equity shares have been allotted ISIN (INE842B01015) both by the National Securities Depository Limited. (NSDL) and Central Depository Services (India) Limited. (CDSL).

The shareholders holding shares in physical form are requested to get their shares dematerialised at the earliest, as the Company's Shares are required to be compulsorily traded at Stock Exchanges in dematerialised form only. Further, w.e.f. April 1, 2019, as per the circular issued by SEBI, no transfer can be effected in physical form.

The Company's Equity Shares are actively traded on BSE Limited. Further, the relevant data for the average daily turnover for FY 2020-21 is given below:

Particulars		BSE
Average Shares Traded	Share (Nos.)	6,370
Average Annual Turnover	Value (In Crores)	0.033

[Source: This information is compiled from the data available from the websites of BSE]

### r) As on March 31, 2021, the Company has not issued any GDRs, ADRs, FCCBs, Warrants or any other convertible instruments.

### s) Hospital Location

Fortis Malar Hospitals  
No. 52, 1<sup>st</sup> Main Road,  
Gandhi Nagar, Adyar,  
Chennai – 600 020, Tamil Nadu  
Tel No. – 044 4289 2222

### t) Lock-in of Equity shares

As on March 31, 2021 none of the shares of the Company are under Lock-in.

### u) Address for Correspondence

The Company understands the significance of two-way communication with the shareholders. The Company's website is constantly updated with the latest disclosures / information as the shareholders may require from time to time. In compliance with Regulation 46 of SEBI LODR a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, Annual Report, Quarterly / Annual financial results along with the applicable policies of the Company.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

For share transfer / dematerialisation of shares, payment of dividend and any other query relating to shares, the shareholders may contact at the below address:

KFin Technologies Private Limited  
Selenium, Tower B,  
Plot No. 31 & 32, Financial District,  
Nanakramguda, Seilingampally Mandal  
Hyderabad-500032  
Phone No. - +91 40 6716 2222  
Fax No. - +91 40 23431551.  
E-mail: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)

### **For Investor Assistance**

Secretarial Department  
Fortis Malar Hospitals Limited,  
Fortis Hospital, Sector 62, Phase VIII, Mohali 160062  
Tel: + 91-172-5096001  
Fax: + 91-172-5096002  
E-Mail: - [secretarial.malar@malarhospitals.in](mailto:secretarial.malar@malarhospitals.in)

- v) It is confirmed that the Company has not obtained any credit rating during the year under review, for any debt instruments or fixed deposit programme or any scheme or proposal of the Company involving mobilisation of funds, whether in India or abroad**

### **w) Nomination Facility**

Shareholders who hold shares in the physical form and wish to make any nomination / change nomination made earlier in respect of their shareholding in the Company, should submit the nomination Form SH-13 of the Companies (Share Capital and Debentures) Rules, 2014, available with the Company's RTA. Those holding shares in dematerialised form may contact their respective Depository Participant (DP) to avail the nomination facility.

### **x) Elimination of Duplicate Mailing**

The shareholders who are holding Shares in more than one folio in identical name or in joint holders' name in similar order may send the share certificate(s) along with request for consolidation of holding in one folio to avoid mailing of multiple Annual Reports.

### **y) Reconciliation of Share Capital Audit**

The Reconciliation of Share Capital Audit Report as stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018) (erstwhile Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996) was carried out by a Practising Company Secretary in each of the quarter in FY 2020-21, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit Report confirm that the total issued/paid up capital agrees with the total number of shares in physical form and the total number of dematerialised shares held with the depositories. The Reconciliation of Share Capital Audit Reports for each quarter of the Financial Year ended March 31, 2021 has been filed with the Stock Exchange within one month of end of the respective quarter.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### z) Demat Suspense Account

The Company has opened a Demat Suspense Account - "Fortis Malar Hospitals Limited - Unclaimed Shares Demat Suspense Account" and other information as required under SEBI LODR is as follows:

- Aggregate Number of the Shareholders and the outstanding lying in the Unclaimed Suspense Account at the beginning of the year (April 01, 2020): 25 Shareholders and 19,700 shares.
- Number of shareholders who approached issuer for transfer of shares from suspense account during the year: Nil
- Number of shareholders to whom shares were transferred from suspense account during the year: Nil
- Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2021: 25 Shareholders and 19,700 shares.

The voting rights of these shares shall remain frozen till the rightful owners of such shares claim the subject shares.

aa) **During the period under review, the securities of the Company have not been suspended from trading.**

ab) **Dividend payment date:** Not applicable

ac) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;** Not Applicable

### ad) Adoption of Mandatory and Non-Mandatory Requirements

Apart from complying with all the mandatory requirements, the Company has adopted following non-mandatory requirements as specified in Regulation 27(1) of SEBI LODR:

#### A. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit and Risk Management Committee.

#### B. Un-modified opinion(s) in audit report

For the Financial Year ended March 31, 2021, your Company published financial statements with unmodified audit opinion.

### ae) GO GREEN INITIATIVE

- The shareholders having shares in physical form are requested to register their e-mail IDs with us or our Registrar, at the address given elsewhere in this report, to enable us to serve any document, notice, communication annual report, etc. through e-mail.
- The shareholders holding shares in Demat form are requested to register their e-mail id with their respective Depository Participant for the above purpose.

**M/s. Mukesh Agarwal & Co., Practicing Company Secretaries has audited the conditions of the Corporate Governance and after being satisfied with the compliance of the same, a certificate on compliance of the same has been issued to the Company, which forms part of this report.**

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**Declaration as required under Schedule V of the SEBI  
(Listing Obligation and Disclosure Requirements) Regulations, 2015**

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All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Fortis Code of Conduct for the financial year ended March 31, 2021.

Date: May 25, 2021

Place: Chennai

**C K Nageswaran**  
**Whole-time Director**



## REPORT ON CORPORATE GOVERNANCE (Contd.)

### COMPLIANCE CERTIFICATE

[For Financial Year ended on March 31, 2021]  
[Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015]

To  
The Members  
Audit & Risk Management Committee / Board of Directors  
Fortis Malar Hospitals Limited

Dear Sir(s) / Madam(s),

We, Mr. C K Nageswaran, Whole Time Director, and Mr. Yogendra Kumar Kabra, Chief Financial Officer, of the Company, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) There have been no significant changes in internal control over financial reporting during the year under review;
  - (2) There has been no significant changes in accounting policies during the year except to the extent already disclosed in the notes to the financial statement(s); and
  - (3) There are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Fortis Malar Hospitals Limited**

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

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

**Yogendra Kumar Kabra**  
Chief Financial Officer

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

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### CORPORATE GOVERNANCE CERTIFICATE

To

**The Members**

**FORTIS MALAR HOSPITALS LIMITED**

Fortis Hospital, Sector-62, Phase-VIII,

Mohali-160062

We, **Mukesh Agarwal & Co.**, have examined the compliance of conditions of Corporate Governance by M/s Fortis Malar Hospitals Limited ("the Company") for the year ended March 31, 2021, as stipulated under regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the Listing Regulations**").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of above-referred conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **Mukesh Agarwal & Company**

**Mukesh Kumar Agarwal**

Proprietor

**C P No.3851**

**UDIN: F005991C000361082**

**Place: New Delhi**

**Dated: May 24, 2021**

# INDEPENDENT AUDITORS' REPORT

## To the Members of Fortis Malar Hospitals Limited Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the standalone financial statements of **Fortis Malar Hospitals Limited** ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* 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 standalone 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 financial statements.

### EMPHASIS OF MATTER

We draw attention to Note 45 to the standalone financial statements 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 August 25, 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 statements or on the going concern status.

Our opinion is not modified in respect of this matter.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITORS' REPORT (Contd.)

Description of Key Audit Matter

**Related party transactions** (refer note 32, 43 and 45 to the standalone financial statements)

<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>Related party transactions are regulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Companies Act, 2013. In addition, the relevant accounting standards require specific compliance and disclosures of related parties and transactions with them to be made in the standalone financial statements.</p> <p>We have identified the related party transactions as a key audit matter due to the significance of the amounts given as loans to related parties, recoverability of such loans and risk of non-compliance with various regulations. Also, a substantial portion of the expenses (clinical establishment expenses etc.) are paid to related parties.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"><li>• Obtain an understanding of the Company's related party relationships and transactions.</li><li>• Obtained a list of related party relationships and significant related party transactions from the management. Made inquiries of management regarding the identity of the related parties including changes from the prior year and the nature of relationships and of the transactions with them. We also maintained alertness regarding related party information when examining records or documents regarding undisclosed related party relationships or transactions.</li><li>• Evaluated the design, implementation and operating effectiveness of key controls over identification and authorization of significant related party transactions.</li><li>• Obtained confirmation from related party with respect to transactions and balances and evaluated the management's assessment on the recoverability of the loans to related parties as and when they fall due. Performed substantive procedures to check the completeness of expenditure and interest income.</li><li>• Evaluated compliance of such related party transactions with the relevant accounting standard and applicable laws and regulations.</li><li>• Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard and applicable laws and regulations.</li></ul>

### OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Company's annual report, if, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and take necessary actions as required under the applicable laws and regulations.

### MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## INDEPENDENT AUDITORS' REPORT (Contd.)

In preparing the standalone financial statements, the Management and 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 also responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 financial statements.

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 financial statements, 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 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 statements 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 Company's ability to continue as a going concern. 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 financial statements 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 financial statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## INDEPENDENT AUDITORS' REPORT (Contd.)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 34 and Note 45 to the standalone financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended March 31, 2021.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**  
*Chartered Accountants*  
**Firm's Registration Number: 101248W/W-100022**  
**Harsh Vardhan Lakhotia**  
*Partner*  
**Membership No. 222432**  
**ICAI UDIN: 21222432AAAABP7551**

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

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORTIS MALAR HOSPITALS LIMITED FOR THE YEAR ENDED MARCH 31, 2021**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on the examination of records produced by the Company, the title/ lease deeds of the immoveable properties/ lease property, included in fixed assets is in the name of the Company.
- (ii) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable and adequate to the size of the Company and the nature of its business. The discrepancies noticed on physical verification during the year were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans as applicable are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per applicable stipulations.
  - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of provision of services and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of service tax, sales tax, duty of customs, duty of excise, value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
FORTIS MALAR HOSPITALS LIMITED FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, duty of excise, duty of customs and service tax which have not been deposited with the appropriate authorities on account of any disputes other than the following dues:

<b>Name of the statute</b>	<b>Nature of dues</b>	<b>Forum where dispute is pending</b>	<b>Period to which amount relates to</b>	<b>Amount involved (Rs.)</b>	<b>Amount unpaid* (Rs.)</b>
Income Tax Act, 1961	Income Tax	Honourable High Court of Madras	FY 2009-10	2,267,402	-
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Honourable High Court of Madras	FY 2008-09 to FY 2011-12	25,493,296	25,493,296

\*After considering refunds adjusted by the authorities

- (viii) According to the information and explanations given to us, the Company has not taken any loan or borrowings from financial institutions, banks, and Government or has not issued any debentures. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the books of account of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **B S R & Co. LLP**  
*Chartered Accountants*  
**Firm's Registration Number: 101248W/W-100022**  
**Harsh Vardhan Lakhotia**  
*Partner*  
**Membership No. 222432**  
**ICAI UDIN: 21222432AAAABP7551**

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



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF FORTIS MALAR HOSPITALS LIMITED FOR THE YEAR ENDED MARCH 31, 2021.**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **OPINION**

We have audited the internal financial controls with reference to financial statements of Fortis Malar Hospitals Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded

## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF FORTIS MALAR HOSPITALS LIMITED FOR THE YEAR ENDED MARCH 31, 2021. (Contd.)**

as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

for **B S R & Co. LLP**  
*Chartered Accountants*  
**Firm's Registration Number: 101248W/W-100022**  
**Harsh Vardhan Lakhotia**  
*Partner*  
**Membership No. 222432**  
**ICAI UDIN: 21222432AAAABP7551**

# STANDALONE BALANCE SHEET

AS AT MARCH 31, 2021

(All amounts are in Indian ₹ Lakhs except share data and as stated)

	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4(a)	1,490.46	1,783.68
Capital work-in-progress	4(b)	35.95	8.82
Right of use assets	37	5,223.40	6,047.76
Intangible assets	4(c)	138.52	276.20
<b>Financial assets</b>			
Investment in subsidiary	5	5.00	5.00
Loans	13	2,800.00	3,500.00
Other financial assets	6	56.14	85.33
Deferred tax assets (net)	40	845.57	521.96
Income tax assets (net)	7	297.68	862.11
Other non-current assets	8	5.64	5.00
<b>Total non-current assets</b>		<b>10,898.36</b>	<b>13,095.86</b>
<b>Current assets</b>			
Inventories	9	162.67	130.65
<b>Financial assets</b>			
Trade receivables	10	209.11	372.79
Cash and cash equivalents	11	546.11	4,150.97
Bank balances other than above	12	613.99	20.69
Loans	13	3,500.00	-
Other financial assets	14	456.69	387.16
Income tax assets (net)	7	185.94	773.32
Other current assets	15	125.67	209.58
<b>Total current assets</b>		<b>5,800.18</b>	<b>6,045.16</b>
<b>Total assets</b>		<b>16,698.54</b>	<b>19,141.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,875.70	1,875.70
Other equity	17	6,785.88	7,566.88
<b>Total equity</b>		<b>8,661.58</b>	<b>9,442.58</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	18	5,341.47	5,937.33
Provisions	21	224.62	214.57
<b>Total non-current liabilities</b>		<b>5,566.09</b>	<b>6,151.90</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	18	376.00	496.56
Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		73.56	66.82
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,370.77	1,821.10
Other financial liabilities	20	56.68	56.12
Provisions	21	103.80	101.94
Other current liabilities	22	490.06	1,004.00
<b>Total current liabilities</b>		<b>2,470.87</b>	<b>3,546.54</b>
<b>Total liabilities</b>		<b>8,036.96</b>	<b>9,698.44</b>
<b>Total equity and liabilities</b>		<b>16,698.54</b>	<b>19,141.02</b>
Significant accounting policies	3		

The notes referred to above form an integral part of standalone financial statements

As per our report of even date attached

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

Chartered Accountants

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

**Harsh Vardhan Lakhotia**

Partner

Membership No.: 222432

Place : Chennai

Date: May 25, 2021

for and on behalf of the Board of Directors of

**Fortis Malar Hospitals Limited**

CIN: L85110PB1989PLC045948

**Nithya Ramamurthy**

Director

DIN 00255343

Place : Chennai

**Sandeep Singh**

Company Secretary

Membership No.: F9877

Place : Delhi

Date: May 25, 2021

**C.K.Nageswaran**

Whole Time Director

DIN 08236347

Place : Chennai

**Yogendra Kumar Kabra**

Chief Financial Officer

Place : Mumbai

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Indian ₹ Lakhs except share data and as stated)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	23	6,924.41	11,187.20
Other income	24	808.12	1,092.34
<b>Total income</b>		<b>7,732.53</b>	<b>12,279.54</b>
<b>Expenses</b>			
Purchases of medical consumables and drugs		1,437.68	2,097.21
Changes in inventories of medical consumables and drugs	25	(32.02)	34.16
Employee benefits expense	26	1,818.02	2,145.54
Finance costs	27	719.88	780.79
Depreciation and amortisation expense	28	1,287.54	1,253.11
Other expenses	29	4,332.94	7,184.30
<b>Total expenses</b>		<b>9,564.04</b>	<b>13,495.11</b>
<b>Loss before exceptional item and tax</b>		<b>(1,831.51)</b>	<b>(1,215.57)</b>
Exceptional item	47	(684.85)	-
<b>Loss before tax</b>		<b>(1,146.66)</b>	<b>(1,215.57)</b>
<b>Tax expense</b>	30		
Current tax		(13.89)	22.67
Deferred tax		(331.44)	(332.55)
<b>Total tax expense</b>		<b>(345.33)</b>	<b>(309.88)</b>
<b>Loss for the year</b>		<b>(801.33)</b>	<b>(905.69)</b>
<b>Other comprehensive income/ (expense)</b>	31		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liabilities		28.16	(15.46)
Income tax relating to items that will not be reclassified to profit or loss		(7.83)	4.30
<b>Total other comprehensive income/ (expense) for the year, net of taxes</b>		<b>20.33</b>	<b>(11.16)</b>
<b>Total comprehensive loss for the year</b>		<b>(781.00)</b>	<b>(916.85)</b>
Earnings per equity share	41		
Basic (in ₹)		(4.28)	(4.83)
Diluted (in ₹)		(4.28)	(4.83)
Significant accounting policies	3		

The notes referred to above form an integral part of standalone financial statements

As per our report of even date attached

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**  
Partner  
Membership No.: 222432

Place : Chennai  
Date: May 25, 2021

for and on behalf of the Board of Directors of  
**Fortis Malar Hospitals Limited**  
CIN: L85110PB1989PLC045948

**Nithya Ramamurthy**  
Director  
DIN 00255343  
Place : Chennai

**Sandeep Singh**  
Company Secretary  
Membership No.: F9877

Place : Delhi  
Date: May 25, 2021

**C.K.Nageswaran**  
Whole Time Director  
DIN 08236347  
Place : Chennai

**Yogendra Kumar Kabra**  
Chief Financial Officer  
Place : Mumbai

# STANDALONE CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Indian ₹ Lakhs except share data and as stated)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flows from operating activities</b>			
Loss before tax for the year		(1,146.66)	(1,215.57)
<i>Adjustments for:</i>			
Waiver/ concession of fixed clinical establishment fees (refer note 47)		(684.85)	-
Interest income		(705.13)	(747.72)
Loss on sale of property, plant and equipment		-	8.27
Depreciation and amortisation expense		1,287.54	1,253.11
Interest expense on lease liability		693.17	742.56
Allowance for credit losses (including bad debts written off)		64.08	362.32
Liabilities no longer required written back		(102.99)	(344.62)
<b>Operating profit before working capital changes</b>		<b>(594.84)</b>	<b>58.35</b>
<i>Movements in working capital:</i>			
Decrease / (increase) in other current and non-current financial assets		(25.97)	1,017.64
Decrease / (increase) in other current and non-current assets		87.94	(64.62)
Decrease in trade and other receivables		99.60	231.11
(Increase) / decrease in inventories		(32.02)	34.16
Increase in provisions		40.07	37.48
Decrease in trade payables		(340.60)	(443.23)
Decrease in financial liabilities		(5.78)	(481.00)
(Decrease) / increase in other current liabilities		(513.94)	44.43
<b>Cash generated (used in) / from operations</b>		<b>(1,285.54)</b>	<b>434.32</b>
Income taxes refund/( paid ) (net)		1,165.70	(461.03)
<b>Net cash used in operating activities</b>		<b>(119.84)</b>	<b>(26.71)</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment and intangible assets		(52.89)	(330.82)
Proceeds from sale of property, plant and equipment		-	40.70
Inter-corporate deposit placed with related parties		(2,800.00)	(3,500.00)
Proceeds from Inter-corporate deposits repaid by related parties		-	7,587.54
Bank balances not considered as cash and cash equivalents		(593.30)	140.09
Interest received		685.91	893.15
<b>Net cash (used in)/ generated from investing activities</b>		<b>(2,760.28)</b>	<b>4,830.66</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities (including interest)		(724.74)	(1,156.50)
<b>Net cash used in financing activities</b>		<b>(724.74)</b>	<b>(1,156.50)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(3,604.86)</b>	<b>3,647.45</b>
Cash and cash equivalents at the beginning of the year		4,150.97	503.52
<b>Cash and cash equivalents at the end of the year</b>	11	<b>546.11</b>	<b>4,150.97</b>
Significant accounting policies	3		

The notes referred to above form an integral part of standalone financial statements

As per our report of even date attached

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

Chartered Accountants

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

**Harsh Vardhan Lakhotia**

Partner

Membership No.: 222432

Place : Chennai

Date: May 25, 2021

for and on behalf of the Board of Directors of

**Fortis Malar Hospitals Limited**

CIN: L85110PB1989PLC045948

**Nithya Ramamurthy**

Director

DIN 00255343

Place : Chennai

**Sandeep Singh**

Company Secretary

Membership No.: F9877

Place : Delhi

Date: May 25, 2021

**C.K.Nageswaran**

Whole Time Director

DIN 08236347

Place : Chennai

**Yogendra Kumar Kabra**

Chief Financial Officer

Place : Mumbai

# STANDALONE STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Indian ₹ Lakhs except share data and as stated)

	Note	As at March 31, 2021	As at March 31, 2020
<b>A Equity share capital</b>	16		
Balance at the beginning of year		1,875.70	1,875.70
Changes in equity share capital during the year		-	-
<b>Closing balance</b>		<b>1,875.70</b>	<b>1,875.70</b>

## B Other equity 17

Particulars	Reserves and surplus		Other comprehensive income (OCI)	Total
	Securities Premium	Retained Earnings	Remeasurement of defined benefit obligation	
<b>Balance as at March 31, 2019</b>	<b>957.23</b>	<b>7,529.76</b>	<b>(3.26)</b>	<b>8,483.73</b>
Loss for the year	-	(905.69)	-	(905.69)
Other comprehensive income/ (expense) for the year, net of taxes	-	-	(11.16)	(11.16)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(905.69)</b>	<b>(11.16)</b>	<b>(916.85)</b>
<b>Balance as at March 31, 2020</b>	<b>957.23</b>	<b>6,624.07</b>	<b>(14.42)</b>	<b>7,566.88</b>
Loss for the year	-	(801.33)	-	(801.33)
Other comprehensive income/ (expense) for the year, net of taxes	-	-	20.33	20.33
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(801.33)</b>	<b>20.33</b>	<b>(781.00)</b>
<b>Balance as at March 31, 2021</b>	<b>957.23</b>	<b>5,822.74</b>	<b>5.91</b>	<b>6,785.88</b>

Significant accounting policies 3

The notes referred to above form an integral part of standalone financial statements

As per our report of even date attached

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhota**  
Partner  
Membership No.: 222432

Place : Chennai  
Date: May 25, 2021

for and on behalf of the Board of Directors of  
**Fortis Malar Hospitals Limited**  
CIN: L85110PB1989PLC045948

**Nithya Ramamurthy**  
Director  
DIN 00255343  
Place : Chennai

**Sandeep Singh**  
Company Secretary  
Membership No.: F9877

Place : Delhi  
Date: May 25, 2021

**C.K.Nageswaran**  
Whole Time Director  
DIN 08236347  
Place : Chennai

**Yogendra Kumar Kabra**  
Chief Financial Officer  
Place : Mumbai

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Indian ₹ Lakhs except share data and as stated)

## 1. NATURE OF OPERATIONS

Fortis Malar Hospitals Limited (the 'Company') was incorporated in the year 1989 to set up, manage and operate a multi-specialty hospital and the Company is a subsidiary of Fortis Hospitals Limited and Fortis Healthcare Limited is the Ultimate Holding Company and its equity shares are listed on the Bombay Stock Exchange (BSE) in India. The Company operates its state of the art Hospital facility in Chennai. The Hospital building is owned by a fellow subsidiary, Fortis Health Management Limited ("FHML"). The Company has entered into "Hospital and Medical Services Agreement" with FHML w.r.t. rendering of medical and healthcare services at the hospital building (also refer note 45).

## 2. BASIS OF PREPARATION

### a) Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. The accounting policies adopted in the preparation of the standalone financial statements are consistent with those followed in the previous year.

The standalone financial statements were authorised for issue by the Company's Board of Directors on May 25, 2021.

### b) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees ('INR'/'₹'), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Lakhs, unless otherwise indicated.

### c) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Liabilities for cash-settled share-based payment arrangements	Fair value
Net defined benefit assets/(liability)	Fair value of plan assets, less present value of defined benefit obligations

### d) Use of estimates and judgements

In preparing these standalone financial statements, management/directors has made the following judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes (Also refer note 46, relating to impact on Covid -19 Pandemic):

- fair valuation of financial assets (refer note 39)

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2022 is included in the following notes (Also refer note 46, relating to impact on Covid -19 Pandemic):

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

- a. Useful lives of Property, plant and equipment (refer note 3.3)
- b. Measurement of defined benefit obligations: key actuarial assumptions; (refer note 3.7 and note 36)
- c. Recognition and measurement of income taxes and deferred taxes (refer note 3.12 and note 40)
- d. Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; (refer note 3.8 and 3.15)
- e. Expected credit loss: The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period. (refer note 3.6)

### e) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 38 and 39 – financial instruments.

### f) Current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- it is expected to be realised or intended to be sold or consumed in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within twelve months after the reporting period; or
- it is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

The Company classifies all other assets as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

### 3. SIGNIFICANT ACCOUNTING POLICES

#### 3.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the equity investments at fair value through OCI (FVOCI).

#### 3.2 Financial instruments

##### i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

##### ii) Classification and subsequent measurement

###### **Financial assets**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) - equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### Financial assets: Subsequent measurement and gains and losses

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

### Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### iii) Derecognition

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### v) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## 3.3 Property, plant and equipment

### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management Useful life	Useful life as per Schedule II
Plant and machinery	15 years	15 years
Medical equipment	13 years	13 years
Computers	3 years	3 years
Furniture and fittings	10 years	10 years
Office equipment	5 years	5 years
Vehicles	8 years	8 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on leasehold improvements is provided over the primary period of lease or over the useful lives of the respective fixed assets, whichever is shorter.

The useful life of PPE are reviewed at the end of each reporting period if the expected useful life of the asset changes significantly from previous estimates, the effect of such change in estimates are accounted for prospectively.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 3.4 Intangible assets

#### *i. Recognition and measurement*

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

#### *ii. Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

#### *iii. Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

Cost of software and licenses, which are acquired, are capitalised and amortised on a straight line basis over a period of 3 to 6 years or the license period, whichever is lower.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### 3.5 Inventories

Inventories of medical consumables and drugs are valued at lower of cost or net realisable value. The cost of inventories is determined based on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Due allowance is estimated and made by the Management for slow moving / non-moving items of inventory, wherever necessary, based on the past experience of the Company and such allowances are adjusted against the carrying inventory value.

### 3.6 Impairment

#### **i) Impairment of financial instruments**

In accordance with Ind AS 109, the Company applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### ii) **Impairment of non-financial assets**

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or Cash Generating Unit ('CGU') exceeds its estimated recoverable amount in the statement of profit and loss.

The Company's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or groups of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.7 Employee benefits

#### i) **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ii) **Defined benefit plans - Gratuity**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of profit or loss.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### iii) **Compensated absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### iv) **Share-based compensation**

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

### v) **Contributions to provident fund**

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

## 3.8 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

## 3.9 Revenue recognition

### Sale of Services

The Company earns revenue primarily from providing healthcare services. The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company assessed its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all its revenue arrangements.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### Sale of traded goods – pharmacy items

Revenue from sale of pharmacy items are recognised on delivery of items to the customers which is when the Company satisfies a performance obligation by transferring a promised good to a patient. Pharmacy items are transferred when the patient obtains the control of that items.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue (“contract liability”) is recognised as other current liability when there is billings in excess of revenues.

### Inpatient and Outpatient Revenue

Inpatient and Outpatient revenue is recognised as and when the related services are rendered.

### Export benefits- Government grants

Income from ‘Service Export from India Scheme’ is recognised on accrual basis as and when eligible services are performed and convertible foreign exchange is receivable to the extent it is certain that economic benefits will flow to the Company.

## 3.10 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company’s right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

## 3.11 Leases

The Company has applied Ind AS 116 using the modified retrospective approach from April 01, 2019. Accordingly, the Company has recognised 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, recognised right-of-use asset at the date of initial application equals to the lease liability recognised.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of an identified asset, the Company uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, on or after April 01, 2019.

### (i) Company as a lessee:

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

The lease payments shall include:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

### (ii) Short term leases

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

## 3.12 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

*(All amounts are in Indian ₹ Lakhs except share data and as stated)*

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### 3.13 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred

### 3.14 Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its equity shares.

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted average number of equity and dilutive equivalent shares outstanding during the period except where the results would be anti-dilutive.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year / period presented.

### 3.15 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

### 3.16 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

### 3.17 Standards issued but not yet effective:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 4(a) PROPERTY, PLANT AND EQUIPMENT

Particulars	Plant and machinery	Medical equipments	Furniture and fittings	Computers	Office equipments	Vehicles	Total
<b>Gross carrying amount</b>							
<b>As at March 31, 2019</b>	<b>180.24</b>	<b>2,709.29</b>	<b>232.59</b>	<b>124.17</b>	<b>60.29</b>	<b>82.12</b>	<b>3,388.70</b>
Additions	18.86	65.57	2.77	11.48	0.79	-	99.47
Disposals	6.12	-	2.72	-	-	82.12	90.96
<b>As at March 31, 2020</b>	<b>192.98</b>	<b>2,774.86</b>	<b>232.64</b>	<b>135.65</b>	<b>61.08</b>	<b>-</b>	<b>3,397.21</b>
Additions	-	23.71	0.36	0.92	-	-	24.99
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>192.98</b>	<b>2,798.57</b>	<b>233.00</b>	<b>136.57</b>	<b>61.08</b>	<b>-</b>	<b>3,422.20</b>
<b>Accumulated depreciation</b>							
<b>As at March 31, 2019</b>	<b>55.76</b>	<b>1,024.41</b>	<b>83.77</b>	<b>107.57</b>	<b>25.50</b>	<b>29.43</b>	<b>1,326.44</b>
Charge for the year	16.19	258.16	24.50	11.27	12.13	6.83	329.08
Disposals	3.77	-	1.96	-	-	36.26	41.99
<b>As at March 31, 2020</b>	<b>68.18</b>	<b>1,282.57</b>	<b>106.31</b>	<b>118.84</b>	<b>37.63</b>	<b>-</b>	<b>1,613.53</b>
Charge for the year	16.66	258.18	22.81	9.11	11.45	-	318.21
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>84.84</b>	<b>1,540.75</b>	<b>129.12</b>	<b>127.95</b>	<b>49.08</b>	<b>-</b>	<b>1,931.74</b>
<b>Net carrying amount</b>							
<b>As at March 31, 2020</b>	<b>124.80</b>	<b>1,492.29</b>	<b>126.33</b>	<b>16.81</b>	<b>23.45</b>	<b>-</b>	<b>1,783.68</b>
<b>As at March 31, 2021</b>	<b>108.14</b>	<b>1,257.82</b>	<b>103.88</b>	<b>8.62</b>	<b>12.00</b>	<b>-</b>	<b>1,490.46</b>

### 4(b) CAPITAL WORK-IN-PROGRESS

Capital work-in-progress includes installation of computer/ medical equipments in progress amounting to ₹ 35.95 Lakhs (Previous year: ₹ 8.82 Lakhs)

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

**4(c) INTANGIBLE ASSETS**

	<b>Software</b>
<b>Gross carrying amount</b>	
<b>As at March 31, 2019</b>	<b>343.51</b>
Additions	253.04
<b>As at March 31, 2020</b>	<b>596.55</b>
Additions	7.28
<b>As at March 31, 2021</b>	<b>603.83</b>
<b>Accumulated amortisation</b>	
<b>As at March 31, 2019</b>	<b>221.08</b>
Charge for the year	99.27
<b>As at March 31, 2020</b>	<b>320.35</b>
Charge for the year	144.97
<b>As at March 31, 2021</b>	<b>465.32</b>
<b>Net carrying amount</b>	
<b>As at March 31, 2020</b>	<b>276.20</b>
<b>As at March 31, 2021</b>	<b>138.52</b>

**5. INVESTMENTS IN SUBSIDIARY - NON-CURRENT**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Unquoted investments (fully paid)</b>		
<b>Investments in equity instruments- at cost</b>		
Malar Stars Medicare Limited [50,000 (March 31, 2020: 50,000) equity shares of ₹ 10 each]	5.00	5.00
<b>Total</b>	<b>5.00</b>	<b>5.00</b>
Aggregate value of unquoted investments	5.00	5.00

**6. OTHER FINANCIAL ASSETS**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Non current</b>		
<b>Unsecured, considered good</b>		
Security deposits	40.83	65.02
Advance to related parties (refer note 32)	15.31	20.31
<b>Total</b>	<b>56.14</b>	<b>85.33</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 7. INCOME TAX ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Advance income tax (net of provision for taxation)	297.68	862.11
<b>Total</b>	<b>297.68</b>	<b>862.11</b>
<b>Current</b>		
Advance income tax (net of provision for taxation)	185.94	773.32
<b>Total</b>	<b>185.94</b>	<b>773.32</b>

### 8. OTHER NON-CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured</b>		
Capital advances	5.64	5.81
Provision for doubtful advances	-	(2.40)
	<b>5.64</b>	<b>3.41</b>
Prepaid expenses	-	1.59
<b>Total</b>	<b>5.64</b>	<b>5.00</b>
<b>Note:</b>		
- Considered good	5.64	5.00
- Considered doubtful	-	2.40
<b>Total</b>	<b>5.64</b>	<b>7.40</b>

### 9. INVENTORIES

	As at March 31, 2021	As at March 31, 2020
Medical consumables and drugs	162.67	130.65
<b>Total</b>	<b>162.67</b>	<b>130.65</b>

### 10. TRADE RECEIVABLES

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Trade receivables considered good - Unsecured	209.11	372.79
Credit impaired - Unsecured	516.54	524.22
	<b>725.65</b>	<b>897.01</b>
Less: Allowance for expected credit loss	(516.54)	(524.22)
<b>Total</b>	<b>209.11</b>	<b>372.79</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

The movement in allowance for expected credit loss is as follow:

	As at March 31, 2021	As at March 31, 2020
Balances at the beginning of the year	524.22	419.33
Provision for the year (net)	(7.68)	104.89
<b>Balance at the end of the year</b>	<b>516.54</b>	<b>524.22</b>

### 11. CASH AND CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Cash on hand	7.63	6.41
Balances with banks:		
- Current accounts	438.48	32.56
- Deposits with original maturity of less than three months	100.00	4,105.53
Cheques, demand drafts on hand	-	6.47
<b>Total</b>	<b>546.11</b>	<b>4,150.97</b>

### 12. BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2021	As at March 31, 2020
Unpaid dividend accounts	13.52	19.30
Deposits with original maturity of more than 3 months but less than 12 months	600.22	1.14
Margin money deposit	0.25	0.25
<b>Total</b>	<b>613.99</b>	<b>20.69</b>

### 13. LOANS

	As at March 31, 2021	As at March 31, 2020
<b>Non Current</b>		
<b>Unsecured, considered good</b>		
Inter-corporate deposits to related parties (refer note 43)	2,800.00	3,500.00
<b>Total</b>	<b>2,800.00</b>	<b>3,500.00</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Inter-corporate deposits to related parties (refer note 43)	3,500.00	-
<b>Total</b>	<b>3,500.00</b>	<b>-</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 14. OTHER FINANCIAL ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>Unsecured, considered good</b>		
Interest accrued but not due		
(i) Inter-corporate deposits	236.56	184.24
(ii) Deposit with banks	0.94	38.89
Advances to related parties (refer note 32)	102.04	115.20
Loans and advances to employees	6.39	8.29
Unbilled revenue from undischarged patients	110.76	40.54
<b>Total</b>	<b>456.69</b>	<b>387.16</b>

### 15. OTHER CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Advance to vendors	22.47	37.02
Prepaid expenses	57.12	35.88
Others	46.08	136.68
<b>Total</b>	<b>125.67</b>	<b>209.58</b>

### 16. EQUITY SHARE CAPITAL

	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
30,000,000 (March 31, 2020: 30,000,000) equity shares of ₹ 10/- each	3,000.00	3,000.00
	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued</b>		
18,772,259 (March 31, 2020: 18,772,259) equity shares of ₹ 10/- each	1,874.17	1,874.17
	<b>1,874.17</b>	<b>1,874.17</b>
<b>Subscribed and Paid Up</b>		
18,741,759 (March 31, 2020: 18,741,759) equity shares of ₹ 10/- each fully paid up*	1,875.70	1,875.70
	<b>1,875.70</b>	<b>1,875.70</b>

\*Includes amount received on forfeited shares amounting to ₹ 1.53 Lakhs

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### Notes :

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

##### Equity shares

	Year ended March 31, 2021		Year ended March 31, 2020	
	Number	Amount in ₹	Number	Amount in ₹
At the beginning of the year	18,741,759	1,875.70	18,741,759	1,875.70
<b>Outstanding at the end of the year</b>	<b>18,741,759</b>	<b>1,875.70</b>	<b>18,741,759</b>	<b>1,875.70</b>

#### (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Shares held by the holding/ ultimate holding Company and/or their subsidiaries/associates

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number	Amount in ₹	Number	Amount in ₹
Fortis Hospitals Limited, the Holding Company (Equity Shares of ₹ 10/- each)	11,752,402	1,175.24	11,752,402	1,175.24

#### (d) Details of shares held by each shareholder holding more than 5% shares:

##### Equity Shares

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Hospitals Limited, the Holding Company	11,752,402	62.71%	11,752,402	62.71%
Rajasthan Global Securities Private Limited	990,092	5.28%	580,521	3.10%

#### (e) Shares reserved for issue under options

As at March 31, 2021, 11,250 equity shares (As at March 31, 2020: 22,500 equity shares) of ₹ 10/- each were reserved towards outstanding employee stock options granted / available for grant. (refer note 35).

#### (f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the five financial year ended March 31, 2021, no shares have been bought back by the Company and the Company has also not allotted any equity shares as full paid up without payment being received in cash.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 17. OTHER EQUITY

	As at March 31, 2021	As at March 31, 2020
<b>a Reserve and surplus</b>		
<b>Securities premium</b>		
Opening balance	957.23	957.23
<b>Closing balance</b>	<b>957.23</b>	<b>957.23</b>
<b>Retained earnings</b>		
Opening balance	6,624.07	7,529.76
Add: Loss for the year	(801.33)	(905.69)
<b>Closing balance</b>	<b>5,822.74</b>	<b>6,624.07</b>
<b>b Other comprehensive income</b>		
Opening balance	(14.42)	(3.26)
Add: Remeasurement (loss) / gain of defined employee benefit plans (net of taxes)	20.33	(11.16)
<b>Closing balance</b>	<b>5.91</b>	<b>(14.42)</b>
<b>Total</b>	<b>6,785.88</b>	<b>7,566.88</b>

### c Nature and purpose of the reserve

#### i. Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

#### ii. Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders.

#### iii. Analysis of item of OCI (net of tax)

##### Remeasurements of defined benefit liability (asset)

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

### 18. LEASE LIABILITIES

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Lease liabilities (refer note 3.11 and note 37)	5,341.47	5,937.33
<b>Total</b>	<b>5,341.47</b>	<b>5,937.33</b>
<b>Current</b>		
Lease liabilities (refer note 3.11 and note 37)	376.00	496.56
<b>Total</b>	<b>376.00</b>	<b>496.56</b>



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 19. TRADE PAYABLES

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 42)	73.56	66.82
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,370.77	1,821.10
<b>Total</b>	<b>1,444.33</b>	<b>1,887.92</b>
*Includes payable to related parties (refer note 32)	<b>188.02</b>	<b>657.80</b>

### 20. OTHER FINANCIAL LIABILITIES

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Security deposits	4.14	4.14
Unpaid equity dividend	13.52	19.30
Capital creditors**	39.02	32.68
<b>Total</b>	<b>56.68</b>	<b>56.12</b>

\*\*Includes outstanding dues of micro enterprises and small enterprises of ₹ 20.66 Lakhs (March 31, 2020 - Nil)

### 21. PROVISIONS

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Provision for gratuity	224.62	214.57
<b>Total</b>	<b>224.62</b>	<b>214.57</b>
<b>Current</b>		
Provision for compensated absences	103.80	101.94
<b>Total</b>	<b>103.80</b>	<b>101.94</b>

### 22. OTHER CURRENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Advance from patients/Amounts unclaimed by patients	340.51	760.86
Employee benefits payable	91.42	116.95
Statutory dues payables	58.13	126.19
<b>Total</b>	<b>490.06</b>	<b>1,004.00</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 23. REVENUE FROM OPERATIONS

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sale of services (refer note below)</b>		
In-Patient	5,913.21	9,422.72
Out-Patient	998.49	1,639.59
<b>Total</b>	<b>6,911.70</b>	<b>11,062.31</b>

Revenue disaggregation as per timing of transfer of service has been included above. The revenue recognised during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.

<b>Sales of medical consumables and drugs</b>		
Medical consumables and drugs	-	0.03
<b>Total</b>	<b>-</b>	<b>0.03</b>
<b>Other operating revenue</b>		
Income from Service Export from India Scheme	-	104.31
Others	12.71	20.55
<b>Total</b>	<b>12.71</b>	<b>124.86</b>
	<b>6,924.41</b>	<b>11,187.20</b>

#### Note:

Discounts and deductions amounting to ₹ 298.63 Lakhs (March 31, 2020 - ₹ 531.56 Lakhs) are netted against Sale of In-Patient and Out-Patient services.

#### Contract assets and liabilities

The following disclosure provide information about receivables, contract assets and liabilities from contract with customer:

	Year ended March 31, 2021	Year ended March 31, 2020
Receivable which are included in trade receivable (refer note 10)	209.11	372.79
Unbilled revenue from undischarged patients (refer note 14)	110.76	40.54
Advance from patients/Amounts unclaimed by patients (refer note 22)	340.51	760.86

### 24. OTHER INCOME

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on:		
Bank deposits	61.73	194.34
Inter-corporate deposits	582.56	461.63
Income tax refund	55.99	86.86
Financial assets carried at amortised cost	4.85	4.89
Liabilities no longer required written back	102.99	344.62
<b>Total</b>	<b>808.12</b>	<b>1,092.34</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

**25. CHANGE IN INVENTORIES OF MEDICAL CONSUMABLES AND DRUGS**

	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year	130.65	164.81
Less: Inventory at the end of the year	(162.67)	(130.65)
<b>Changes in inventories</b>	<b>(32.02)</b>	<b>34.16</b>

**26. EMPLOYEE BENEFITS EXPENSE**

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	1,574.47	1,860.43
Contribution to provident and other funds (refer note 36)	129.55	147.51
Staff welfare expenses	114.00	137.60
<b>Total</b>	<b>1,818.02</b>	<b>2,145.54</b>

**27. FINANCE COSTS**

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on:		
- credit card / bank charges	26.71	38.23
- lease liabilities (refer note 37)	693.17	742.56
<b>Total</b>	<b>719.88</b>	<b>780.79</b>

**28. DEPRECIATION AND AMORTISATION EXPENSE**

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets (refer note 4(a))	318.21	329.08
Amortisation of intangible assets (refer note 4(c))	144.97	99.27
Amortisation of right of use assets (refer note 37)	824.36	824.76
<b>Total</b>	<b>1,287.54</b>	<b>1,253.11</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 29. OTHER EXPENSES

	Year ended March 31, 2021	Year ended March 31, 2020
Contractual manpower	87.96	103.22
Power, fuel and water	267.49	303.50
Housekeeping expenses including consumables	33.77	65.25
Patient food and beverages	78.13	96.23
Pathology laboratory expenses	323.84	484.97
Consultation fees to doctors	776.40	1,084.47
Professional charges to doctors	1,309.24	2,474.89
Clinical establishment fee (refer note 29.2 below)	518.35	823.06
Repairs and maintenance		
- Building	3.42	19.12
- Plant and machinery	273.17	296.03
- Others	72.04	55.04
Rent		
- Equipments	21.46	38.91
- Hospital buildings, offices and labs	5.79	17.56
Legal and professional fee	101.44	113.38
Subscription fee	2.08	13.54
Travel and conveyance	87.18	75.48
Rates and taxes	1.62	7.34
Printing and stationery	29.23	46.83
Communication expenses	31.94	22.89
Directors' sitting fees	43.07	18.59
Insurance	103.98	93.49
Marketing and business promotion	77.11	524.78
Loss on sale of assets	-	8.27
Auditors' remuneration (refer note 29.1 below)	17.26	16.55
Allowance for credit losses (including bad debts written off)	64.08	362.32
Corporate social responsibility expenses (refer note 44)	-	9.50
Miscellaneous expenses	2.89	9.09
<b>Total</b>	<b>4,332.94</b>	<b>7,184.30</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 29.1 Payments to auditors

	Year ended March 31, 2021	Year ended March 31, 2020
As auditor:		
Statutory audit	4.95	4.95
Tax audit	0.55	0.55
Limited review of quarterly results	4.50	4.50
In other capacity:		
Other services	3.00	2.35
For GST on professional services	2.34	2.22
Reimbursement of expenses	1.92	1.98
<b>Total</b>	<b>17.26</b>	<b>16.55</b>

### 29.2 Clinical establishment fees:

Represents amount paid towards various services such as providing, maintaining and operating the Clinical Establishment (including infrastructure, fixtures and fittings etc.), out-patient department services, radio diagnostic services and other ancillary services provided by Fortis Health Management Limited to the Company in accordance with the agreement. Also refer note 32

## 30. TAX EXPENSE

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current tax (including prior years)</b>		
In respect of the current year	-	-
In respect of prior year	(13.89)	22.67
<b>Total</b>	<b>(13.89)</b>	<b>22.67</b>
<b>Deferred tax</b>		
In respect of the current year	(331.44)	(332.55)
<b>Total</b>	<b>(331.44)</b>	<b>(332.55)</b>
<b>Total tax expense</b>	<b>(345.33)</b>	<b>(309.88)</b>

## 31. OTHER COMPREHENSIVE INCOME

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of the defined benefit plans [refer note 36(II)(a)]	28.16	(15.46)
<b>Total</b>	<b>28.16</b>	<b>(15.46)</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 32. RELATED PARTY DISCLOSURES

#### Names of related parties and related party relationship

#### Description of Relationship

Ultimate Holding Company	IHH Healthcare Berhad, Malaysia (effective from November 13, 2018)
Intermediate Holding Company	Integrated Healthcare Holdings Limited, Malaysia (effective from November 13, 2018)
	Parkway Pantai Limited, Singapore (effective from November 13, 2018)
	Northern TK Venture Pte Limited, Singapore (effective from November 13, 2018)
	Fortis Healthcare Limited, India
Holding Company	Fortis Hospitals Limited, India
Subsidiary Company	Malar Stars Medicare Limited, India
Associate of the Holding Company	Fortis Health Management Limited, India (up to January 14, 2019)
	International Hospital Limited, India (up to January 14, 2019)
Fellow Subsidiary or Entities Under Common Control	SRL Limited, India
	Escorts Heart Institute and Research Centre Limited, India
	International Hospital Limited, India (effective from January 15, 2019)
	Fortis Health Management Limited, India (effective from January 15, 2019)
	Fortis CSR Foundation, India
	Fortis Hospotel Limited
Key Management Personnel	Mr. Coimbatore Kalyanraman Nageswaran (effective from October 02, 2018)
	Mr. Ramesh L Adige, Independent Director
	Mrs. Nithya Ramamurthy, Non-Executive Director
	Mr. Murari Pejavar, Non-Executive Director (upto January 17, 2021)
	Mr. Daljit Singh (Director)
	Mr. Ravi Rajagopal (Director) (effective from October 23, 2019)
	Ms. Shailaja Chandra (Director) (effective from March 10, 2021)
	Mr. Saravanan Venkatesan, Chief Financial Officer (upto June 12, 2020)
	Mr. Shashank Porwal (Company Secretary) (up to April 02, 2020)
	Mr. Mayank Jain (Company Secretary) (From April 03, 2020 to March 31, 2021)
	Mr. Sandeep Singh (Company Secretary) (effective from May 25, 2021)
	Mr. Yogendra Kumar Kabra, Chief Financial Officer (effective from June 13, 2020)
Relatives of Key Management Personnel	Dr. Radhi Malar
	Dr. M. Anand

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### The schedule of related party transactions:

Particulars	Name of the related party	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Sale of Service	Fortis Healthcare Limited	1.00	-
Interest income on Inter-corporate deposits	Malar Stars Medicare Limited	-	144.42
	Fortis Healthcare Limited	215.06	-
	Escorts Heart Institute and Research Centre Limited	367.50	317.21
Mediclaime reimbursement and transfer of accumulated balance in retirement benefit	Fortis Hospitals Limited	1.18	-
<b>Expenses</b>			
Clinical establishment fee**	Fortis Health Management Limited	518.35	823.06
Interest expense on lease liabilities	Fortis Health Management Limited	652.08	696.00
Contractual manpower	SRL Limited	14.02	6.64
Pathology laboratory expenses	SRL Limited	276.52	471.91
	Fortis Healthcare Limited	0.11	-
Professional charges to doctors	Malar Stars Medicare Limited	8.28	10.35
	SRL Limited	-	8.99
	Mrs. Nithya Ramamurthy	142.77	198.13
	Dr. Radhi Malar	9.04	24.70
	Dr. M. Anand	30.00	41.51
Staff welfare expenses	SRL Limited	-	0.05
Rental Expenses	Fortis Healthcare Limited	0.23	-
Travelling Expenses	Fortis Hospitals Limited	0.26	-
Recovery of Expenses incurred on behalf of other companies	Malar Stars Medicare Limited	0.15	48.82
Reimbursement of expenses incurred by other companies on behalf of the Company	Fortis Health Management Limited	255.11	290.11
Mediclaime reimbursement and transfer of accumulated balance in retirement benefits	Fortis Healthcare Limited	3.82	-
	Fortis Health Management Limited	4.98	-
	Fortis Hospotels Limited	0.03	-
	Fortis Hospitals Limited	7.50	-
Managerial remuneration (including director sitting fees)*	Mr. Ramesh L Adige	12.00	6.25
	Mrs. Nithya Ramamurthy	6.00	2.00
	Mr. Murari Pejavar	-	2.50
	Mr. Coimbatore Kalyanraman Nageswaran	54.31	73.96
	Mr. Daljit Singh	11.00	3.50
	Mr. Ravi Rajagopal	7.50	1.50
	Mr. Saravanan Venkatesan	6.14	25.08

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

Particulars	Name of the related party	Year ended March 31, 2021	Year ended March 31, 2020
Collections done by related party on behalf of the Company	Fortis Healthcare Limited	3.58	19.65
	Fortis Health Management Limited	0.17	-
	Fortis Hospitals Limited	1.11	571.15
Reimbursement of Expenses incurred by Other Companies on behalf of the Company (Refund of advance received from patients)	Fortis Hospitals Limited	406.23	-
Purchase of intangible asset	Fortis Hospitals Limited	-	160.21
Loans and advances to employees (Recovery)	Mr. Coimbatore Kalyanraman Nageswaran	-	16.50
Inter Corporate Loan given	Fortis Healthcare Limited	2,800.00	-
	Escorts Heart Institute and Research Centre Limited	-	3,500.00
Inter Corporate Loan repaid	Escorts Heart Institute and Research Centre Limited	-	1,577.54
	Malar Stars Medicare Limited	-	6,010.00

\* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

\*\*Also refer note 47 with regards to unconditional waiver/concession of fixed clinical establishment fees received from Fortis Health Management Limited.

### The schedule of year end balances of related parties:

Particulars	Name of the related party	Year ended March 31, 2021	Year ended March 31, 2020
Financial liabilities-non current	Fortis Health Management Limited	5,063.64	5,592.92
Trade payables / Other financial liabilities-current	SRL Limited	31.76	51.77
	Fortis Health Management Limited	309.43	902.96
	Fortis Hospitals Limited	144.88	144.88
	Fortis Healthcare Limited	1.98	-
	Fortis Hospotels Limited	0.03	-
	Malar Stars Medicare Limited	9.37	1.86
Other financial assets - current	Fortis Healthcare Limited	51.64	48.15
	Fortis Hospitals Limited	50.40	67.05
Other financial assets - non-current	Fortis Health Management Limited	15.31	20.31
Inter corporate loan placed	Fortis Healthcare Limited	2,800.00	-
	Escorts Heart Institute and Research Centre Limited	3,500.00	3,500.00
Interest accrued but not due	Fortis Healthcare Limited	67.06	-
	Escorts Heart Institute and Research Centre Limited	169.50	184.24

### Notes:

- The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at March 31, 2021 and March 31, 2020 there are no further amounts payable to / receivable from them, other than as disclosed above.



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 33. COMMITMENTS

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account, net of advances with regard to tangible and intangible assets	65.22	53.05

### 34. CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBTS

	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledged as debts (in respect of compensation claims by the patients / their relatives). (refer note 2 below)	1,088.79	1,088.79
Sales tax related matters (refer note 1 below)	254.93	254.93

In earlier year, Supreme Court vide their judgment dated February 28, 2019 on Provident fund has interpreted that basic wages would include certain allowances. The Company has evaluated implications arising out of the Supreme Court judgment. Based on legal advice, the Company believes that retrospective application of the above judgement by PF authorities is remote. Accordingly, no provision has been recorded in the standalone financial statements. The Company would continue to evaluate the provision required in the books based on further clarifications from the authorities.

#### Note:

- On May 28, 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 ₹ 254.93 Lakhs (₹73.37 Lakhs pertaining to implants) has been proposed to demanded on January 31, 2012. Against the said order, the Company has filed Writ Appeals with the Division Bench of the Madras High Court on October 16, 2020. The Company, based on legal advice, believes that the possibility of negative outcome is remote and accordingly, no adjustments are made in the standalone financial statements.
- These claims are pending with various Consumer Disputes Redressal Commissions and the Company has been advised by the legal counsel that there may not be any likely liability in respect of these matters and accordingly no provision has been recognised in these standalone financial statements.
- Also refer note 45 pertaining to litigation in relation to regularisation of hospital building.

### 35. EMPLOYEE STOCK OPTION PLAN

Employees (including senior executives) of the Company and its Subsidiary receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Malar Employee Stock Option Plan 2008 (Scheme) was approved by the board of directors of the Company on July 31, 2008 / May 28, 2009 and by shareholders in the annual general meeting held on September 29, 2008 / August 21, 2009. The following are some of the important conditions to the scheme: The details of activity under the Plan have been summarised below:

#### Vesting Plan:

- 25% of the option shall vest on the completion of 12 months from the grant date.
- 25% of the option shall vest on the completion of 24 months from the grant date.
- 25% of the option shall vest on the completion of 36 months from the grant date.
- 25% of the option shall vest on the completion of 48 months from the grant date.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### Exercise plan:

There shall be no lock in period after the options have vested. The vested options will be eligible to be exercised on the vesting date itself. Notwithstanding any provisions to the contrary in this plan the options must be exercised before the end of the tenure of the plan.

### Effective Date:

The plan was effective from August 21, 2009.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	22,500	26.20	78,750	26.20
Granted during the year	-	-	-	-
Forfeited during the year	-	-	32,500	-
Exercised during the year	-	-	-	-
Expired during the year	11,250	-	23,750	-
Outstanding at the end of the year	11,250	26.20	22,500	26.20
Exercisable at the end of the year	11,250	26.20	22,500	26.20

Particulars	March 31, 2021	March 31, 2020
Grant date share price (in Rupees)	26.20	26.20
Exercise price (in Rupees)	26.20	26.20
Expected volatility*	67.42%	67.42%
Life of the options granted (Vesting and exercise period) in years	5	5
Expected dividends	₹ 0.00	₹ 0.00
Average risk-free interest rate	7.50%	7.50%
Expected dividend rate	0%	0%

\*Expected volatility has been determined considering the daily volatility of the stock prices on Bombay Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

## 36. EMPLOYEE BENEFITS

### (I) Defined contribution plan

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme. The Company's contribution to Provident Fund aggregating ₹ 81.20 Lakhs (Previous year: ₹ 94.36 Lakhs) has been recognised in the Standalone Statement of Profit and Loss under the head Employee Benefits Expense.

### (II) Defined benefit plans

The Company has a defined benefit gratuity plan, where under employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service and is not subjected to limit in terms of the provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

- (a) Amount recognised in the standalone statement of profit and loss in respect of the defined benefit plan are as follows

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Amounts recognised in Standalone Statement of Profit and Loss in respect of these defined benefit plans are as follows:</b>		
Service cost		
- Current service cost	34.20	34.36
Net interest expense	14.15	11.60
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>48.35</b>	<b>45.96</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets (excluding amount included in net interest expense)	1.45	1.91
Actuarial gains and loss arising from changes in financial assumptions	-	22.85
Actuarial gains and loss arising from experience adjustments	(29.61)	(9.30)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(28.16)</b>	<b>15.46</b>
<b>Total</b>	<b>20.19</b>	<b>61.42</b>

- (i) The current service cost and interest expense for the year are included in "Employee benefits expense" in the standalone statement of profit and loss under the line item "Contribution to provident and other funds"
- (ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

- (b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Particulars	As at March 31, 2021	As at March 31, 2020
I. (Net Asset)/Liability recognised in the Balance Sheet		
1. Present value of defined benefit obligation as at March 31,	362.59	359.15
2. Fair value of plan assets as at March 31,	137.97	144.58
3. Deficit	224.62	214.57
4. Current portion of the above	-	-
5. Non current portion of the above	224.62	214.57

- (c) Movement in the present value of the defined benefit obligation are as follows :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Change in the obligation during the year ended March 31,</b>		
Present value of defined benefit obligation at the beginning of the year	359.15	315.94
Expenses Recognised in Standalone Statement of Profit and Loss:		
- Current Service Cost	34.20	34.36
- Interest Expense (Income)	23.42	22.69
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	-	22.85
ii. Experience Adjustments	(29.61)	(9.30)
Benefit payments	(24.51)	(27.39)
Acquisitions Credit/(Cost)	(0.06)	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>362.59</b>	<b>359.15</b>

**(d) Movement in fair value of plan assets are as follows :**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Change in fair value of assets during the year ended March 31,</b>		
Fair value of plan assets at the beginning of the year	144.58	160.60
Expenses Recognised in Statement of Profit and Loss:		
- Expected return on plan assets	9.27	11.09
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Return on plan assets (excluding amount included in net interest expense)	(1.45)	(1.90)
Contributions by employer	10.09	1.48
Benefit payments	(24.52)	(26.69)
<b>Fair value of plan assets at the end of the year</b>	<b>137.97</b>	<b>144.58</b>

**(e) The fair value of plan assets plan at the end of the reporting period are as follows:**

Particulars	As at March 31, 2021	As at March 31, 2020
Life Insurance Corporation of India	137.97	144.58

**(f) The principal assumptions used for the purpose of actuarial valuation were as follows :**

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.75%	6.75%
Expected rate of salary increase	7.50%	7.50%
Expected return on plan assets	7.50%	7.50%
Withdrawal Rate		
Ages From 20 - 30	18.00%	18.00%
Ages From 31 - 44	6.00%	6.00%
Ages From 45 - 58	2.00%	2.00%
Expected average remaining working life *	10 years	10 years
Mortality	IALM 2006-08(Ult)	IALM 2006-08(Ult)

\* Based on India's standard mortality table with modification to reflect the expected changes in mortality / others

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant:

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

- (i) If the discount rate is 50 basis point higher / (lower) the defined benefit obligation would decrease by ₹ 15.36 Lakhs (increase by ₹ 16.47 Lakhs) (As at March 31, 2020; decrease by ₹ 15.50 Lakhs (increase by ₹ 16.64 Lakhs)).
- (ii) If the expected salary growth rate increase / (decreases) by 1% the defined benefit obligation would increase by ₹ 33.58 Lakhs (decrease by ₹ 29.80 Lakhs) (As at March 31, 2020 ; increase by ₹ 33.95 Lakhs (decrease by ₹ 30.03 Lakhs)).
- (iii) If the withdrawal rate increases/(decreases) by 5% the defined benefit obligation would decrease by ₹ 8.39 Lakhs (increase by ₹ 8.10 Lakhs ) (As at March 31, 2020 ; decrease by ₹ 9.31 Lakhs (increase by ₹ 9.18 Lakhs )).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

### 37. LEASES

#### 37.1 Leases as lessee (Ind AS 116)

The leased assets of the Company include hospital building, nurse hostel building and medical equipments which are taken on lease for providing healthcare services to the patients. These leases are generally for a period of 1 to 15 years, with an option to renew certain leases after that date. Previously, these leases were classified as operating leases under Ind AS 17.

Effective April 01, 2019, the Company has adopted Ind AS 116 - Leases, with the date of initial application being April 01, 2019, using the modified retrospective approach. Accordingly, the Company has recognised 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, recognised right-of-use asset at the date of initial application equals to the lease liability recognised and the comparatives have not been retrospectively adjusted. In the profit and loss for the current year, the lease rent which was hitherto accounted under clinical establishment expenses / other expenses in the previous year has now been accounted as depreciation charge for the right-of-use asset and finance cost for interest accrued on lease liability.

The summary of the movement of right-of-use assets for the year is given below:

	As at March 31, 2021	As at March 31, 2020
<b>Right-of-use assets under Ind AS 116</b>		
Balance as at April 01,	6,047.76	6,847.82
Add: Reclassification of prepaid expenses	-	24.70
Less: Depreciation charge for the year	(824.36)	(824.76)
<b>Balance as at March 31,</b>	<b>5,223.40</b>	<b>6,047.76</b>
<b>Lease liabilities</b>		
Current lease liabilities	376.00	496.56
Non-current lease liabilities	5,341.47	5,937.33
	<b>5,717.47</b>	<b>6,433.89</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

The following is the movement in lease liabilities during the year:

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Balance as at April 01,</b>	6,433.89	-
Additions on account of transition to Ind AS 116 - April 1, 2019	-	6,847.82
Finance cost accrued during the year	693.17	742.56
Deletions	-	-
Payment of lease liabilities	(724.74)	(1,156.50)
Waiver/ concession of fixed clinical establishment fees (refer note 47)	(684.85)	-
<b>Balance as at March 31,</b>	<b>5,717.47</b>	<b>6,433.89</b>

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	As at March 31, 2021	As at March 31, 2020
<b>Lease liabilities under Ind AS 116</b>		
Less than one year	376.00	496.56
One to five years	3,490.09	3,073.83
More than five years	1,851.37	2,863.50
<b>Total lease liabilities as at March 31,</b>	<b>5,717.47</b>	<b>6,433.89</b>

Amount of recognised in standalone statement of profit and loss:

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on lease liabilities	693.17	742.56
Depreciation expense on right of use assets	824.36	824.76
Expenses relating to short-term leases and leases of low-value assets	27.25	56.47

### 38. FINANCIAL INSTRUMENTS

#### (I) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through equity.

#### (II) Categories of financial instruments

##### (a) Financial assets

	As at March 31, 2021	As at March 31, 2020
<b>Measured at cost</b>		
Investment in subsidiary	5.00	5.00
<b>Measured at fair value through profit or loss (FVTPL)</b>	-	-
<b>Measured at amortised cost</b>		
- Security deposits	40.83	65.02
- Advance to related parties	117.35	135.51

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

	As at March 31, 2021	As at March 31, 2020
- Trade receivables	209.11	372.79
- Cash and bank balances	1,160.10	4,171.66
- Loans	6,300.00	3,500.00
- Other financial assets	354.65	271.96

### (b) Financial liabilities

	As at March 31, 2021	As at March 31, 2020
<b>Measured at fair value through profit or loss (FVTPL)</b>		
<b>Measured at amortised cost</b>		
- Trade payables	1,444.33	1,887.92
- Lease liabilities	5,717.47	6,433.89
- Other financial liabilities	56.68	56.12

### (III) Risk management framework

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The focus of the chief operating decision maker (CODM) is to assess the unpredictability of the financial environment and to mitigate potential adverse effects, if any, on the financial performance of the Company.

The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

### (IV) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of patients to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets.

#### a. Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full except to the extent already provided, based on historical payment behavior and extensive analysis of customer credit

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

risk. The impairment loss at the reporting dates related to several patients that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Company determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about patients. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due.

The average credit period is ranging from 30 to 90 days. No overdue interest is charged. Out of the total trade receivables balance (gross) as at March 31, 2021, ₹ 325.34 Lakhs is due from 4 international customer. There are no other customer dues that represent more than 5% of the total balance of trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, and their geographic location and existence of previous financial difficulties.

The ageing of trade receivables that were not impaired as at the reporting date was:

### As at March 31, 2021

Ageing	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Within the credit period	121.95	3%	3.71	No
1-30 days past due	32.06	21%	6.89	No
31-60 days past due	19.61	16%	3.08	No
61-90 days past due	17.19	20%	3.36	No
More than 90 days past due	534.84	93%	499.50	No
	<b>725.65</b>		<b>516.54</b>	

### As at March 31, 2020

Ageing	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit -impaired
Within the credit period	163.87	3%	4.54	No
1-30 days past due	60.07	17%	10.47	No
31-60 days past due	38.44	47%	18.05	No
61-90 days past due	37.58	32%	12.13	No
More than 90 days past due	597.05	80%	479.03	No
	<b>897.01</b>		<b>524.22</b>	

b. *Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivable)*

The Company holds cash and bank balances of ₹ 1,160.10 Lakhs at March 31, 2021 (March 31, 2020: ₹ 4,171.66 Lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

c. *Security deposits*

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

d. *Advance to employees*

This balance is primarily constituted by advances given to the employees. The Company does not expect any losses from non-performance by these counter-parties as the amounts are recoverable by salary deductions.



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

e. *SEIS receivable from Government*

This balance is primarily constituted by SEIS scrips and applications pending with authorities. The Company does not expect any losses from non-performance by these counter-parties as the amounts are due from Government.

### (V) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

*Exposure to liquidity risk*

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Particulars	With in 1 Year	1 to 2 Years	More than 2 Years	Total
	(₹)	(₹)	(₹)	(₹)
<b>As at March 31, 2021</b>				
- Trade Payables	1,444.33	-	-	1,444.33
- Lease liabilities	376.00	1,523.30	3,818.17	5,717.47
- Other financial liabilities	56.68	-	-	56.68
<b>Total</b>	<b>1,877.01</b>	<b>1,523.30</b>	<b>3,818.17</b>	<b>7,218.48</b>
<b>As at March 31, 2020</b>				
- Trade Payables	1,887.92	-	-	1,887.92
- Lease liabilities	496.56	1,297.56	4,639.77	6,433.89
- Other financial liabilities	56.12	-	-	56.12
<b>Total</b>	<b>2,440.60</b>	<b>1,297.56</b>	<b>4,639.77</b>	<b>8,377.93</b>

### 39. FAIR VALUE MEASUREMENT

There are no financial assets and financial liabilities that are measured at fair value on a recurring basis.

The management considers that the carrying amount of all the financial asset and financial liabilities that are not measured at fair value in the standalone financial statements approximate the fair values and, accordingly, no disclosures of the fair value hierarchy is required to be made in respect of these assets/liabilities.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

**40. CURRENT TAX AND DEFERRED TAX**

**(i) Income tax expense**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current tax:</b>		
Current income tax charge	-	-
Income tax relating to earlier years	(13.89)	22.67
<b>Total</b>	<b>(13.89)</b>	<b>22.67</b>
<b>Deferred tax</b>		
Origination and reversal of temporary difference	(331.44)	(332.54)
<b>Total</b>	<b>(331.44)</b>	<b>(332.54)</b>
<b>Total tax expense recognised in standalone statement of profit and loss</b>	<b>(345.33)</b>	<b>(309.87)</b>

**(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount	Tax Amount	Amount	Tax Amount
<b>Loss before tax from operations</b>	(1,146.66)		(1,215.57)	
Income tax using the Company's domestic tax rate at 27.82% (March 31, 2020 : 27.82%)		(319.00)		(338.17)
<b>Tax effect of :</b>				
Effect of expenses that are not deductible in determining taxable profit	-	-	7.64	5.62
Adjustments recognised in the current year in relation to the current tax of prior years.	-	-	-	22.67
Others	-	(12.44)	-	-
<b>Total tax expense</b>	<b>(1,146.66)</b>	<b>(331.44)</b>	<b>(1,207.93)</b>	<b>(309.88)</b>

**(iii) Income tax on other comprehensive income**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Deferred tax</b>		
Remeasurements of defined benefit plans	(7.83)	4.30
<b>Total</b>	<b>(7.83)</b>	<b>4.30</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

**(iv) Following is the analysis of the deferred tax asset / (liabilities) presented in the Balance Sheet**

Particulars	Year ended March 31, 2021			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets</b>				
Employee benefits	117.81	3.63	(7.83)	113.61
Allowance for credit losses/Others	144.81	0.39	-	145.20
Lease liability	107.42	91.19	-	198.61
Carried forward of business and depreciation losses	174.74	205.89	-	380.63
	<b>544.78</b>	<b>301.10</b>	<b>(7.83)</b>	<b>838.05</b>
<b>Tax effect of items constituting deferred tax liabilities</b>				
Property, plant and equipment	22.82	(30.33)	-	(7.51)
	<b>22.82</b>	<b>(30.33)</b>	<b>-</b>	<b>(7.51)</b>
<b>Net deferred tax asset / (liability)</b>	<b>521.96</b>	<b>331.44</b>	<b>(7.83)</b>	<b>845.57</b>

Particulars	Year ended March 31, 2020			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets</b>				
Employee benefits	124.50	(10.99)	4.30	117.81
Allowance for credit losses/Others	118.16	26.65	-	144.81
Lease liability	-	107.42	-	107.42
Carried forward of business and depreciation losses	-	174.74	-	174.74
	<b>242.66</b>	<b>297.82</b>	<b>4.30</b>	<b>544.78</b>
<b>Tax effect of items constituting deferred tax liabilities</b>				
Property, plant and equipment	57.54	(34.72)	-	22.82
	<b>57.54</b>	<b>(34.72)</b>	<b>-</b>	<b>22.82</b>
<b>Net deferred tax asset / (liability)</b>	<b>185.12</b>	<b>332.54</b>	<b>4.30</b>	<b>521.96</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 41. EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss after tax - ₹	(801.33)	(905.69)
<b>Weighted average number of equity shares (No's.):</b>		
Weighted average number of equity shares for calculating Basic EPS	18,741,759	18,741,759
Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against stock option granted under ESOP 2008	-	-
WANES for calculating diluted EPS	18,741,759	18,741,759
<b>Earnings Per Share (Basic) - in ₹</b>		
- Basic - in ₹	(4.28)	(4.83)
- Diluted - in ₹	(4.28)	(4.83)
Face value per share - in ₹	10.00	10.00

### 42. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT, 2006

As per the requirement of the MSMED Act, 2006, the following disclosure have been provided below. The disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 has been made in the standalone financial statements based on information received and available with the Company.

Particulars	As at March 31, 2021	As at March 31, 2020
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	94.22	66.82
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 43. DETAILS OF LOANS GIVEN TO SUBSIDIARIES AND ASSOCIATES AND FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED

The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

Name of the party	Rate of Interest	Due date for Interest	Secured/ unsecured	As at March 31, 2021	As at March 31, 2020
Escorts Heart Institute and Research Centre Limited	10.50%	Half yearly	Unsecured	3,500.00	3,500.00
Fortis Healthcare Limited	10.50%	Quarterly	Unsecured	2,800.00	-

Particulars	Relation	Maximum amount outstanding during the year	
		March 31, 2021	March 31, 2020
Escorts Heart Institute and Research Centre Limited*	Fellow Subsidiary	3,500.00	3,500.00
Fortis Healthcare Limited**	Intermediate Holding	2,800.00	-
<b>Total</b>		<b>6,300.00</b>	<b>3,500.00</b>

\* The inter corporate deposits placed with Escorts Heart Institute and Research Centre Limited are backed by corporate guarantee issued by Fortis Healthcare Limited on April 25, 2020. As per Guarantee agreement executed, amount payable by Escorts Heart Institute and Research Centre Limited including interest if any till January 31, 2022, on default shall be repayable by Fortis Healthcare Limited to the Company. The Inter-Corporate Deposits were given for meeting the working capital requirements.

\*\* The inter corporate deposits placed with Fortis Healthcare Limited were given for meeting its working capital/ general corporate requirements. This loan is repayable on or before July 03, 2023 and the Company has an option to recall this loan at any time after six months from drawdown, i.e. any time after February 09, 2021. However, based on cashflow projections the Company does not expect to realise this amount within twelve months after the reporting date and accordingly this balance has been classified as non-current.

### 44. CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, a Company, meeting the applicable threshold, needs to spend at least 2% of its average net profits for the immediately preceding three financial years on CSR activities. The details relating to the same are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gross amount required to be spent by the Company during the year	-	9.50
(b) Amount spent during the year (in cash):		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	9.50
	-	<b>9.50</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 45. ORDER / NOTICE RECEIVED FROM CMDA

A request for regularisation of the hospital building in which the Company operates today, was made earlier vide an application dated May 29, 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 March 18, 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 May 03, 2016, CMDA served a "Lock & Seal" Notice stating that in view of Rejection Order, the construction at the site of the Hospital premises is unauthorised 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 August 25, 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularisation. 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 May 20, 2021 an update has been sent to CMDA confirming that out of six requirements, as set out in the letter dated August 25, 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.

### 46. IMPACT OF COVID-19 PANDEMIC

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 optimise 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 statements 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 statements. 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 47. EXCEPTIONAL ITEM

Exceptional items relates to the unconditional waiver/concession of fixed clinical establishment fees 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 July 24, 2020 issued by the Ministry of Corporate Affairs, India.

### 48. SEGMENT REPORTING

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Director to make decisions about resources to be allocated to the segments and assess their performance.

The Company is primarily engaged in only one business namely in the health care services. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments and these standalone financial statements are reflective of the information required by the Ind AS 108 . The Company's operations are entirely domiciled in India and as such all its noncurrent assets are located in India.

### 49. SUBSEQUENT EVENTS

There are no subsequent events other than those disclosed in the standalone financial statements that have occurred after the reporting period till the date of approval of these standalone financial statements.

As per our report of even date attached

for **B S R & Co. LLP**  
*Chartered Accountants*  
**Firm's Registration No. 101248W/W-100022**

**Harsh Vardhan Lakhotia**  
*Partner*  
**Membership No.: 222432**

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

for and on behalf of the Board of Directors of  
**Fortis Malar Hospitals Limited**  
**CIN: L85110PB1989PLC045948**

**Nithya Ramamurthy**  
*Director*  
**DIN 00255343**  
**Place : Chennai**

**Sandeep Singh**  
*Company Secretary*  
**Membership No.: F9877**

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

**C.K.Nageswaran**  
*Whole Time Director*  
**DIN 08236347**  
**Place : Chennai**

**Yogendra Kumar Kabra**  
*Chief Financial Officer*  
**Place : Mumbai**

# INDEPENDENT AUDITORS' REPORT

## To the Members of Fortis Malar Hospitals Limited Report on the Audit of Consolidated Financial Statements

### OPINION

We have audited the consolidated financial statements of **Fortis Malar Hospitals Limited** (hereinafter referred to as the "Holding Company") and its subsidiary company Malar Stars Medicare Limited (Holding Company and its subsidiary company together referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### BASIS FOR OPINION

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

### EMPHASIS OF MATTER

We draw attention to Note 44 to the consolidated financial statements 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 August 25, 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 statements or on the going concern status.

Our opinion is not modified in respect of this matter.

### KEY AUDIT MATTERS

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## INDEPENDENT AUDITORS' REPORT (Contd.)

Description of Key Audit Matter

**Related party transactions** (refer note 31, 42 and 44 to the consolidated financial statements)

<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>Related party transactions are regulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Companies Act, 2013. In addition, the relevant accounting standards require specific compliance and disclosures of related parties and transactions with them to be made in the consolidated financial statements. We have identified the related party transactions as a key audit matter due to the significance of the amounts given as loans to related parties, recoverability of such loans and risk of non-compliance with various regulations. Also, a substantial portion of the expenses (clinical establishment expenses etc.) are paid to related parties.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"><li>• Obtain an understanding of the Group's related party relationships and transactions.</li><li>• Obtained a list of related party relationships and significant related party transactions from the management. Made inquiries of management regarding the identity of the related parties including changes from the prior year and the nature of relationships and of the transactions with them. We also maintained alertness regarding related party information when examining records or documents regarding undisclosed related party relationships or transactions.</li><li>• Evaluated the design, implementation and operating effectiveness of key controls over identification and authorization of significant related party transactions.</li><li>• Obtained confirmation from related party with respect to transactions and balances and evaluated the management's assessment on the recoverability of the loans to related parties as and when they fall due. Performed substantive procedures to check the completeness of expenditure and interest income.</li><li>• Evaluated compliance of such related party transactions with the relevant accounting standard and applicable laws and regulations.</li><li>• Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard and applicable laws and regulations.</li></ul>

### OTHER INFORMATION

The Holding Company's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon. The Holding Company's annual report is expected to be made available to us after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and take necessary actions as required under applicable laws and regulations.

### MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 the assets of each company and for preventing and detecting frauds and other irregularities; the 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 financial statements that

## INDEPENDENT AUDITORS' REPORT (Contd.)

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 financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and 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.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 financial statements.

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 financial statements, 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 on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements 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 financial statements 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors

## INDEPENDENT AUDITORS' REPORT (Contd.)

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- A. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to:
- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group. Refer Note 33 and 44 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2021.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
  - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in consolidated the financial statements since they do not pertain to the financial year ended March 31, 2021.

## INDEPENDENT AUDITORS' REPORT (Contd.)

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary company, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

for **B S R & Co. LLP**  
*Chartered Accountants*  
**Firm's registration number: 101248W / W-10022**  
**Harsh Vardhan Lakhotia**  
*Partner*  
**Membership No. 222432**  
**ICAI UDIN: 21222432AAAABQ5559**

# **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FORTIS MALAR HOSPITALS LIMITED FOR THE YEAR ENDED MARCH 31, 2021.**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## **OPINION**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Fortis Malar Hospitals Limited (hereinafter referred to as "the Holding Company").

In our opinion, the Holding Company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by Holding company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FORTIS MALAR HOSPITALS LIMITED FOR THE YEAR ENDED MARCH 31, 2021. (Contd.)**

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

for **B S R & Co. LLP**  
*Chartered Accountants*  
**Firm's registration number: 101248W / W-100022**  
**Harsh Vardhan Lakhotia**  
*Partner*  
**Membership No. 222432**  
**ICAI UDIN: 21222432AAAABQ5559**

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(All amounts are in Indian ₹ Lakhs except share data and as stated)

	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4(a)	1,490.46	1,783.68
Capital work-in-progress	4(b)	35.95	8.82
Right of use assets	36	5,223.40	6,047.76
Intangible assets	4(c)	138.52	276.20
Financial assets			
Loans	12	2,800.00	3,500.00
Other financial assets	5	56.14	85.33
Deferred tax assets (net)	39	846.02	522.37
Income tax assets (net)	6	316.03	925.29
Other non-current assets	7	5.64	5.00
<b>Total non-current assets</b>		<b>10,912.16</b>	<b>13,154.45</b>
<b>Current assets</b>			
Inventories	8	162.67	130.65
Financial assets			
Trade receivables	9	209.11	372.79
Cash and cash equivalents	10	742.76	4,304.92
Bank balances other than above	11	613.99	20.69
Loans	12	3,500.00	-
Other financial assets	13	457.53	388.50
Income tax assets (net)	6	185.94	773.32
Other current assets	14	125.67	209.58
<b>Total current assets</b>		<b>5,997.67</b>	<b>6,200.45</b>
<b>Total assets</b>		<b>16,909.83</b>	<b>19,354.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	1,875.70	1,875.70
Other equity	16	6,998.76	7,765.24
<b>Total equity</b>		<b>8,874.46</b>	<b>9,640.94</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease liabilities	17	5,341.47	5,937.33
Provisions	20	225.78	216.06
<b>Total non-current liabilities</b>		<b>5,567.25</b>	<b>6,153.39</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	17	376.00	496.56
Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		73.56	66.82
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,363.82	1,823.44
Other financial liabilities	19	56.68	54.26
Provisions	20	104.42	102.03
Other current liabilities	21	493.64	1,017.46
<b>Total current liabilities</b>		<b>2,468.12</b>	<b>3,560.57</b>
<b>Total liabilities</b>		<b>8,035.37</b>	<b>9,713.96</b>
<b>Total equity and liabilities</b>		<b>16,909.83</b>	<b>19,354.90</b>
Significant accounting policies	3		

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhota**  
Partner  
Membership No.: 222432

Place : Chennai  
Date: May 25, 2021

for and on behalf of the Board of Directors of  
**Fortis Malar Hospitals Limited**  
CIN: L85110PB1989PLC045948

**Nithya Ramamurthy**  
Director  
DIN 00255343  
Place : Chennai

**Sandeep Singh**  
Company Secretary  
Membership No.: F9877

Place : Delhi  
Date: May 25, 2021

**C.K.Nageswaran**  
Whole Time Director  
DIN 08236347  
Place : Chennai

**Yogendra Kumar Kabra**  
Chief Financial Officer  
Place : Mumbai

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Indian ₹ Lakhs except share data and as stated)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	22	6,924.41	11,187.20
Other income	23	825.09	1,118.58
<b>Total income</b>		<b>7,749.50</b>	<b>12,305.78</b>
<b>Expenses</b>			
Purchases of medical consumables and drugs		1,437.68	2,097.21
Changes in inventories of medical consumables and drugs	24	(32.02)	34.16
Employee benefits expense	25	1,825.36	2,155.45
Finance costs	26	719.88	780.79
Depreciation and amortisation expense	27	1,287.54	1,253.11
Other expenses	28	4,327.07	7,178.56
<b>Total expenses</b>		<b>9,565.51</b>	<b>13,499.28</b>
<b>Loss before exceptional item and tax</b>		<b>(1,816.01)</b>	<b>(1,193.50)</b>
Exceptional Item	46	(684.85)	-
<b>Loss before tax</b>		<b>(1,131.16)</b>	<b>(1,193.50)</b>
<b>Tax expense</b>	29		
Current tax		(12.79)	28.69
Deferred tax		(331.50)	(332.83)
<b>Total tax expense</b>		<b>(344.29)</b>	<b>(304.14)</b>
<b>Loss for the year</b>		<b>(786.87)</b>	<b>(889.36)</b>
<b>Other comprehensive income/ (expense)</b>	30		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit plans		28.24	(10.27)
Income tax relating to items that will not be reclassified to profit or loss		(7.85)	2.95
<b>Total other comprehensive income/ (expense) for the year, net of taxes</b>		<b>20.39</b>	<b>(7.32)</b>
<b>Total comprehensive loss for the year</b>		<b>(766.48)</b>	<b>(896.68)</b>
Earnings per equity share	40		
Basic (in ₹)		(4.20)	(4.75)
Diluted (in ₹)		(4.20)	(4.75)
Significant accounting policies	3		

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**  
Partner  
Membership No.: 222432

Place : Chennai  
Date: May 25, 2021

for and on behalf of the Board of Directors of  
**Fortis Malar Hospitals Limited**  
CIN: L85110PB1989PLC045948

**Nithya Ramamurthy**  
Director  
DIN 00255343  
Place : Chennai

**Sandeep Singh**  
Company Secretary  
Membership No.: F9877

Place : Delhi  
Date: May 25, 2021

**C.K.Nageswaran**  
Whole Time Director  
DIN 08236347  
Place : Chennai

**Yogendra Kumar Kabra**  
Chief Financial Officer  
Place : Mumbai



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Indian ₹ Lakhs except share data and as stated)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flows from operating activities</b>			
Loss before tax for the year		(1,131.16)	(1,193.50)
<i>Adjustments for:</i>			
Interest income		(713.75)	(767.44)
Loss on sale of property, plant and equipment		-	8.27
Depreciation and amortisation expense		1,287.54	1,253.11
Interest expense on lease liability		693.17	742.56
Allowance for credit losses		64.08	362.32
Waiver/ concession of fixed clinical establishment fees (refer note 46)		(684.85)	-
Liabilities no longer required written back		(111.34)	(351.14)
<b>Operating profit before working capital changes</b>		<b>(596.31)</b>	<b>54.18</b>
<i>Movements in working capital:</i>			
(Increase) / decrease in other current and non current financial assets		(25.97)	1,017.64
Decrease / (increase) in other current and non-current assets		87.94	(64.62)
Decrease in trade and other receivables		99.60	231.11
(Increase) / decrease in inventories		(32.02)	34.16
Increase in provisions		40.35	38.57
Decrease in trade payables		(339.68)	(455.96)
Decrease in financial liabilities		(5.78)	(496.07)
(Decrease) / increase in other current liabilities		(523.82)	27.91
<b>Cash (used in)/ generated from operations</b>		<b>(1,295.69)</b>	<b>386.92</b>
Income taxes refund/( paid ) (net)		1,209.43	(417.35)
<b>Net cash used in operating activities</b>		<b>(86.26)</b>	<b>(30.43)</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment and intangible assets		(52.89)	(330.82)
Proceeds on sale of property, plant and equipment		-	40.70
Interest received		695.03	930.67
Inter-corporate deposits placed with related parties		(2,800.00)	(3,500.00)
Proceeds from Inter-corporate deposits repaid by related parties		-	7,707.54
Bank balances not considered as cash and cash equivalents		(593.30)	140.09
<b>Net cash (used in)/ generated from investing activities</b>		<b>(2,751.16)</b>	<b>4,988.18</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities (including interest)		(724.74)	(1,156.50)
<b>Net cash used in financing activities</b>		<b>(724.74)</b>	<b>(1,156.50)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(3,562.16)</b>	<b>3,801.25</b>
Cash and cash equivalents at the beginning of the year		4,304.92	503.67
<b>Cash and cash equivalents at the end of the year</b>	10	<b>742.76</b>	<b>4,304.92</b>
Significant accounting policies	3		

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

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

Chartered Accountants

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

**Harsh Vardhan Lakhotia**

Partner

Membership No.: 222432

for and on behalf of the Board of Directors of

**Fortis Malar Hospitals Limited**

CIN: L85110PB1989PLC045948

**Nithya Ramamurthy**

Director

DIN 00255343

Place : Chennai

**Sandeep Singh**

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Membership No.: F9877

**C.K.Nageswaran**

Whole Time Director

DIN 08236347

Place : Chennai

**Yogendra Kumar Kabra**

Chief Financial Officer

Place : Mumbai

Place : Chennai

Date: May 25, 2021

Place : Delhi

Date: May 25, 2021

# CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Indian ₹ Lakhs except share data and as stated)

	Note	As at March 31, 2021	As at March 31, 2020
<b>A Equity share capital</b>	15		
Balance at the beginning of year		1,875.70	1,875.70
Changes in equity share capital during the year		-	-
<b>Closing balance</b>		<b>1,875.70</b>	<b>1,875.70</b>

**B Other equity** 16

Particulars	Reserves and surplus		Other comprehensive income (OCI)	Total
	Securities Premium	Retained Earnings	Remeasurement of defined benefit obligation	
<b>Balance as at March 31, 2019</b>	<b>957.23</b>	<b>7,704.09</b>	<b>0.60</b>	<b>8,661.92</b>
Loss for the year	-	(889.36)	-	(889.36)
Other comprehensive income/ (expense) for the year, net of taxes	-	-	(7.32)	(7.32)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(889.36)</b>	<b>(7.32)</b>	<b>(896.68)</b>
<b>Balance as at March 31, 2020</b>	<b>957.23</b>	<b>6,814.73</b>	<b>(6.72)</b>	<b>7,765.24</b>
Loss for the year	-	(786.87)	-	(786.87)
Other comprehensive income/ (expense) for the year, net of taxes	-	-	20.39	20.39
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(786.87)</b>	<b>20.39</b>	<b>(766.48)</b>
<b>Balance as at March 31, 2021</b>	<b>957.23</b>	<b>6,027.86</b>	<b>13.67</b>	<b>6,998.76</b>

Significant accounting policies 3

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**  
Partner  
Membership No.: 222432

Place : Chennai  
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for and on behalf of the Board of Directors of  
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Place : Chennai

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Company Secretary  
Membership No.: F9877

Place : Delhi  
Date: May 25, 2021

**C.K.Nageswaran**  
Whole Time Director  
DIN 08236347  
Place : Chennai

**Yogendra Kumar Kabra**  
Chief Financial Officer  
Place : Mumbai

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in Indian ₹ Lakhs except share data and as stated)

## 1. NATURE OF OPERATIONS

Fortis Malar Hospitals Limited (the 'Parent Company') was incorporated in the year 1989 to set up, manage and operate a multi-specialty hospital and is a subsidiary of Fortis Hospitals Limited and Fortis Healthcare Limited is the Ultimate Holding Company and its equity shares are listed on the Bombay Stock Exchange (BSE) in India. The Parent Company operates its state of the art Hospital facility in Chennai. The Hospital building is owned by a fellow subsidiary, Fortis Health Management Limited ("FHML"). The Parent Company has entered into "Hospital and Medical Services Agreement" with FHML w.r.t. rendering of medical and healthcare services at the hospital building (also refer note 44).

The Parent Company has one wholly owned subsidiary Company, Malar Stars Medicare Limited ('Malar Stars' or 'the subsidiary'), which was incorporated on July 07, 2009 in Chennai and is engaged in providing medical and surgical and consultancy services to the Parent Company. The Parent Company and the subsidiary are hereinafter collectively referred to as "the Group".

## 2. BASIS OF PREPARATION

### a) Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter, pronouncements of regulatory bodies applicable to the Group and other provisions of the Act. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

The consolidated financial statements were authorised for issue by the Parent Company's Board of Directors on May 25, 2021.

### b) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees ('INR'/'₹'), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Lakhs, unless otherwise indicated.

### c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Liabilities for cash-settled share-based payment arrangements	Fair value
Net defined benefit assets/(liability)	Fair value of plan assets, less present value of defined benefit obligations

### d) Principles of consolidation:

The consolidated financial statements relate to the Parent Company and its subsidiary. The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements of the Parent Company and its subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating material intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

The details of the subsidiary considered in the preparation of these consolidated financial statements are given below:

Name of subsidiary	Country of incorporation	Relationship	Effective Ownership interest as at	
			March 31, 2021	March 31, 2020
Malar Stars Medicare Limited	India	Subsidiary	100%	100%

### e) Use of estimates and judgements

In preparing these consolidated financial statements, management/directors has made the following judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes (Also refer note 45, relating to impact on Covid -19 Pandemic):

- a. fair valuation of financial assets (refer note 38)

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2022 is included in the following notes (Also refer note 45, relating to impact on Covid -19 Pandemic):

- a. Useful lives of Property, plant and equipment (refer note 3.3)
- b. Measurement of defined benefit obligations: key actuarial assumptions; (refer note 3.7 and note 35)
- c. Recognition and measurement of income taxes and deferred taxes (refer note 3.12 and note 39)
- d. Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; (refer note 3.8 and 3.15)
- e. Expected credit loss: The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. the Group uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Group's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period. (refer note 3.6)

### f) Measurement of fair values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Group's audit committee

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

When measuring the fair values of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 37 and 38 – financial instruments.

### g) Current and non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- it is expected to be realised or intended to be sold or consumed in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within twelve months after the reporting period; or
- it is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The Group has identified twelve months as its operating cycle for the purpose of current-non-current classification of assets and liabilities.

## 3. SIGNIFICANT ACCOUNTING POLICES

### 3.1 Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the equity investments at fair value through OCI (FVOCI).

### 3.2 Financial instruments

#### i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### ii) Classification and subsequent measurement

#### **Financial assets**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) - equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **Financial assets: Subsequent measurement and gains and losses**

Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### **Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### iii) Derecognition

#### *Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### v) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

## 3.3 Property, plant and equipment

### *i. Recognition and measurement*

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### *ii. Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

All other expenditure related to existing assets including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the period during which such expenditure is incurred.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management Useful life	Useful life as per Schedule II
Plant and machinery	15 years	15 years
Medical equipment	13 years	13 years
Computers	3 years	3 years
Furniture and fittings	10 years	10 years
Office equipment	5 years	5 years
Vehicles	8 years	8 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on leasehold improvements is provided over the primary period of lease or over the useful lives of the respective fixed assets, whichever is shorter.

The useful life of PPE are reviewed at the end of each reporting period if the expected useful life of the asset changes significantly from previous estimates, the effect of such change in estimates are accounted for prospectively.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

## 3.4 Intangible assets

### i. Recognition and measurement

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

### iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

Cost of software and licenses, which are acquired, are capitalised and amortised on a straight line basis over a period of 3 to 6 years or the license period, whichever is lower.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 3.5 Inventories

Inventories of medical consumables and drugs are valued at lower of cost or net releasable value. The cost of inventories is determined based on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Due allowance is estimated and made by the Management for slow moving / non-moving items of inventory, wherever necessary, based on the past experience of the Group and such allowances are adjusted against the carrying inventory value.

### 3.6 Impairment

#### i) Impairment of financial instruments

In accordance with Ind AS 109, the Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### ii) Impairment of non-financial assets

The Group assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or Cash Generating Unit ('CGU') exceeds its estimated recoverable amount in the statement of profit and loss.

The Group's non-financial assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or groups of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 3.7 Employee benefits

#### i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ii) Defined benefit plans - Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### iii) Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using the projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The Group presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

#### iv) Share-based compensation

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### v) Contributions to provident fund

Eligible employees of the Group receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Group make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. the Group has no further obligation to the plan beyond its monthly contributions.

### 3.8 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

### 3.9 Revenue recognition

#### Sale of Services

The Group earns revenue primarily from providing healthcare services. the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The Group assessed its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all its revenue arrangements.

#### Sale of traded goods – pharmacy items

Revenue from sale of pharmacy items are recognised on delivery of items to the customers which is when the Group satisfies a performance obligation by transferring a promised good to a patient. Pharmacy items are transferred when the patient obtains the control of that items.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

#### Inpatient and Outpatient Revenue

Inpatient and Outpatient revenue is recognised as and when the related services are rendered.

#### Export benefits- Government grants

Income from 'Service Export from India Scheme' is recognised on accrual basis as and when eligible services are performed and convertible foreign exchange is receivable to the extent it is certain that economic benefits will flow to the Group.

### 3.10 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### 3.11 Leases

The Group has applied Ind AS 116 using the modified retrospective approach from April 01, 2019. Accordingly, the Group has recognised 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, recognised right-of-use asset at the date of initial application equals to the lease liability recognised.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of an identified asset, the Group uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, on or after April 01, 2019.

#### (i) Group as a lessee:

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

The lease payments shall include:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

### (ii) Short term leases

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

### 3.12 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

*(All amounts are in Indian ₹ Lakhs except share data and as stated)*

### 3.13 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred

### 3.14 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares.

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted average number of equity and dilutive equivalent shares outstanding during the period except where the results would be anti-dilutive.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year / period presented.

### 3.15 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

### 3.16 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

### 3.17 Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

**4(a) PROPERTY, PLANT AND EQUIPMENT**

Particulars	Plant and machinery	Medical equipments	Furniture and fittings	Computers	Office equipments	Vehicles	Total
<b>Gross carrying amount</b>							
<b>As at March 31, 2019</b>	<b>180.24</b>	<b>2,709.29</b>	<b>232.59</b>	<b>124.17</b>	<b>60.29</b>	<b>82.12</b>	<b>3,388.70</b>
Additions	18.86	65.57	2.77	11.48	0.79	-	99.47
Disposals	6.12	-	2.72	-	-	82.12	90.96
<b>As at March 31, 2020</b>	<b>192.98</b>	<b>2,774.86</b>	<b>232.64</b>	<b>135.65</b>	<b>61.08</b>	<b>-</b>	<b>3,397.21</b>
Additions	-	23.71	0.36	0.92	-	-	24.99
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>192.98</b>	<b>2,798.57</b>	<b>233.00</b>	<b>136.57</b>	<b>61.08</b>	<b>-</b>	<b>3,422.20</b>
<b>Accumulated depreciation</b>							
<b>As at March 31, 2019</b>	<b>55.76</b>	<b>1,024.41</b>	<b>83.77</b>	<b>107.57</b>	<b>25.50</b>	<b>29.43</b>	<b>1,326.44</b>
Charge for the year	16.19	258.16	24.50	11.27	12.13	6.83	329.08
Disposals	3.77	-	1.96	-	-	36.26	41.99
<b>As at March 31, 2020</b>	<b>68.18</b>	<b>1,282.57</b>	<b>106.31</b>	<b>118.84</b>	<b>37.63</b>	<b>-</b>	<b>1,613.53</b>
Charge for the year	16.66	258.18	22.81	9.11	11.45	-	318.21
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>84.84</b>	<b>1,540.75</b>	<b>129.12</b>	<b>127.95</b>	<b>49.08</b>	<b>-</b>	<b>1,931.74</b>
<b>Net carrying amount</b>							
<b>As at March 31, 2020</b>	<b>124.80</b>	<b>1,492.29</b>	<b>126.33</b>	<b>16.81</b>	<b>23.45</b>	<b>-</b>	<b>1,783.68</b>
<b>As at March 31, 2021</b>	<b>108.14</b>	<b>1,257.82</b>	<b>103.88</b>	<b>8.62</b>	<b>12.00</b>	<b>-</b>	<b>1,490.46</b>

**4(b) CAPITAL WORK-IN-PROGRESS**

Capital work-in-progress includes installation of computer/ medical equipments in progress amounting to ₹ 35.95 Lakhs (Previous year: ₹ 8.82 Lakhs)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 4(c) INTANGIBLE ASSETS

	Software
<b>Gross carrying amount</b>	
<b>As at March 31, 2019</b>	<b>343.51</b>
Additions	253.04
<b>As at March 31, 2020</b>	<b>596.55</b>
Additions	7.28
<b>As at March 31, 2021</b>	<b>603.83</b>
<b>Accumulated amortisation</b>	
<b>As at March 31, 2019</b>	<b>221.08</b>
Charge for the year	99.27
<b>As at March 31, 2020</b>	<b>320.35</b>
Charge for the year	144.97
<b>As at March 31, 2021</b>	<b>465.32</b>
<b>Net carrying amount</b>	
<b>As at March 31, 2020</b>	<b>276.20</b>
<b>As at March 31, 2021</b>	<b>138.52</b>

### 5. OTHER FINANCIAL ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Non current</b>		
<b>Unsecured, considered good</b>		
Security deposits	40.83	65.02
Advance to related parties (refer note 31)	15.31	20.31
<b>Total</b>	<b>56.14</b>	<b>85.33</b>

### 6. INCOME TAX ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Advance income tax (net of provision for taxation)	316.03	925.29
<b>Total</b>	<b>316.03</b>	<b>925.29</b>
<b>Current</b>		
Advance income tax (net of provision for taxation)	185.94	773.32
<b>Total</b>	<b>185.94</b>	<b>773.32</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

**7. OTHER NON-CURRENT ASSETS**

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured</b>		
Capital advances	5.64	5.81
Provision for doubtful advances	-	(2.40)
	<b>5.64</b>	<b>3.41</b>
Prepaid expenses	-	1.59
<b>Total</b>	<b>5.64</b>	<b>5.00</b>
<b>Note:</b>		
- Considered good	5.64	5.00
- Considered doubtful	-	2.40
<b>Total</b>	<b>5.64</b>	<b>7.40</b>

**8. INVENTORIES**

	As at March 31, 2021	As at March 31, 2020
Medical consumables and drugs	162.67	130.65
<b>Total</b>	<b>162.67</b>	<b>130.65</b>

**9. TRADE RECEIVABLES**

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Trade receivables considered good - Unsecured	209.11	372.79
Credit impaired - Unsecured	516.54	524.22
	<b>725.65</b>	<b>897.01</b>
Less: Allowance for expected credit loss	(516.54)	(524.22)
<b>Total</b>	<b>209.11</b>	<b>372.79</b>

The movement in allowance for expected credit loss is as follow:

	As at March 31, 2021	As at March 31, 2020
Balances at the beginning of the year	524.22	419.33
Provision for the year (net)	(7.68)	104.89
<b>Balance at the end of the year</b>	<b>516.54</b>	<b>524.22</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 10. CASH AND CASH EQUIVALENTS

	As at March 31, 2021	As at March 31, 2020
Cash on hand	7.63	6.41
Balances with banks		
- Current accounts	475.64	32.69
- Deposits with original maturity of less than three months	259.49	4,259.35
Cheques, demand drafts on hand	-	6.47
<b>Total</b>	<b>742.76</b>	<b>4,304.92</b>

### 11. BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2021	As at March 31, 2020
Unpaid dividend accounts	13.52	19.30
Deposits with original maturity of more than 3 months but less than 12 months	600.22	1.14
Margin money deposit	0.25	0.25
<b>Total</b>	<b>613.99</b>	<b>20.69</b>

### 12. LOANS

	As at March 31, 2021	As at March 31, 2020
<b>Non Current</b>		
<b>Unsecured, considered good</b>		
Intercorporate deposits to related parties (refer note 42)	2,800.00	3,500.00
<b>Total</b>	<b>2,800.00</b>	<b>3,500.00</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Intercorporate deposits to related parties (refer note 42)	3,500.00	-
<b>Total</b>	<b>3,500.00</b>	<b>-</b>

### 13. OTHER FINANCIAL ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>Unsecured, considered good</b>		
Interest accrued but not due		
(i) Inter corporate deposits	236.56	184.24
(ii) Deposit with banks	1.78	40.23
Advances to related parties (refer note 31)	102.04	115.20
Loans and advances to employees	6.39	8.29
Unbilled revenue from undischarged patients	110.76	40.54
<b>Total</b>	<b>457.53</b>	<b>388.50</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 14. OTHER CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Advance to vendors	22.47	37.02
Prepaid expenses	57.12	35.88
Others	46.08	136.68
<b>Total</b>	<b>125.67</b>	<b>209.58</b>

### 15. EQUITY SHARE CAPITAL

	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
30,000,000 (March 31, 2020: 30,000,000) equity shares of ₹ 10/- each	3,000.00	3,000.00
	<b>3,000.00</b>	<b>3,000.00</b>
<b>Issued</b>		
18,772,259 (31 March 2020: 18,772,259) equity shares of ₹ 10/- each	1,874.17	1,874.17
	<b>1,874.17</b>	<b>1,874.17</b>
<b>Subscribed and Paid Up</b>		
18,741,759 (March 31, 2020: 18,741,759) equity shares of ₹ 10/- each fully paid up*	1,875.70	1,875.70
	<b>1,875.70</b>	<b>1,875.70</b>

\*Includes amount received on forfeited shares amounting to ₹ 1.53 Lakhs

#### Notes :

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

##### Equity shares

	Year ended March 31, 2021		Year ended March 31, 2020	
	Number	Amount in ₹	Number	Amount in ₹
At the beginning of the year	18,741,759	1,875.70	18,741,759	1,875.70
<b>Outstanding at the end of the year</b>	<b>18,741,759</b>	<b>1,875.70</b>	<b>18,741,759</b>	<b>1,875.70</b>

#### (b) Terms/rights attached to equity shares

The Parent Company has only one class of equity shares having par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

**(c) Shares held by the holding/ ultimate holding Company and/or their subsidiaries/associates**

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number	Amount in ₹	Number	Amount in ₹
Fortis Hospitals Limited, the Holding Company (Equity Shares of ₹ 10/- each)	11,752,402	1,175.24	11,752,402	1,175.24

**(d) Details of shares held by each shareholder holding more than 5% shares:**

**Equity Shares**

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Hospitals Limited, the Holding Company	11,752,402	62.71%	11,752,402	62.71%
Rajasthan Global Securities Private Limited	990,092	5.28%	580,521	3.10%

**(e) Shares reserved for issue under options**

As at March 31, 2021, 11,250 equity shares (As at March 31, 2020: 22,500 equity shares) of ₹ 10/- each were reserved towards outstanding employee stock options granted / available for grant. (refer note 34).

**(f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

During the five financial year ended March 31, 2021, no shares have been bought back by the Parent Company and the Parent Company has also not allotted any equity shares as full paid up without payment being received in cash.

**16. OTHER EQUITY**

	As at March 31, 2021	As at March 31, 2020
<b>a Reserve and surplus</b>		
<b>Securities premium</b>		
Opening balance	957.23	957.23
<b>Closing balance</b>	<b>957.23</b>	<b>957.23</b>
<b>Retained earnings</b>		
Opening balance	6,814.73	7,704.09
Add: Loss for the year	(786.87)	(889.36)
<b>Closing balance</b>	<b>6,027.86</b>	<b>6,814.73</b>
<b>b Other comprehensive income</b>		
Opening balance	(6.72)	0.60
Add: Remeasurement (loss) / gain of defined employee benefit plans (net of taxes)	20.39	(7.32)
<b>Closing balance</b>	<b>13.67</b>	<b>(6.72)</b>
<b>Total</b>	<b>6,998.76</b>	<b>7,765.24</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### c Nature and purpose of the reserve

#### i. Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

#### ii. Retained earnings

The amount that can be distributed by the group as dividends to its equity shareholders.

#### iii. Analysis of item of OCI (net of tax)

##### Remeasurements of defined benefit liability (asset)

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

### 17. LEASE LIABILITIES

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Lease liabilities (refer note 3.11 and note 36)	5,341.47	5,937.33
<b>Total</b>	<b>5,341.47</b>	<b>5,937.33</b>
<b>Current</b>		
Lease liability (refer note 3.11 and note 36)	376.00	496.56
<b>Total</b>	<b>376.00</b>	<b>496.56</b>

### 18. TRADE PAYABLES

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 41)	73.56	66.82
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,363.82	1,823.44
<b>Total</b>	<b>1,437.38</b>	<b>1,890.26</b>
*Includes payable to related parties (refer note 31)	179.55	655.94

### 19. OTHER FINANCIAL LIABILITIES

	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Security deposits	4.14	4.14
Unpaid equity dividend	13.52	19.30
Capital creditors**	39.02	30.82
<b>Total</b>	<b>56.68</b>	<b>54.26</b>

\*\*Includes outstanding dues of micro enterprises and small enterprises of ₹ 20.66 Lakhs (March 31, 2020 - Nil)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 20. PROVISIONS

	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Provision for gratuity	225.78	216.06
<b>Total</b>	<b>225.78</b>	<b>216.06</b>
<b>Current</b>		
Provision for gratuity	0.62	0.09
Provision for compensated absences	103.80	101.94
<b>Total</b>	<b>104.42</b>	<b>102.03</b>

### 21. OTHER CURRENT LIABILITIES

	As at March 31, 2021	As at March 31, 2020
Advance from patients/Amounts unclaimed by patients	340.51	760.86
Employee benefits payable	94.95	130.30
Statutory payables	58.18	126.30
<b>Total</b>	<b>493.64</b>	<b>1,017.46</b>

### 22. REVENUE FROM OPERATIONS

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sale of services (refer note below)</b>		
In-Patient	5,913.21	9,422.72
Out-Patient	998.49	1,639.59
<b>Total</b>	<b>6,911.70</b>	<b>11,062.31</b>

Revenue disaggregation as per timing of transfer of service has been included above. The revenue recognised during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.

<b>Sales of medical consumables and drugs</b>		
Medical consumables and drugs	-	0.03
<b>Total</b>	-	<b>0.03</b>
<b>Other operating revenue</b>		
Income from Service Export from India Scheme	-	104.31
Other operating income	12.71	20.55
<b>Total</b>	<b>12.71</b>	<b>124.86</b>
	<b>6,924.41</b>	<b>11,187.20</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### Note:

Discounts and deductions amounting to ₹ 298.63 Lakhs (March 31, 2020 - ₹ 531.56 Lakhs) are netted against Sale of In-Patient and Out-Patient services.

### Contract assets and liabilities

The following disclosure provide information about receivables, contract assets and liabilities from contract with customer:

	Year ended March 31, 2021	Year ended March 31, 2020
Receivable which are included in trade receivable (refer note 9)	209.11	372.79
Unbilled revenue from undischarged patients (refer note 13)	110.76	40.54
Advance from patients/Amounts unclaimed by patients (refer note 21)	340.51	760.86

### 23. OTHER INCOME

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on		
Bank deposits	67.42	199.92
Inter corporate deposits	582.56	470.93
Income tax refund	58.92	91.70
Financial assets carried at amortised cost	4.85	4.89
Liabilities no longer required written back	111.34	351.14
<b>Total</b>	<b>825.09</b>	<b>1,118.58</b>

### 24. CHANGE IN INVENTORIES OF MEDICAL CONSUMABLES AND DRUGS

	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year	130.65	164.81
Less: Inventory at the end of the year	(162.67)	(130.65)
<b>Changes in inventories</b>	<b>(32.02)</b>	<b>34.16</b>

### 25. EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	1,581.53	1,869.26
Contribution to provident and other funds (refer note 35)	129.83	148.59
Staff welfare expenses	114.00	137.60
<b>Total</b>	<b>1,825.36</b>	<b>2,155.45</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 26. FINANCE COSTS

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on		
- Credit card / bank charges	26.71	38.23
- on lease liabilities (refer note 36)	693.17	742.56
<b>Total</b>	<b>719.88</b>	<b>780.79</b>

### 27. DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets (refer note 4(a))	318.21	329.08
Amortisation of intangible assets (refer note 4(c))	144.97	99.27
Amortisation of right of use assets (refer note 36)	824.36	824.76
<b>Total</b>	<b>1,287.54</b>	<b>1,253.11</b>

### 28. OTHER EXPENSES

	Year ended March 31, 2021	Year ended March 31, 2020
Contractual manpower	87.96	103.22
Power, fuel and water	267.49	303.50
Housekeeping expenses including consumables	33.77	65.25
Patient food and beverages	78.13	96.23
Pathology laboratory expenses	323.84	484.97
Consultation fees to doctors	776.40	1,084.47
Professional charges to doctors	1,300.96	2,464.54
Clinical establishment fee (refer note 28.2 below)	518.35	823.06
Repairs and maintenance		
- Building	3.42	19.12
- Plant and machinery	273.17	296.03
- Others	72.04	55.04
Rent		
- Equipments	21.46	38.91
- Hospital buildings, offices and labs	5.79	17.56
Legal and professional fee	102.27	115.04



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Subscription fee	2.08	13.54
Travel and conveyance	87.18	75.48
Rates and taxes	1.62	7.34
Printing and stationery	29.23	46.83
Communication expenses	31.94	22.89
Directors' sitting fees	43.37	19.19
Insurance	103.98	93.49
Marketing and business promotion	77.11	524.98
Loss on sale of assets	-	8.27
Auditors' remuneration (refer note 28.1 below)	18.39	18.43
Allowance for credit losses (including bad debts written off)	64.08	362.32
Corporate social responsibility expenses (refer note 43)	-	9.50
Miscellaneous expenses	3.04	9.36
<b>Total</b>	<b>4,327.07</b>	<b>7,178.56</b>

### 28.1 Payments to auditors

	Year ended March 31, 2021	Year ended March 31, 2020
As auditor:		
Statutory audit	5.75	5.76
Tax audit	0.55	1.30
Limited review of quarterly results	4.50	4.50
In other capacity:		
Other services	3.00	2.35
GST on professional services	2.49	2.50
Reimbursement of expenses	2.10	2.02
<b>Total</b>	<b>18.39</b>	<b>18.43</b>

### 28.2 Clinical establishment fees:

Represents amount paid towards various services such as providing, maintaining and operating the Clinical Establishment (including infrastructure, fixtures and fittings etc.), out-patient department services, radio diagnostic services and other ancillary services provided by Fortis Health Management Limited to the Parent Company in accordance with the agreement. Also refer Note 31.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 29. TAX EXPENSE

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current tax (including prior years)</b>		
In respect of the current year	3.99	6.02
In respect of prior year	(16.78)	22.67
<b>Total</b>	<b>(12.79)</b>	<b>28.69</b>
<b>Deferred tax</b>		
In respect of the current year	(331.50)	(332.83)
<b>Total</b>	<b>(331.50)</b>	<b>(332.83)</b>
<b>Total tax expense</b>	<b>(344.29)</b>	<b>(304.14)</b>

### 30. OTHER COMPREHENSIVE INCOME

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of the defined benefit plans [refer note 35(II)(a)]	28.24	(10.27)
<b>Total</b>	<b>28.24</b>	<b>(10.27)</b>

### 31. RELATED PARTY DISCLOSURES

#### Names of related parties and related party relationship

#### Description of Relationship

Ultimate Holding Company	IHH Healthcare Berhad, Malaysia (effective from November 13, 2018)
Intermediate Holding Company	Integrated Healthcare Holdings Limited, Malaysia (effective from November 13, 2018)
	Parkway Pantai Limited, Singapore (effective from November 13, 2018)
	Northern TK Venture Pte Limited, Singapore (effective from November 13, 2018)
	Fortis Healthcare Limited, India
Holding Company	Fortis Hospitals Limited, India
Associate of the Holding Company	Fortis Health Management Limited, India (up to January 14, 2019)
	International Hospital Limited, India (up to January 14, 2019)
Fellow Subsidiary or Entities Under Common Control	SRL Limited, India
	Escorts Heart Institute and Research Centre Limited, India
	International Hospital Limited, India (effective from January 15, 2019)
	Fortis Health Management Limited, India (effective from January 15, 2019)
	Fortis CSR Foundation, India
	Fortis Hospotel Limited

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

Key Management Personnel	Mr. Coimbatore Kalyanraman Nageswaran (effective from October 02, 2018)
	Mr. Ramesh L Adige, Independent Director
	Mrs. Nithya Ramamurthy, Non-Executive Director
	Mr. Murari Pejavar, Non-Executive Director (upto January 17, 2021)
	Mr. Daljit Singh (Director)
	Mr. Ravi Rajagopal ( Director) (effective from October 23, 2019)
	Ms. Shailaja Chandra (Director) (effective from March 10, 2021)
	Mr. Saravanan Venkatesan, Chief Financial Officer (upto June 12, 2020)
	Mr. Shashank Porwal (Company Secretary) (up to April 02, 2020)
	Mr. Mayank Jain (Company Secretary) (From April 03, 2020 to March 31, 2021)
	Mr. Sandeep Singh (Company Secretary) (effective from May 25, 2021)
	Mr. Yogendra Kumar Kabra , Chief Financial Officer (effective from June 13, 2020)
	Mr. Sanjay Pandey (Director)
	Mr. Ranjan Bihari Pandey (Additional Director) (effective from October 30, 2019)
Mr. Ajey Maharaj (Director)	
Relatives of Key Management Personnel	Dr. Radhi Malar
	Dr. M. Anand

### The schedule of related party transactions:

Particulars	Name of the related party	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Sale of Service	Fortis Healthcare Limited	1.00	-
Interest income on Inter-corporate deposits	Fortis Healthcare Limited	215.06	-
	Escorts Heart Institute and Research Centre Limited	367.50	470.93
Mediclaime reimbursement and transfer of accumulated balance in retirement benefit	Fortis Hospitals Limited	1.18	-
<b>Expenses</b>			
Clinical establishment fee**	Fortis Health Management Limited	518.35	823.06
Interest expense on lease liabilities	Fortis Health Management Limited	652.08	696.00
Contractual manpower	SRL Limited	14.02	6.64
Pathology laboratory expenses	SRL Limited	276.52	471.91
	Fortis Healthcare Limited	0.11	-
Professional charges to doctors	SRL Limited	-	8.99
	Mrs. Nithya Ramamurthy	142.77	198.13
	Dr. Radhi Malar	9.04	24.70
	Dr. M. Anand	30.00	41.51

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

Particulars	Name of the related party	Year ended March 31, 2021	Year ended March 31, 2020
Staff welfare expenses	SRL Limited	-	0.05
Rental Expenses	Fortis Healthcare Limited	0.23	-
Travelling Expenses	Fortis Hospitals Limited	0.26	-
Reimbursement of expenses incurred by other companies on behalf of the Group	Fortis Health Management Limited	255.11	290.11
Mediclaime reimbursement and transfer of accumulated balance in retirement benefits	Fortis Healthcare Limited	3.82	-
	Fortis Health Management Limited	4.98	-
	Fortis Hospotels Limited	0.03	-
	Fortis Hospitals Limited	7.50	-
Managerial remuneration (including director sitting fees)*	Mr. Ramesh L Adige	12.00	6.25
	Mrs. Nithya Ramamurthy	6.00	2.00
	Mr. Murari Pejavar	-	2.50
	Mr. Coimbatore Kalyanraman Nageswaran	54.31	74.26
	Mr. Daljit Singh	11.00	3.50
	Mr. Ravi Rajagopal	7.50	1.50
	Mr. Saravanan Venkatesan	6.14	25.08
	Dr. Sanjay Pandey	0.10	0.30
	Mr. Ajay Maharaj	0.10	-
	Mr. Ranjan Bihari Pandey	0.10	-
Collections done by related party on behalf of the Group	Fortis Healthcare Limited	3.58	19.65
	Fortis Health Management Limited	0.17	-
	Fortis Hospitals Limited	1.11	571.15
Reimbursement of Expenses incurred by Other Companies on behalf of the Group (Refund of advance received from patients)	Fortis Hospitals Limited	406.23	-
Purchase of intangible asset	Fortis Hospitals Limited	-	160.21
Loans and advances to employees (Recovery)	Mr. Coimbatore Kalyanraman Nageswaran	-	16.50
Inter Corporate Loan given	Fortis Healthcare Limited	2,800.00	-
	Escorts Heart Institute and Research Centre Limited	-	3,500.00
Inter Corporate Loan repaid	Escorts Heart Institute and Research Centre Limited	-	7,707.54

\* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

\*\*Also refer note 46 with regards to unconditional waiver/concession of fixed clinical establishment fees received from Fortis Health Management Limited.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### The schedule of year end balances of related parties:

Particulars	Name of the related party	Year ended March 31, 2021	Year ended March 31, 2020
Financial liabilities-non current	Fortis Health Management Limited	5,063.64	5,592.92
Trade payables / Other financial liabilities-current	SRL Limited	31.76	51.77
	Fortis Health Management Limited	309.43	902.96
	Fortis Hospitals Limited	144.88	144.88
	Fortis Healthcare Limited	1.98	-
	Fortis Hospotels Limited	0.03	-
Director sitting fees payable	Dr. Sanjay Pandey	0.40	0.30
	Mr. Coimbatore Kalyanraman Nageswaran	0.30	0.30
	Mr. Ajay Maharaj	0.10	-
	Mr. Ranjan Pandey	0.10	-
Other financial assets - current	Fortis Healthcare Limited	51.64	48.15
	Fortis Hospitals Limited	50.40	67.05
Other financial assets - non-current	Fortis Health Management Limited	15.31	20.31
Inter corporate loan placed	Fortis Healthcare Limited	2,800.00	-
	Escorts Heart Institute and Research Centre Limited	3,500.00	3,500.00
Interest accrued but not due	Fortis Healthcare Limited	67.06	-
	Escorts Heart Institute and Research Centre Limited	169.50	184.24

### Notes:

- The Group accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at March 31, 2021 and March 31, 2020 there are no further amounts payable to / receivable from them, other than as disclosed above.

### 32. COMMITMENTS

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account, net of advances with regard to tangible and intangible assets	65.22	53.05

### 33. CLAIMS AGAINST THE GROUP NOT ACKNOWLEDGED AS DEBTS

	As at March 31, 2021	As at March 31, 2020
Claims against the Parent Company not acknowledged as debts (in respect of compensation claims by the patients / their relatives). (refer note 2 below)	1,088.79	1,088.79
Sales tax related matters (refer note 1 below)	254.93	254.93

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

*(All amounts are in Indian ₹ Lakhs except share data and as stated)*

In earlier year, Supreme Court vide their judgment dated February 28, 2019 on Provident fund has interpreted that basic wages would include certain allowances. The Group has evaluated implications arising out of the Supreme Court judgment. Based on legal advice, the Group believes that retrospective application of the above judgement by PF authorities is remote. Accordingly, no provision has been recorded in the consolidated financial statements. The Group would continue to evaluate the provision required in the books based on further clarifications from the authorities.

### **Note:**

1. On May 28, 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 Parent 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 ₹ 254.93 Lakhs (₹73.37 Lakhs pertaining to implants) has been proposed to demanded on January 31, 2012. Against the said order, the Parent Company has filed Writ Appeals with the Division Bench of the Madras High Court on October 16, 2020. The Parent Company, based on legal advice, believes that the possibility of negative outcome is remote and accordingly, no adjustments are made in the consolidated financial statements.
2. These claims are pending with various Consumer Disputes Redressal Commissions and the Group has been advised by the legal counsel that there may not be any likely liability in respect of these matters and accordingly no provision has been recognised in these consolidated financial statements.
3. Also refer note 44 pertaining to litigation in relation to regularisation of hospital building.

### **34. EMPLOYEE STOCK OPTION PLAN**

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Malar Employee Stock Option Plan 2008 (Scheme) was approved by the board of directors of the Parent Company on July 31, 2008 / May 28, 2009 and by shareholders in the annual general meeting held on September 29, 2008 / August 21, 2009. The following are some of the important conditions to the scheme: The details of activity under the Plan have been summarised below:

#### **Vesting Plan:**

- 25% of the option shall vest on the completion of 12 months from the grant date.
- 25% of the option shall vest on the completion of 24 months from the grant date.
- 25% of the option shall vest on the completion of 36 months from the grant date.
- 25% of the option shall vest on the completion of 48 months from the grant date.

#### **Exercise plan:**

There shall be no lock in period after the options have vested. The vested options will be eligible to be exercised on the vesting date itself. Notwithstanding any provisions to the contrary in this plan the options must be exercised before the end of the tenure of the plan.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### Effective Date:

The plan was effective from August 21, 2009.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	22,500	26.20	78,750	26.20
Granted during the year	-	-	-	-
Forfeited during the year	-	-	32,500	-
Exercised during the year	-	-	-	-
Expired during the year	11,250	-	23,750	-
Outstanding at the end of the year	11,250	26.20	22,500	26.20
Exercisable at the end of the year	11,250	26.20	22,500	26.20

Particulars	March 31, 2021	March 31, 2020
Grant date share price (in Rupees)	26.20	26.20
Exercise price (in Rupees)	26.20	26.20
Expected volatility*	67.42%	67.42%
Life of the options granted (Vesting and exercise period) in years	5	5
Expected dividends	₹ 0.00	₹ 0.00
Average risk-free interest rate	7.50%	7.50%
Expected dividend rate	0%	0%

\*Expected volatility has been determined considering the daily volatility of the stock prices of the Parent Company on Bombay Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.

### 35. EMPLOYEE BENEFITS

#### (I) Defined contribution plan

The Group makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme. The Group's contribution to Provident Fund aggregating ₹ 81.20 Lakhs (Previous year: ₹ 94.36 Lakhs) has been recognised in the Consolidated Statement of Profit and Loss under the head Employee Benefits Expense.

#### (II) Defined benefit plans

The Group has a defined benefit gratuity plan, where under employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service and is not subjected to limit in terms of the provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

- (a) Amount recognised in the consolidated statement of profit and loss in respect of the defined benefit plan are as follows

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Amounts recognised in Consolidated Statement of Profit and Loss in respect of these defined benefit plans are as follows:</b>		
Service cost		
- Current service cost	34.37	35.02
Net interest expense	14.26	12.02
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>48.63</b>	<b>47.04</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Return on plan assets (excluding amount included in net interest expense)	1.45	1.91
Actuarial gains and loss arising from changes in financial assumptions	0.07	22.89
Actuarial gains and loss arising from experience adjustments	(29.76)	(14.53)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(28.24)</b>	<b>10.27</b>
<b>Total</b>	<b>20.39</b>	<b>57.31</b>

- (i) The current service cost and interest expense for the year are included in "Employee benefits expense" in the consolidated statement of profit and loss under the line item "Contribution to provident and other funds"
- (ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

- (b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Particulars	As at March 31, 2021	As at March 31, 2020
I. (Net Asset)/Liability recognised in the Balance Sheet		
1. Present value of defined benefit obligation as at 31 March	364.36	360.72
2. Fair value of plan assets as at 31 March	137.96	144.57
3. Deficit	226.40	216.15
4. Current portion of the above	0.62	0.09
5. Non current portion of the above	225.78	216.06



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

**(c) Movement in the present value of the defined benefit obligation are as follows :**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Change in the obligation during the year ended March 31</b>		
Present value of defined benefit obligation at the beginning of the year	360.72	321.62
Expenses Recognised in Consolidated Statement of Profit and Loss:		
- Current Service Cost	34.37	35.02
- Interest Expense (Income)	23.53	23.11
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	0.07	22.89
ii. Experience Adjustments	(29.76)	(14.53)
Benefit payments	(24.51)	(27.39)
Acquisitions Credit/(Cost)	(0.06)	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>364.36</b>	<b>360.72</b>

**(d) Movement in fair value of plan assets are as follows :**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Change in fair value of assets during the year ended 31 March</b>		
Fair value of plan assets at the beginning of the year	144.57	160.59
Expenses Recognised in Statement of Profit and Loss:		
- Expected return on plan assets	9.27	11.09
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Return on plan assets (excluding amount included in net interest expense)	(1.45)	(1.90)
Contributions by employer	10.09	1.48
Benefit payments	(24.52)	(26.69)
<b>Fair value of plan assets at the end of the year</b>	<b>137.96</b>	<b>144.57</b>

**(e) The fair value of plan assets plan at the end of the reporting period are as follows:**

Particulars	As at March 31, 2021	As at March 31, 2020
Life Insurance Corporation of India	137.96	144.57

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

**(f) The principal assumptions used for the purpose of actuarial valuation were as follows :**

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.75%	6.75%
Expected rate of salary increase	7.50%	7.50%
Expected return on plan assets	7.50%	7.50%
Withdrawal Rate		
Ages From 20 - 30	18.00%	18.00%
Ages From 31 - 44	6.00%	6.00%
Ages From 45 - 58	2.00%	2.00%
Expected average remaining working life *	10 years	10 years
Mortality	IALM 2006-08(Ult)	IALM 2006-08(Ult)

\* Based on India's standard mortality table with modification to reflect the expected changes in mortality / others

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant:

- (i) If the discount rate is 50 basis point higher / (lower) the defined benefit obligation would decrease by ₹ 15.36 Lakhs (increase by ₹ 16.47 Lakhs) (As at March 31, 2020; decrease by ₹ 15.50 Lakhs (increase by ₹ 16.64 Lakhs)).
- (ii) If the expected salary growth rate increase / (decreases) by 1% the defined benefit obligation would increase by ₹ 33.58 Lakhs (decrease by ₹ 29.80 Lakhs) (As at March 31, 2020 ; increase by ₹ 33.95 Lakhs (decrease by ₹ 30.03 Lakhs)).
- (iii) If the withdrawal rate increases/(decreases) by 5% the defined benefit obligation would decrease by ₹ 8.39 Lakhs (increase by ₹ 8.10 Lakhs ) (As at March 31, 2020 ; decrease by ₹ 9.31 Lakhs (increase by ₹ 9.18 Lakhs )).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 36. LEASES

#### 36.1 Leases as lessee (Ind AS 116)

The leased assets of the Group include hospital building, nurse hostel building and medical equipments which are taken on lease for providing healthcare services to the patients. These leases are generally for a period of 1 to 15 years, with an option to renew certain leases after that date. Previously, these leases were classified as operating leases under Ind AS 17.

Effective April 01, 2019, the Group has adopted Ind AS 116 - Leases, with the date of initial application being April 01, 2019, using the modified retrospective approach. Accordingly, the Group has recognised 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, recognised right-of-use asset at the date of initial application equals to the lease liability recognised and the comparatives have not been retrospectively adjusted. In the profit and loss for the current year, the lease rent which was hitherto accounted under clinical establishment expenses / other expenses in the previous year has now been accounted as depreciation charge for the right-of-use asset and finance cost for interest accrued on lease liability.

The summary of the movement of right-of-use assets for the year is given below:

	As at March 31, 2021	As at March 31, 2020
<b>Right-of-use assets under Ind AS 116</b>		
Balance as at April 01	6,047.76	6,847.82
Add: Reclassification of prepaid expenses	-	24.70
Less: Depreciation charge for the year	(824.36)	(824.76)
<b>Balance as at March 31</b>	<b>5,223.40</b>	<b>6,047.76</b>
<b>Lease liabilities</b>		
Current lease liabilities	376.00	496.56
Non-current lease liabilities	5,341.47	5,937.33
	<b>5,717.47</b>	<b>6,433.89</b>

The following is the movement in lease liabilities during the year:

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Balance as at April 01</b>	6,433.89	-
Additions on account of transition to Ind AS 116 - April 01, 2019	-	6,847.82
Finance cost accrued during the year	693.17	742.56
Deletions	-	-
Payment of lease liabilities	(724.74)	(1,156.50)
Waiver/ concession of fixed clinical establishment fees (refer note 46)	(684.85)	-
<b>Balance as at 31 March</b>	<b>5,717.47</b>	<b>6,433.89</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	As at March 31, 2021	As at March 31, 2020
<b>Lease liabilities under Ind AS 116</b>		
Less than one year	376.00	496.56
One to five years	3,490.09	3,073.83
More than five years	1,851.37	2,863.50
<b>Total lease liabilities as at 31 March</b>	<b>5,717.47</b>	<b>6,433.89</b>

### Amount recognised in consolidated statement of profit and loss:

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on lease liabilities	693.17	742.56
Depreciation expense on right of use assets	824.36	824.76
Expenses relating to short-term leases and leases of low-value assets	27.25	56.47

## 37. FINANCIAL INSTRUMENTS

### (I) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through equity.

### (II) Categories of financial instruments

#### (a) Financial assets

	As at March 31, 2021	As at March 31, 2020
<b>Measured at cost</b>	-	-
<b>Measured at fair value through profit or loss (FVTPL)</b>	-	-
<b>Measured at amortised cost</b>		
- Security deposits	40.83	65.02
- Advance to related parties	117.35	135.51
- Trade receivables	209.11	372.79
- Cash and bank balances	1,356.75	4,325.61
- Loans	6,300.00	3,500.00
- Other financial assets	355.49	273.30

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### (b) Financial liabilities

	As at March 31, 2021	As at March 31, 2020
<b>Measured at fair value through profit or loss (FVTPL)</b>		
<b>Measured at amortised cost</b>		
- Trade payables	1,437.38	1,890.26
- Lease liabilities	5,717.47	6,433.89
- Other financial liabilities	56.68	54.26

### (III) Risk management framework

The Group has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity risk

The Group manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The focus of the chief operating decision maker (CODM) is to assess the unpredictability of the financial environment and to mitigate potential adverse effects, if any, on the financial performance of the Group.

The Group does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

### (IV) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of patients to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Group's trade receivables, certain loans and advances and other financial assets.

#### a. Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full except to the extent already provided, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several patients that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Group determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about patients. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

The average credit period is ranging from 30 to 90 days. No overdue interest is charged. Out of the total trade receivables balance (gross) as at March 31, 2021, ₹ 325.34 Lakhs is due from 4 international customer. There are no other customer dues that represent more than 5% of the total balance of trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, and their geographic location and existence of previous financial difficulties.

The ageing of trade receivables that were not impaired as at the reporting date was:

### As at March 31, 2021

Ageing	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Within the credit period	121.95	3%	3.71	No
1-30 days past due	32.06	21%	6.89	No
31-60 days past due	19.61	16%	3.08	No
61-90 days past due	17.19	20%	3.36	No
More than 90 days past due	534.84	93%	499.50	No
	<b>725.65</b>		<b>516.54</b>	

### As at March 31, 2020

Ageing	Gross carrying amount	Weighted average loss rate	Loss allowance	Whether credit -impaired
Within the credit period	163.87	3%	4.54	No
1-30 days past due	60.07	17%	10.47	No
31-60 days past due	38.44	47%	18.05	No
61-90 days past due	37.58	32%	12.13	No
More than 90 days past due	597.05	80%	479.03	No
	<b>897.01</b>		<b>524.22</b>	

b. *Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivable)*

The Group holds cash and bank balances of ₹ 1,356.75 Lakhs at March 31, 2021 (March 31, 2020: ₹ 4,325.61 Lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

c. *Security deposits*

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Group for carrying out its operations. The Group does not expect any losses from non-performance by these counter-parties.

d. *Advance to employees*

This balance is primarily constituted by advances given to the employees. The Group does not expect any losses from non-performance by these counter-parties as the amounts are recoverable by salary deductions.

e. *SEIS receivable from Government*

This balance is primarily constituted by SEIS scrips and applications pending with authorities. The Group does not expect any losses from non-performance by these counter-parties as the amounts are due from Government.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### (V) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Particulars	With in 1 Year	1 to 2 Years	More than 2 Years	Total
	(₹)	(₹)	(₹)	(₹)
<b>As at March 31, 2021</b>				
- Trade Payables	1,437.38	-	-	1,437.38
- Lease liabilities	376.00	1,523.30	3,818.17	5,717.47
- Other financial liabilities	56.68	-	-	56.68
<b>Total</b>	<b>1,870.06</b>	<b>1,523.30</b>	<b>3,818.17</b>	<b>7,211.53</b>
<b>As at March 31, 2020</b>				
- Trade Payables	1,890.26	-	-	1,890.26
- Lease liabilities	496.56	1,297.56	4,639.77	6,433.89
- Other financial liabilities	54.26	-	-	54.26
<b>Total</b>	<b>2,441.08</b>	<b>1,297.56</b>	<b>4,639.77</b>	<b>8,378.41</b>

### 38. FAIR VALUE MEASUREMENT

There are no financial assets and financial liabilities that are measured at fair value on a recurring basis.

The management considers that the carrying amount of all the financial asset and financial liabilities that are not measured at fair value in the consolidated financial statements approximate the fair values and, accordingly, no disclosures of the fair value hierarchy is required to be made in respect of these assets/liabilities.

### 39. CURRENT TAX AND DEFERRED TAX

#### (i) Income tax expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current tax:</b>		
Current income tax charge	3.99	6.02
Income tax relating to earlier years	(16.78)	22.67
<b>Total</b>	<b>(12.79)</b>	<b>28.69</b>
<b>Deferred tax</b>		
Origination and reversal of temporary difference	(331.50)	(332.83)
<b>Total</b>	<b>(331.50)</b>	<b>(332.83)</b>
<b>Total tax expense recognised in consolidated statement of profit and loss</b>	<b>(344.29)</b>	<b>(304.14)</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

**(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Amount	Tax Amount	Amount	Tax Amount
<b>Loss before tax from operations</b>	(1,131.16)		(1,193.50)	
Income tax using the Group's domestic tax rate at 27.82% (March 31, 2020 : 27.82%)		(314.69)		(332.43)
<b>Tax effect of :</b>				
Effect of expenses that are not deductible in determining taxable profit	-	-	7.64	5.62
Adjustments recognised in the current year in relation to the current tax of prior years.	-	(16.78)	-	22.67
Others	-	(12.82)	-	-
<b>Total tax expense</b>	<b>(1,131.16)</b>	<b>(344.29)</b>	<b>(1,185.86)</b>	<b>(304.14)</b>

**(iii) Income tax on other comprehensive income**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Deferred tax</b>		
Remeasurements of defined benefit plans	(7.85)	2.95
<b>Total</b>	<b>(7.85)</b>	<b>2.95</b>

**(iv) Following is the analysis of the deferred tax asset / (liabilities) presented in the Balance Sheet**

Particulars	Year ended March 31, 2021			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets</b>				
Employee benefits	118.22	3.69	(7.85)	114.06
Allowance for credit losses/Others	144.81	0.39	-	145.20
Lease liability	107.42	91.19	-	198.61
Carried forward of business and depreciation losses	174.74	205.89	-	380.63
	<b>545.19</b>	<b>301.16</b>	<b>(7.85)</b>	<b>838.50</b>
<b>Tax effect of items constituting deferred tax liabilities</b>				
Property, plant and equipment	22.82	(30.33)	-	(7.51)
	<b>22.82</b>	<b>(30.33)</b>	-	<b>(7.51)</b>
<b>Net deferred tax asset / (liability)</b>	<b>522.37</b>	<b>331.50</b>	<b>(7.85)</b>	<b>846.02</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(All amounts are in Indian ₹ Lakhs except share data and as stated)

Particulars	Year ended March 31, 2020			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
<b>Tax effect of items constituting deferred tax assets</b>				
Employee benefits	125.97	(10.70)	2.95	118.22
Allowance for credit losses/Others	118.16	26.65	-	144.81
Lease liability	-	107.42	-	107.42
Carried forward of business and depreciation losses	-	174.74	-	174.74
	<b>244.13</b>	<b>298.11</b>	<b>2.95</b>	<b>545.19</b>
<b>Tax effect of items constituting deferred tax liabilities</b>				
Property, plant and equipment	57.54	(34.72)	-	22.82
	<b>57.54</b>	<b>(34.72)</b>	<b>-</b>	<b>22.82</b>
<b>Net deferred tax asset / (liability)</b>	<b>186.59</b>	<b>332.83</b>	<b>2.95</b>	<b>522.37</b>

**40. EARNINGS PER SHARE**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss after tax - ₹	(786.87)	(889.36)
<b>Weighted average number of equity shares (No's.):</b>		
Weighted average number of equity shares for calculating Basic EPS	18,741,759	18,741,759
Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against stock option granted under ESOP 2008	-	-
WANES for calculating diluted EPS	18,741,759	18,741,759
<b>Earnings Per Share (Basic) - in ₹</b>		
- Basic - in ₹	(4.20)	(4.75)
- Diluted - in ₹	(4.20)	(4.75)
Face value per share - in ₹	10.00	10.00

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 41. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS PER MSMED ACT, 2006

As per the requirement of the MSMED Act, 2006, the following disclosure have been provided below. The disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 has been made in the consolidated financial statements based on information received and available with the Group.

Particulars	As at March 31, 2021	As at March 31, 2020
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	94.22	66.82
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

### 42. DETAILS OF LOANS GIVEN TO SUBSIDIARIES AND ASSOCIATES AND FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED

The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

Name of the party	Rate of Interest	Due date for Interest	Secured/ unsecured	As at March 31, 2021	As at March 31, 2020
Escorts Heart Institute and Research Centre Limited	10.50%	Half yearly	Unsecured	3,500.00	3,500.00
Fortis Healthcare Limited	10.50%	Quarterly	Unsecured	2,800.00	-

Particulars	Relation	Maximum amount outstanding during the year	
		March 31, 2021	March 31, 2020
Escorts Heart Institute and Research Centre Limited*	Fellow Subsidiary	3,500.00	3,500.00
Fortis Healthcare Limited**	Intermediate Holding	2,800.00	-
<b>Total</b>		<b>6,300.00</b>	<b>3,500.00</b>

\* The inter corporate deposits placed with Escorts Heart Institute and Research Centre Limited are backed by corporate guarantee issued by Fortis Healthcare Limited on April 25, 2020. As per Guarantee agreement executed, amount payable by Escorts Heart Institute and Research Centre Limited including interest if any till January 31, 2022, on default shall be repayable by Fortis Healthcare Limited to the Parent Company. The Inter-Corporate Deposits were given for meeting the working capital requirements.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

\*\* The inter corporate deposits placed with Fortis Healthcare Limited were given for meeting its working capital/ general corporate requirements. This loan is repayable on or before July 03, 2023 and the Parent Company has an option to recall this loan at any time after six months from drawdown, i.e. any time after February 09, 2021. However, based on cashflow projections the Parent Company does not expect to realise this amount within twelve months after the reporting date and accordingly this balance has been classified as non-current.

### 43. CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, a Company, meeting the applicable threshold, needs to spend at least 2% of its average net profits for the immediately preceding three financial years on CSR activities. The details relating to the same are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gross amount required to be spent by the Parent Company during the year	-	9.50
(b) Amount spent during the year (in cash) :		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	9.50
	-	<b>9.50</b>

### 44. ORDER / NOTICE RECEIVED FROM CMDA

A request for regularisation of the hospital building in which the Parent Company operates today, was made earlier vide an application dated May 29, 1999 to the Chennai Metropolitan Development Authority (CMDA). In the year 2012, Land and hospital building was sold by Fortis Malar Hospitals Limited ("Parent Company") to Fortis Health Management Limited ("FHML"). The Parent 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 March 18, 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 May 03, 2016, CMDA served a "Lock & Seal" Notice stating that in view of Rejection Order, the construction at the site of the Hospital premises is unauthorised 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 Parent Company, CMDA inspected the hospital building and issued a letter dated August 25, 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularisation. 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 Parent Company is taking bonafide steps to complete the process of submission of the clearances and certificates sought by CMDA. On May 20, 2021 an update has been sent to CMDA confirming that out of six requirements, as set out in the letter dated August 25, 2020, three have already been complied with and steps were underway for completion of the remaining actions. While the Parent Company is co-operating to get all the clearances, based on legal advice, the Parent 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 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 statements or on the going concern status.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

### 45. IMPACT OF COVID-19 PANDEMIC

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 Group with a decline in occupancy. The Group took various initiatives to support operations and optimise the cost. By taking these various initiatives, the Group 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 Group'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 Group has taken measures to protect the health of its employees and ensure business continuity with minimal disruption. The Group 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 statements by the Board of Directors. Accordingly, the Management believes that the Group 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 statements. 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 Group will continue to closely monitor any material changes to future economic condition.

### 46. EXCEPTIONAL ITEM

Exceptional items relates to the unconditional waiver/concession of fixed clinical establishment fees 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 Group has applied the practical expedient to such concessions as they meet the conditions specified in the notification dated July 24, 2020 issued by the Ministry of Corporate Affairs, India.

### 47. INFORMATION AS REQUIRED BY PART III OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

March 31, 2021

Name of the entity	Net assets (i.e. total assets minus total liabilities)	Share in profit and loss	Share in other comprehensive income	Share in total comprehensive income
<b>Parent</b>				
As a % of consolidated	97.60%	101.84%	99.71%	101.89%
Amount as at March 31, 2021	8,661.58	(801.33)	20.33	(781.00)
<b>Subsidiary - Indian</b>				
Malar Stars Medicare Limited				
As a % of consolidated	2.46%	(1.84%)	0.29%	(1.89%)
Amount as at March 31, 2021	217.88	14.46	0.06	14.52
As a % of consolidated	(0.06%)	0.00%	0.00%	0.00%
Inter-Company eliminations	(5.00)	-	-	-
<b>Total</b>				
As a % of consolidated	100%	100%	100%	100%
Amount as at March 31, 2021	8,874.46	(786.87)	20.39	(766.48)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(All amounts are in Indian ₹ Lakhs except share data and as stated)

31 March 2020

Name of the entity	Net assets (i.e. total assets minus total liabilities)	Share in profit and loss	Share in other comprehensive income	Share in total comprehensive income
<b>Parent</b>				
As a % of consolidated	98%	102%	152%	102%
Amount as at March 31, 2020	9,442.58	(905.69)	(11.16)	(916.85)
<b>Subsidiary - Indian</b>				
Malar Stars Medicare Limited				
As a % of consolidated	2.11%	(1.84%)	(52.46%)	(2.25%)
Amount as at March 31, 2020	203.36	16.33	3.84	20.17
As a % of consolidated	(0.05%)	0.00%	0.00%	0.00%
Inter-Company eliminations	(5.00)	-	-	-
<b>Total</b>				
As a % of consolidated	100%	100%	100%	100%
Amount as at March 31, 2020	9,640.94	(889.36)	(7.32)	(896.68)

### 48. SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Parent Company's Director to make decisions about resources to be allocated to the segments and assess their performance.

The Group is primarily engaged in only one business namely in the health care services. The entity's chief operating decision maker considers the Group as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Group does not have multiple segments and these consolidated financial statements are reflective of the information required by the Ind AS 108. The Group's operations are entirely domiciled in India and as such all its noncurrent assets are located in India.

### 49. SUBSEQUENT EVENTS

There are no subsequent events other than those disclosed in the consolidated financial statements that have occurred after the reporting period till the date of approval of these consolidated financial statements.

As per our report of even date attached

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248W/W-100022

**Harsh Vardhan Lakhotia**  
Partner  
Membership No.: 222432

Place : Chennai  
Date: May 25, 2021

for and on behalf of the Board of Directors of  
**Fortis Malar Hospitals Limited**  
CIN: L85110PB1989PLC045948

**Nithya Ramamurthy**  
Director  
DIN 00255343  
Place : Chennai

**Sandeep Singh**  
Company Secretary  
Membership No.: F9877

Place : Delhi  
Date: May 25, 2021

**C.K.Nageswaran**  
Whole Time Director  
DIN 08236347  
Place : Chennai

**Yogendra Kumar Kabra**  
Chief Financial Officer  
Place : Mumbai









