Fortis Malar Hospitals
52, First Main Road, Gandhi Nagar, Adyar,
Chennai, Tamil Nadu – 600 020
Tel : +91 44 4289 2222
Fax : +91 44 4289 2293
Email : secretarial.malar@malarhospitals.in
Website: www.fortismalar.com

FMHL/SEC/JULY'23 **July 07, 2023**

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

Sub: Notice of the 32nd Annual General Meeting and Annual Report for the Financial Year 2022-23

Dear Sir/Madam,

This is further to our letter no. FMHL/SEC/JUNE'23 dated June 30, 2023 regarding convening of the 32nd Annual General Meeting of the Company ("32nd AGM") on Monday, July 31, 2023 through Video Conferencing/Other Audio Visual Means (VC/OAVM) Facility.

Pursuant to the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Notice of the 32nd AGM and the Annual Report for the financial year 2022-23, inter-alia, including the Standalone and Consolidated Audited Financial Statements for the year ended March 31, 2023, being sent by email to those Members whose email addresses are registered with the Company/Depository Participant(s) / Registrar & Share Transfer Agent.

A schedule of events relating to AGM is set out below:

Event	Date	Time
Cut-off date to determine the eligibility of the shareholders to cast their votes on AGM resolutions	July 24, 2023	Not Applicable
Commencement of e-Voting	July 28, 2023	09:00 A.M.
End of e-Voting	July 30, 2023	05:00 P.M.
Annual General Meeting	July 31, 2023	02:00 P.M.

The Notice of the 32nd AGM and the Annual Report are also being uploaded on the website of the Company at www.fortismalar.com.

This is for your information and record please.

For **Fortis Malar Hospitals Limited,**

SANDEEP SINGH Digitally signed by SANDEEP SINGH Date: 2023.07.07 23:20:28 +05'30'

Sandeep Singh
Company Secretary & Compliance Officer
Membership No. F9877

Encl: a/a

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 32nd Annual General Meeting of **Fortis Malar Hospitals Limited** will be held on **Monday, July 31, 2023 at 2.00 P.M. (IST)** through Video Conferencing / Other Audio - Visual - Means ("VC/OAVM") Facility to transact following business(es):

ORDINARY BUSINESS

1. To consider and adopt Audited Standalone Financial Statements of the Company together with the Report of Board of Director and Auditors thereon and Audited Consolidated Financial Statements of the Company including Report of Auditors thereon for the Financial Year ended on March 31, 2023.

2. To appoint a Director in place of Dr. Nithya Ramamurthy (DIN: 00255343), who retires by rotation and being eligible, offers herself for re-appointment as a 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 up to ₹ 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, 2023, 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 19, 2023
Place: Gurugram

Sandeep Singh
Company Secretary

NOTES:

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out material facts concerning the business under item no. 3 of this notice forms part of this notice.

2. General instructions for accessing and participating in the 32nd AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:

   a. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 and 10/2022 dated May 05, 2020 and December 28, 2022, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/ CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations"). In compliance with these Circulars, provisions of the

Notice (Contd.)

Act and the Listing Regulations, the 32nd AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 32nd AGM shall be the Registered Office of the Company.

b. **In terms of the MCA / SEBI Circulars since the requirement of physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for 32nd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Corporate Members may be appointed for the purpose of voting through remote e-Voting, for participation in 32nd AGM through VC/OAVM Facility and e-Voting during 32nd AGM.**

c. In line with the MCA Circulars and SEBI Circulars, the Notice of 32nd AGM will be available on the website of the Company at www.fortismalar.com, on the website of BSE Limited at www.bseindia.com and also on the website of NSDL at www.evoting.nsdl.com.

d. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.

e. NSDL will be providing facility for voting through remote e-Voting, for participation at 32nd AGM through VC/OAVM Facility and e-Voting during 32nd 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.

f. Members may join 32nd AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 13:30 p.m. IST i.e. 30 minutes before the time scheduled to start the 32nd AGM.

g. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of upto 2,500 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 32nd AGM without any restriction on account of first-come-first-served principle.

h. Attendance of the Members participating in 32nd AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at 32nd AGM and facility for those Members participating in 32nd AGM to cast vote through e-Voting system during 32nd AGM.

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

The remote e-voting period begins on July 28, 2023 at 9:00 A.M. and ends on July 30, 2023 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 24, 2023, 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 24, 2023.

How do I vote electronically 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 SEBI circular dated December 09, 2020 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
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com 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 & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. 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 & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	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 & voting during the meeting.

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 evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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/ 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'?
      (i) 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'.
      (ii) 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.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on 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 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.

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?

1. 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.
2. 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 Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to magarwalandco@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. 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 to reset the password.

3. 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 or call on toll free no.: 022-48867000 and 022-48867000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in

4. **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 secretarial.malar@malarhospitals.in.

   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.in. 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.

   d. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by the 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

5. **THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE 32nd 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.

6. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 32nd AGM 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.

e. Members, who would like to ask questions during 32nd AGM with regard to the financial statements or any other matter to be placed at the 32nd AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's email address secretarial.malar@malarhospitals.in atleast 72 hours in advance before the start of the 32nd AGM i.e. by July 28, 2023 by 14:00 hours IST. Only those Members who have registered themselves as a speaker shall be allowed to ask questions during the 32nd AGM, depending upon the availability of time.

f. 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.

g. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 32nd AGM through VC/OAVM Facility.

7. Other Guidelines for Members:

a. 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 24, 2023.

b. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. July 24, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer / RTA. 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 or call at 022-48867000 and 022 24997000, In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 24, 2023 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

c. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.

d. Mr. Mukesh Agarwal, Company Secretary in Whole time Practice (C.P. No. 3851), has been appointed as the Scrutiniser to scrutinise remote e-Voting process and casting vote through e-Voting system during the Meeting in a fair and transparent manner.

e. During 32nd 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.

f. The Scrutiniser shall after the conclusion of e-Voting at the 32nd AGM, first download votes cast at the AGM and thereafter unblock votes cast through remote e-Voting and shall make a consolidated scrutiniser's report of total votes cast in favour or against, invalid votes, if any, and whether resolution(s) has been carried or not, and such Report shall then be sent to the Chairman or a person authorised by him, within 48 (forty eight) hours from the conclusion of 32nd AGM, who shall then countersign and declare the result of voting forthwith.

g. The Results declared along with the Report of the Scrutiniser shall be placed on the website of the Company at www.fortismalar.com and on the website of NSDL at www.evoting.nsdl.com immediately after declaration of Results by the Chairman or a person authorised by him. The results shall also be immediately forwarded to the BSE Limited.

8. The Notice of 32nd AGM and the Annual Report for the FY 2022-23 including therein the Audited Financial Statements for FY 2022-23, are being sent only by email to the Members, unless any member has requested for a hard copy of the same. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of 32nd AGM and Annual Report for the FY 2022-23 and all other communication sent by the Company, from time to time, can get their email addresses registered by following the steps as given below:-

a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address secretarial.malar@malarhospitals.com

b. For the Members holding shares in demat form, please update your email addresses through your respective Depository Participant/s.

9 Notice of 32nd AGM and Annual Report for the FY 2022-23 including therein the Audited Financial Statements for the year, will be available on the website of the Company at www.fortismalar.com and the website of Stock Exchange at BSE Limited at www.bseindia.com. The Notice of 32nd AGM will also be available on the website of NSDL at www.evoting.nsdl.com.

10. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from concerned Depository Participant and holdings should be verified from time to time.

11. 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 PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

12. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 01, 2019. In view of the above, Members are advised to dematerialise shares held by them in physical form.

Electronic copy of all documents referred to in the accompanying Notice of 32nd AGM and Explanatory Statement shall be available for inspection in the Investor Section of website of the Company www.fortishmalar.com.

13. During 32nd 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, the Annual General Meeting at the available link against the EVEN of the Company on NSDL website.

14. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking re-appointment at the AGM, are detailed in Annexure-I of the Notice of the AGM. Requisite declarations have been received from the Directors for seeking re-appointment.

15. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in the Corporate Governance' by allowing paperless compliance by companies. Also, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, permits companies to send soft copies of Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiatives by registering / updating their e-mail address for receiving electronic communications. The Notice for Annual General Meeting along with the Annual Report of the Company will be made available on the Company's website –www.fortismalar.com.

16. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Further SEBI vide its circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardised the format of documents for transmission of securities. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be.

17. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 01, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, KFin Technologies Limited, at einward. ris@kfintech.com. The forms for updating the same are available at the website of the Company at www.fortismalar.com Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP. In case a holder of physical securities fails to furnish PAN and KYC details before October 01, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

18. The dividend amount and shares transferred to the IEPF can be claimed by the concerned shareholder(s)/legal heir(s) from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends are also available on the Company's website at https://www.fortismalar.com.html and the said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link www.iepf.gov.in.

19. The results on resolutions shall be declared on or before closing business hours i.e. 06:00 p.m. on Wednesday, August 02, 2023 and the same along with scrutiniser's report shall also be available on the website of the Company and on the website of NSDL and that of BSE. The resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favor of the resolutions.

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, 2023 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, 2023.

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 at Item No. 3 in the accompanying Notice for approval by the Members.

By the Order of the Board
For Fortis Malar Hospitals Limited

Date: May 19, 2023
Place: Gurugram

Sandeep Singh
Company Secretary

ANNEXURE- I

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT 32ND THE ANNUAL GENERAL MEETING

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

Dr. Nithya Ramamurthy is a Senior Consultant Obstetrician & Gynaecologist having more than 40 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 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 01, 2006

Shareholding in the Company as on March 31, 2023: 8,59,377

Dr. Nithya is not related to any other Director and / or Key Managerial Personnel of the Company.

During the FY 2022-23, Dr. Nithya attended five 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): 2

Dr. Nithya is a Non-Executive Director liable to retire by rotation. Details of sitting fees paid to her has been disclosed in the Corporate Governance Report forming part of the Annual Report 2022-23.

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.

Fortis MALAR HOSPITAL

INFORMATION AT A GLANCE

Particulars	Details
Day, Date and time of AGM	Monday, July 31, 2023 at 2:00 P.M. (IST)
Mode	Video conference/ other audio visual means
Participation through video conferencing	www.evoting.nsdl.com
Cut off Date for e-voting	Monday, July 24, 2023
E-voting start date and time	Friday, July 28, 2023 at 9:00 A.M. (IST)
E-voting end date and time	Sunday, July 30, 2023 at 5:00 P.M. (IST)
Speaker Registration start date and time	Friday, July 07, 2023 at 9:00 A.M. (IST)
Speaker Registration end date and time	Friday, July 28, 2023 at 2:00 P.M. (IST)
Last date of sending questions	Friday, July 28, 2023 at 2:00 P.M. (IST)
Name and Address and Contact details of e-voting service provider	**National Securities Depository Limited ("NSDL")** Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400 013
	Ms. Pallavi Mhatre Senior Manager – NSDL
	Contact Details: Email ids: pallavid@nsdl.co.in evoting@nsdl.co.in Helpline Nos.: (022) 4886 7000 (022) 2499 7000
Name, address and contact details of Registrar and Share Transfer Agent	**M/s. KFIN Technologies Limited** Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad-500032
	Contact Details: Toll Fee No.: 1-800 309 40 E-mail: einward.ris@kfintech.com

Fortis
MALAR
HOSPITAL

ANNUAL REPORT **2022-2023**

Building a **healthier future**

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Standalone

Consolidated

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BSE code: 523696

AGM date: July 31, 2023

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

CORPORATE INFORMATION

Board of Directors

Mr. Daljit Singh, Chairman

Mr. Chandrasekar Ramasamy

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@malar-hospitals.in
Website: www.fortismalar.com

Registrar and Transfer Agent

KFin Technologies 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
Website: www.kfintech.com

BOARD OF DIRECTORS

Mr. Daljit Singh
Non-Executive Director and Chairman

Mr. Chandrasekar Ramasamy
Whole-time Director

Ms. Shailaja Chandra
Independent Director

Dr. Nitya Ramamurthy
Non-Executive Director

Mr. Ramesh L. Adige
Independent Director

Mr. Ravi Rajagopal
Independent Director

We are determined to pursue our commitment towards patients with renewed vigour and enthusiasm.

Daljit Singh, Chairman

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me great pleasure to share with you the results of your Company for the year ended March 31, 2023.

The year has been a challenging one and we were impacted by the significant exodus of senior clinicians, resulting in a reduction in footfalls and occupancy. The hospital received 61,585 OPD patients and treated 5,346 in-patients during the financial year as compared to 49,676 OPD patients and 4,805 in-patients during the previous financial year. Our clinicians and nursing staff continued to face the situation bravely and conducted 1,702 surgeries as compared to 1,342 during previous financial year in spite of all the challenges. I thank all our clinicians, nurses and staff members of Fortis Malar for their continued commitment to excellence, which makes this hospital stand head and shoulders with its peers.

During the year, your Company achieved annual revenue of ₹ 92.59 Crores as against ₹ 93.57 Crores in the previous financial year. EBITDA for the year stood at ₹ 11.21 Crores as against ₹ 10.83 Crores in the previous financial year. Profit / (Loss) before tax for the year stood at ₹ (7.01) Crores as against ₹ (8.26) Crores in the previous year. Profit / (Loss) for the year stood at ₹ (15.48) Crores as against ₹ (8.27) Crores in the previous year. The Company's average revenue per occupied bed (ARPOB) for the year stood at ₹ 1.65 Crores as against ₹ 1.63 Crores in the previous year. Occupancy stood at 38% as against 39% in the previous year. The average length of stay (ALOS) stood at 3.85 days as against 4.29 days in previous year.

Dear shareholders, while the challenges continue to impede our progress, we are determined to pursue our commitment towards patients with renewed vigour and enthusiasm. We are also taking steps to usher in greater agility and improve patient trust. Clinical excellence and compassionate patient care remain our forte and we are proud of our achievement.

> "In spite of challenging circumstances, our commitment towards patients and the society continues to remain as strong as ever."

In conclusion, I would like to thank all our stakeholders for their continued support, guidance and good wishes. These position us well to strive harder in the year ahead.

With best wishes and warm regards,

Daljit Singh
Chairman
Fortis Malar Hospitals Limited

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting their 32nd Annual Report of Fortis Malar Hospitals Limited ("the Company") along with Audited Standalone and Consolidated Financial Statements and Auditors' Report thereon for the Year ended March 31, 2023.

FINANCIAL RESULTS

The highlights of Consolidated Financial Performance of your Company are as follows:

(₹ in Lakhs)

Particulars	Consolidated	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	8,595.08	8,617.82
Other Income	663.81	739.05
Total Income	**9,258.89**	**9,356.87**
Total Expenses	8,137.96	8,274.03
Profit before Finance Charges, Taxes, Depreciation & Amortisation (EBITDA)	**1,120.93**	**1,082.84**
Less: Finance Charges, Depreciation & Amortisation	1,821.72	1,908.97
Profit / (Loss) before tax	**(700.79)**	**(826.13)**
Less: Tax Expenses	847.32	1.22
Profit / (Loss) for the year	**(1,548.11)**	**(827.35)**
Other Comprehensive Income(Net of Taxes)	(47.80)	(33.96)
Total Comprehensive Loss for the year	(1,595.91)	(861.31)

The highlights of Standalone Financial Performance of your Company are as follows:

(₹ in Lakhs)

Particulars	Standalone	
	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from Operations	8,595.08	8,617.82
Other Income	655.78	733.32
Total Income	**9,250.86**	**9,351.14**
Total Expenses	8,136.89	8,272.72
Profit before Finance Charges, Taxes, Depreciation & Amortisation (EBITDA)	**1,113.97**	**1,078.42**
Less: Finance Charges, Depreciation & Amortisation	1,821.72	1,908.97
Profit / (Loss) before tax	**(707.75)**	**(830.55)**
Less: Tax Expenses	845.57	-
Profit / (Loss) for the year	**(1,553.32)**	**(830.55)**
Other Comprehensive Income (Net of Taxes)	(47.94)	(34.03)
Total Comprehensive Loss for the year	(1,601.26)	(864.58)

STATE OF COMPANY'S AFFAIR, OPERATING RESULTS AND PROFITS

Fortis Malar Hospitals Limited 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 160, including 40 ICU/CCU/RTU 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 Hospitals Limited 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.

Your Company achieved a consolidated total income of ₹ 92.59 Crores during the current year as against ₹ 93.57 Crores in the corresponding financial year ended March 31, 2022. EBITDA for the year stood at ₹ 11.21 Crores compared to ₹ 10.83 Crores for the previous corresponding year. The Profit / (Loss) before tax for the period stood at ₹ (7.01) Crores as against ₹ (8.26) Crores during the corresponding year. Profit/ (Loss) for the year stood at ₹ (15.48) Crores in the current financial year compared to ₹ (8.27) 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 ₹ 165 Lakhs as against ₹ 163 Lakhs in the previous year. The average length of stay (ALOS) was at 3.85 days in FY 2022-23 compared to 4.29 days in FY 2021-22. Occupancy of the hospital during the year was at 38% as compared to 39% in the previous year.

SIGNIFICANT MATTERS DURING THE YEAR UNDER REVIEW

OPEN OFFER

Pursuant to execution of Share Subscription Agreement dated July 13, 2018 ("SSA"), Northern TK Venture Pte Limited ("NTK" or the "Acquirer"), a wholly owned subsidiary of IHH Berhard, 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 Subscription Shares by way of preferential allotment in accordance with the terms of SSA ("Subscription"). As a consequence of Subscription, the Acquirer together with IHH Healthcare Berhad ("IHH") and Parkway Pantai Limited ("PPL"), collectively made a mandatory open offer, by filing a public announcement dated July 13, 2018 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% 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"). Malar Open Offer is subject to the completion of the Fortis Open Offer.

Thereafter the Hon'ble Supreme Court of India had on December 14, 2018, passed an order ("Status Quo Order") directing "status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained". In light of the Status Quo Order, Fortis Open Offer and Fortis Malar Open Offer were put on hold until further order(s)/ clarification(s)/ direction(s) issued by the Hon'ble Supreme Court of India. Vide its order dated November 15, 2019, the Hon'ble Supreme Court had issued suo-moto contempt notice to, among others, FHL and directed its Registry to register a contempt petition regarding alleged violation of the Status Quo Order ("**Contempt Petition**").

Petitions before the Hon'ble Supreme Court including Contempt Petition have been disposed of vide judgement dated September 22, 2022 ("Judgement"). No finding of contempt has been made against FHL or its independent directors. Based on legal advice, FHL is of the clear view that the Status Quo Order dated 14th December 2018 no longer exists. IHH/ NTK is simultaneously seeking legal counsel for pursuing and securing the Open Offer.

In the Judgement, Hon'ble Supreme Court has passed certain directions, inter-alia, that the Hon'ble High Court of Delhi may consider issuing appropriate process and appointing forensic auditor(s) to analyze the transactions entered into between FHL and RHT and other related transactions. The stated position

BOARD'S REPORT (Contd.)

of FHL is that these transactions were done in compliance with applicable laws, post requisite corporate and regulatory approvals and necessary disclosures/ announcements. Currently, it is vehemently opposing the application filed by Daiichi before the High court for appointment of forensic auditor.

DIVIDEND AND TRANSFER TO RESERVES

Considering the losses occurred during the financial year, the Board of Directors of your Company has not recommended any dividend for the FY 2022-23. Accordingly, there has been no transfer to General Reserves.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of FY 2022-23 and date of this 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 to 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.

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 includes setting up, managing / administering hospital(s) and to provide Medicare and Healthcare services.

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 Financial Statements of the Company for FY 2022-23, 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

The 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 financial statements will also be kept open for inspection and are also available on the website of the Company. The performance of the Company 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 enclosed herewith as "**Annexure 1**" in the Prescribed format (form AOC - 1)

LOANS / ADVANCES / INVESTMENTS / GUARANTEES

Particulars of loans / advances / investments / guarantees given and outstanding during FY 2022-23 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 the Companies (Acceptance of Deposit) Rules, 2014.

AUDITORS

1. STATUTORY AUDITORS

M/s B S R & Co. LLP, Chartered Accountants (Registration No. 101248W/W-100022), were appointed as Statutory Auditors of your Company for a period of five years to conduct statutory audit of the Company for the Financial Years commencing from April 01, 2019 to March 31, 2024. The said appointment was approved by the shareholders at their 28th Annual General Meeting, accordingly they hold the office of statutory auditor from 28th Annual General Meeting until the conclusion of 33rd 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. However, Emphasis of matter is drawn 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.

2. COST AUDITORS

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 also required to be audited. Your Board had, upon the recommendation of the Audit and Risk Management Committee, appointed M/s Jitender, Navneet & Co., Cost Accountants to audit the cost accounts of the Company for FY 2022-23 at a remuneration up to ₹ 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 ensuing Annual General Meeting.

3. SECRETARIAL AUDITORS

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 2022-23 does not contain any qualification, reservation or adverse remark and it is annexed herewith as "**Annexure II**".

4. INTERNAL AUDITORS

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.

BOARD'S REPORT (Contd.)

For FY 2022-23, Internal Audit(s) were performed in accordance with the Internal Audit plan approved by the Audit and Risk Management Committee. In addition to the internal IA team conducting audit(s) covering key business processes as per approved plan, Deloitte was engaged as an external service provider to perform Internal Audit for specific processes.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During FY 2022-23, 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.

CHANGE IN THE NATURE OF BUSINESS

During FY 2022-23, there was no change in the nature of the business of the Company.

STOCK OPTIONS AND CAPITAL STRUCTURE

The Company has issued ESOP Scheme pursuant to 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 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. As per the Scheme, each option when exercised would have been converted into one fully paid up equity share of ₹ 10 each of the Company. During the year under review, no option was granted by the Company.

Further during the year under review, all the options which remained un-exercised were lapsed. Hence, as on March 31, 2023 Company does not have any outstanding stock options.

Disclosure pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the year ended March 31, 2023 is available at the website of the Company at https://www.fortismalar.com/investorrelations/investorcatdetails/annual-reports1

The certificate from the Secretarial 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.

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

During the FY 2022-23, there was no change in capital structure of the Company.

ANNUAL RETURN

The Annual Return of the Company in Form MGT- 7 in accordance with Section 92(3) of the Companies Act, 2013 is available on the website of the Company at Investor Relations - Fortis Malar. https://www.fortismalar.com/investor-relations/investorcatdetails/annual-return1

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 III"**, forming part of this Board's Report.

CORPORATE SOCIAL RESPONSIBILITY –JOURNEY THROUGH THE YEAR

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 policy as approved by the Board is available on the Company's web site at https://www.fortismalar.com/investor-relations/investorcatdetails/policies-other-documents1.

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 - IV'**, forming part of this report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company as on date of this report comprises Six (6) directors, of which one (1) is a Whole-time Director (Executive Director), three (3) are Independent Directors and rest of the two (2) directors are Non-Executive & Non-Independent Directors. Pursuant to Sections 152 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 32nd Annual General Meeting and has offered herself for re-appointment. On the recommendation from Nomination and 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 -2 information or details of Dr. Nithya Ramamurthy are provided in the Notice convening the 32nd Annual General Meeting.

BOARD'S REPORT (Contd.)

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and the SEBI (Listing Agreement and Disclosure Requirements) Regulations, 2015. Further, no director of the Company was disqualified to become/continue as Director of the Company, in terms of the provisions of the Companies Act, 2013 and the rules made thereunder.

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

As on the date of the report, Mr. Chandrasekar Ramasamy, 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 2022-23, Six meetings were held by the Board of Directors. 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;
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 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 Nomination and Remuneration Committee and the Board have laid down the manner in which the annual evaluation of the performance of the Board, its Committee and Individual Directors, is required to be made.

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

Sr. No.	Process	Remarks	Criteria for Evaluation (including Independent Directors)
1.	Kick Off Board Evaluation Program	The NRC Chairperson kick starts the process. The relevant questionnaires were circulated to the Board members.	-
2.	Evaluation forms	The feedback so received from the members on the process was collated by Chief Human Resource Officer (CHRO)	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 was 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, working of Board Committees etc.
4.	Final recording and reporting	Based on the findings of the assessment, CHRO circulates a report to the Board members for further discussion and action planning. Based on the above, a final report on Board Evaluation FY 2022-23 was presented at a meeting of the Board of Directors.	The report includes key highlights, a presentation of an analysis of each response, actionable insights and comments.

BOARD'S 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 2022-23

(Amount in ₹)

Name of the Director	Remuneration of Director	Median Remuneration of employees	Ratio
Mr. Chandrasekar Ramasamy	4,095,116	398,558	10.3:1

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. Chandrasekar Ramasamy	Whole Time Director	0%
Mr. Yogendra Kumar Kabra	Chief Financial Officer	NA
Mr. Sandeep Singh	Company Secretary & Compliance Officer	NA

c) The percentage increase in the median remuneration of employees in FY 2022-23 is 15.2% (9% in the last year).

d) The number of permanent employees on the rolls of Company is 417 as on March 31, 2023.

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 2022-23
(A) Average percentile increases already made in the salaries of employees other than the managerial personnel	26.1%
(B) Percentile increases in the managerial remuneration	0%
Comparison of (A) and (B)	26.1%
Justification	The average percentile increase is on a higher side mainly due to (i) union employee settlement effected from April 1, 2022 (once in 3 years); and (ii) market correction effected for nurses
Any exceptional circumstances for increase in the managerial remuneration	NA

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. Chandrasekar Ramasamy	3,851,828	243,288	21,600	3 years w.e.f. January 11, 2022	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/investorrelations/investorcatdetails/nomination-and-remuneration-committee1

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.

RELATED PARTY TRANSACTIONS

Disclosures as required under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in **"Annexure V"** in Form AOC-2 as specified under the Companies Act, 2013.

The Related Party Transactions were placed before the Audit and Risk Management Committee for approval as required under the 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 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/investorrelations/investorcatdetails/policies-other-documents1

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.

RISK MANAGEMENT FRAMEWORK

The Company has designed a risk management framework for risk identification, assessment, mitigation plan development and monitoring of action to mitigate the risks. 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 framework 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 year under review relating to sexual harassment hence there was no complaint pending as on March 31, 2023. 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 this Annual Report.

BOARD'S REPORT (Contd.)

CODE OF CONDUCT

Declaration by Mr. Chandrasekar Ramasamy, Whole-time Director, confirming compliance with the 'Code of Conduct' is enclosed with Corporate Governance Report.

REPORT ON CORPORATE GOVERNANCE

"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.

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, 2023, the applicable accounting standards has been followed along with proper explanation relating to material departures, therefrom, if any;

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, 2023 and of the loss of the Company for the said period;

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, 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 19, 2023
Place: Gurugram

Daljit Singh
Chairman
DIN : 00135414

Fortis MALAR HOSPITAL

ANNEXURE I

FORM NO. AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the 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, 2023
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	221.50
7	Total Assets	235.87
8	Total Liabilities	9.37
9	Investments	Nil
10	Turnover	8.28
11	Profit before Taxation	6.96
12	Provision for Taxation	1.75
13	Profit after Taxation	5.21
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, 2023, 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**

Dr. Nithya Ramamurthy
Director
DIN 00255343

Chandrasekar R.
Whole Time Director
DIN 09414564

Yogendra Kumar Kabra
Chief Financial Officer

Sandeep Singh
Company Secretary & Compliance Officer
Membership No. F9877

ANNEXURE II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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, M/s 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, 2023 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, 2023 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, Overseas Direct Investment and External Commercial Borrowings;

(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.

We further report that

The Board of Director of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director.

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent to the directors at least seven days 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.

ANNEXURE II (Contd.)

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee(s) of the Board, as the case may be.

We further report that based on the information and records maintained by the Company, 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.

for **Mukesh Agarwal & Company**
Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN: F005991E000337036

Place: Delhi
Date: May 19, 2023

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. 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 is 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: F005991E000337036

Place: Delhi
Date: May 19, 2023

ANNEXURE – III

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, 2023 is as given below:

A. Conservation of Energy:

a) Energy conservation measures taken by replacing normal CFL/Tube lights with LED lights as per requirements.

B. Technology Absorption

1. Research & Development (R & D): - Nil
2. Technology Absorption, Adaptation & Innovation: - Nil

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: ₹ 82.19 Lakhs

(ii) Expenditure:

(a) CIF Value of Imports: Nil

(b) Others ₹ 1.28 Lakhs

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

Daljit Singh
Chairman
DIN:00135414

Date: May 19, 2023
Place: Gurugram

ANNEXURE IV

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, 2023 is as follows:

S. No.	Name of Director	Designation / Nature ofDirectorship	Number of meetings of CSRCommittee helddduring the year	Number of meetings of CSR Committee attended duringthe year
1	Mr. Daljit Singh	Non-Executive Non-IndependentDirector	1	1
2	Mr. Ramesh L Adige	Non-Executive IndependentDirector	1	1
3	Dr. Nithya Ramamurthy	Non-Executive Non-Independent Director	1	1

ANNEXURE IV (Contd.)

3. Provide the web-link(s) 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/investorrelations/investorcatdetails/corporate-social-responsibility-committee1

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. Not applicable

Not Applicable

5.

a) Average net profit of the Company as per sub-section (5) of section 135. ₹ (1,032.16) Lakhs

b) Two percent of average net profit of the Company as per sub-section (5) of section 135. NIL

c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. NIL

d) Amount required to be set-off for the financial year, if any. Nil

e) Total CSR obligation for the financial year [(b)+(c)-(d)]. Nil

6.

a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). Nil

b. Amount spent in Administrative Overheads. Nil

c. Amount spent on Impact Assessment, if applicable. Not Applicable

d. Total amount spent for the Financial Year [(a)+(b)+(c)]. Nil

e. CSR amount spent or unspent for the Financial Year: NA

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

f. Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
i	Two percent of average net profit of the Company as per sub-section (5) of section 135	NIL
ii	Total amount spent for the Financial Year	NIL
iii	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
iv	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
v	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	NIL

ANNEXURE IV (Contd.)

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not Applicable

1	2	3	4	5	6		7	8
S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY-1							
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☑ No

If Yes, enter the number of Capital assets created / acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

S. No.	Short particulars of the property of asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub- section (5) of section 135. Not Applicable

Sd/-
Chandrasekar Ramasamy
Whole Time Director
DIN:09414564

Sd/-
Daljit Singh
Chairman of Board and Chairman of CSR Committee
DIN:00135414

ANNEXURE V

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, 2023, which are not at arm's length basis.

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

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2023, however, the said transactions entered in the past are given below 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	Fellow Subsidiary	Availing of services	Continuing Agreement (upto October, 2027)	Existing hospital service agreement is a continuous agreement; ₹2,90,62,188/-per quarter fixed+7.5% on Operating Income	April16, 2018	-
Fortis Healthcare Limited	Intermediate Holding Company	Inter Corporate Loan given	Upto July 08, 2023	Loan Limit of ₹ 28,00,00,000 as per MoU. Loan Closing Balance as on March 31, 2023 - ₹ 28,00,00,000 Interest@10.50%PA	July 07, 2020	-
Fortis Healthcare Limited	Intermediate Holding Company	Inter Corporate Loan given	From February 22, 2022 to February 21, 2024	Loan Limit of ₹ 40,00,00,000 as per MoU.Loan Closing Balance as on March 31, 2023 - ₹ 40,00,00,000 Interest@6.50%PA	January11, 2022	-

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

Date: May 19, 2023
Place: Gurugram

Daljit Singh
Chairman
DIN:00135414

MANAGEMENT DISCUSSION & ANALYSIS

SECTION I

Indian Healthcare Sector

The Indian healthcare sector has become a major contributor to India's growth and employment, covering diverse segments like hospitals, medical devices, clinical trials, telemedicine, medical tourism, health insurance and medical equipment.

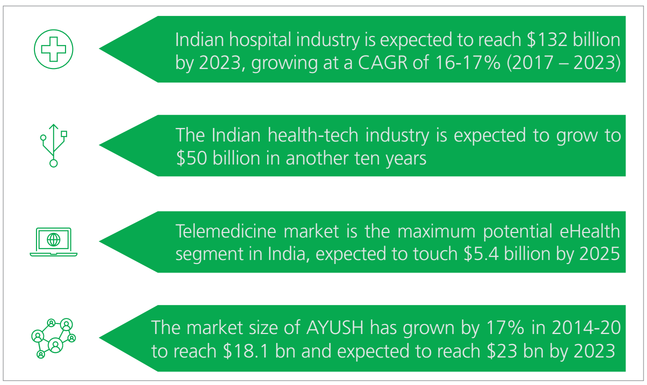
The sector is expanding rapidly, driven by enhanced coverage, services and growing investments by both public and private players. The government's initiatives to increase healthcare spending and improve healthcare infrastructure have further bolstered the industry's growth.

COVID-19 has not only brought challenges, but also presented several growth opportunities to the healthcare sector. The pandemic has highlighted the critical role of healthcare organisations and it has driven transformation by accelerating the pace of reforms in India's healthcare sector.

Furthermore, the industry's expansion continues to be fueled by the rising need for healthcare services due to increasing life expectancy, increasing prevalence of chronic diseases and changing lifestyles of Indian population. As a result, the healthcare sector has emerged as a significant contributor in generating job opportunities and adding to the country's GDP.

A. Current Landscape and Key Highlights

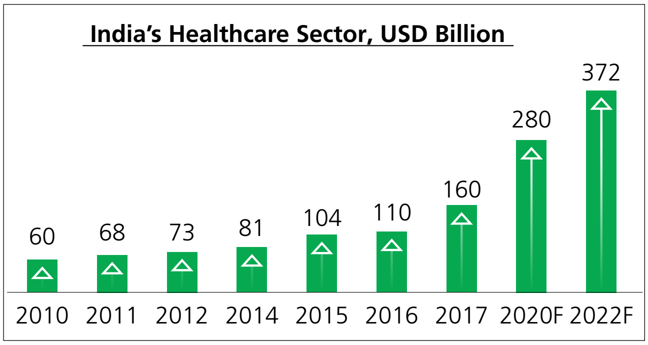
The Indian healthcare industry has experienced various trends in 2022 that have contributed to its growth, making it the largest service sector in the country. The overall size of the industry is estimated to be $372 Billion with a CAGR of 22% (2016 – 2022).



The industry's expansion can be attributed to several factors, including increasing life expectancy, a growing middle class, an increasing prevalence of lifestyle diseases, public-private partnerships and the adoption of digital technologies like telemedicine.

Additionally, the industry has attracted investors, resulting in increased FDI inflows over the last two decades.

The hospital industry is projected to grow to $132 Billion by FY 2022-23 at a CAGR of 16-17%.



Source: NITI Aayog

The private sector is the major contributor in the healthcare spending in India, unlike most other countries where public spending dominates.

Key highlights:

1. The government's plan to **increase healthcare spending** to 2.5% of GDP by 2025, which is expected to lead to the development of new healthcare facilities and expansion of existing ones
2. There is a decrease in the **percentage of healthcare spending paid out of pocket** by individuals, from 62.6% in FY 2015 to 47.1% in FY 2020 (Source: Ministry of Health)
3. The Indian government is expected to **increase partnerships with private healthcare providers** to improve access to healthcare services, particularly in rural and underserved areas
4. Greater adoption of **digital health solutions** such as electronic health records (EHRs), mobile health apps, and remote patient monitoring systems.
5. **The adoption of telemedicine,** which has been accelerated by the COVID-19 pandemic and is projected to grow at a CAGR of 31% between 2020 and 2025 to reach at $5.4 Billion.
6. **An increasing demand for home healthcare services** driven by an aging population and rising burden of chronic diseases. India's home healthcare market is expected to grow at a CAGR of 19.2% to reach at $21.3 Billion by 2027
7. India aims at becoming **self-reliant in the manufacturing of medical devices.** In FY 2019-20, the total device manufacturing market in India was sized at around $11 Billion. By 2025, the industry is expected to grow fivefold to $49.5 Billion.

Management Discussion & Analysis (Contd.)

B. Government Policies and Key Initiatives

India's population is over 1.4 billion and is spread across 28 states and 8 union territories. Public Health and Hospitals are primarily the responsibility of the respective State Governments. However, under the National Health Mission (NHM), technical and financial support is provided to the States/UTs to strengthen the public healthcare system which includes upgrading selective services in the state Medical Colleges, District Hospitals, Sub District Hospitals and Community Health Centres.

From 2018 the Ayushman Bharat PM-JAY has been in progress as a centrally sponsored scheme with funding shared between the Centre and States. The entitlement criteria covers both urban and rural areas but is based on economic status and deprivation of the beneficiaries.

Another promising area relates to the Ayushman Bharat digital mission which has widened the scope for telemedicine to provide services even to remote parts of the country.

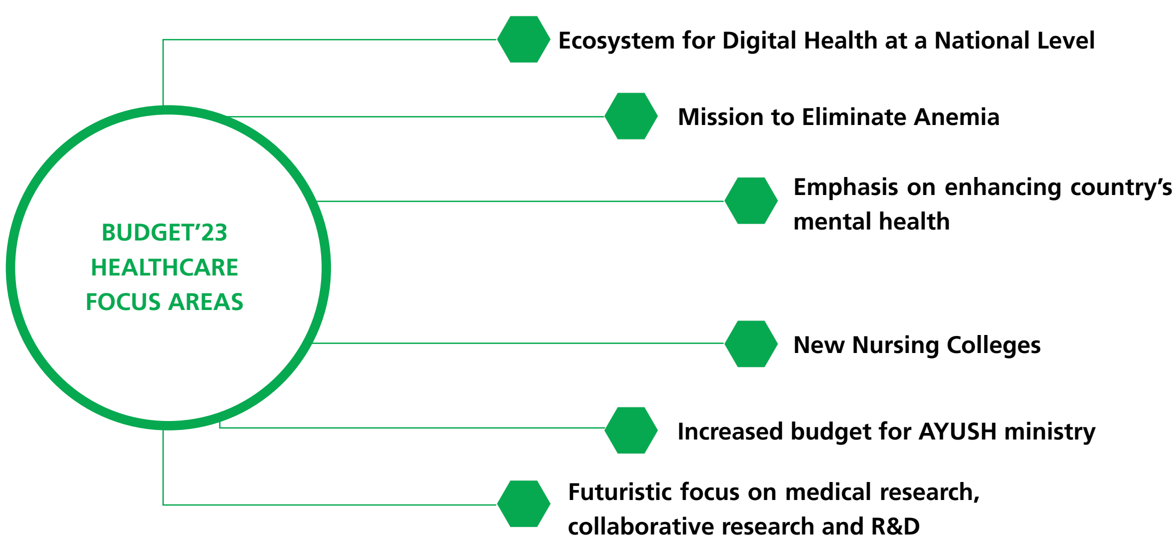
In the Union Budget for 2023-24, the government has announced various programs for the healthcare, pharmaceuticals and medical devices industries.

The budget includes an allocation of ₹ 88,956 Crores towards healthcare expenditure, which represents a 2.7% increase from the previous year.

It emphasises the government's focus on two key drivers of improved healthcare: increasing the number of trained medical professionals and investing in research and development. The increased allocations reflect the government's commitment towards a more efficient healthcare system.

2023-24 Budget Highlights

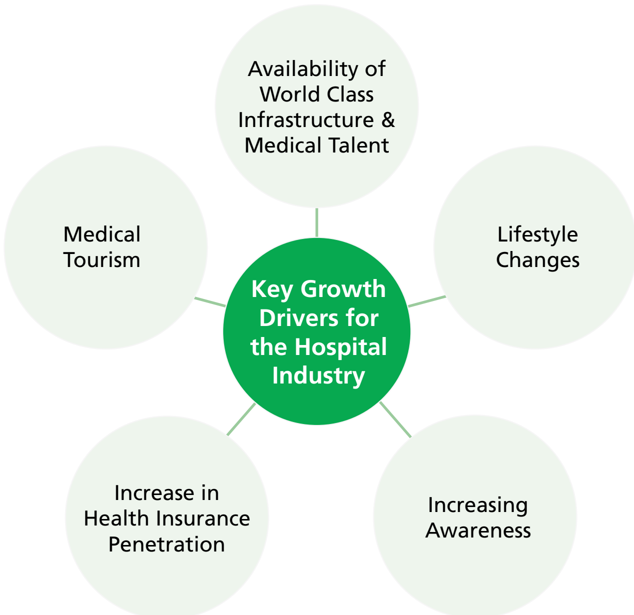
- The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY), which aims to rectify the regional imbalance in the availability of trustworthy tertiary services by setting up AIIMS type hospitals and Upgradation of Government Medical College (GMC)/ Institutions, received an allocation of ₹ 10,200 Crores (a 23% increase from revised estimates for 2022-23).
- Human Resources for Health and Medical Education has been allotted ₹ 6,500 Crores ($780 Million)
- The National Health Mission, which aims at providing universal access to equitable, affordable & quality healthcare services, has received an allocation of ₹ 29,085 Crores ($3.5 Billion)
- PM - Ayushman Bharat Health Infrastructure Mission (PM-ABHIM) has been allocated ₹ 5,156 Crores ($675.7 Million) to improve India's primary, secondary and tertiary care service and strengthen the health infrastructure
- To promote medical tourism, the Indian government has extended the e-medical visa facility to citizens of 156 countries
- Skill India Digital platform is launched to provide healthcare skilling courses and certifications with the participation of public and private sector institutes, academic institutes, and the National Skill Development Corporation (NSDC)



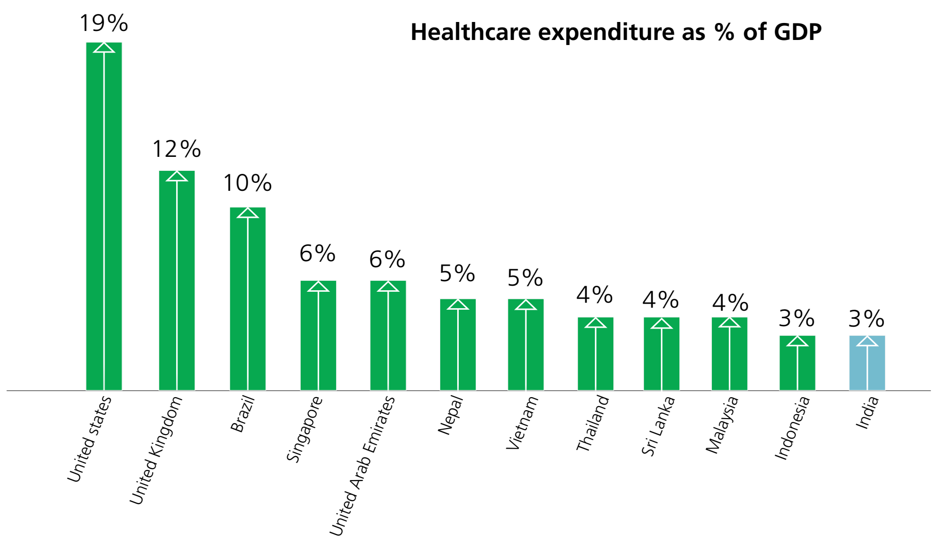
C. Growth Drivers

India's healthcare industry is predicted to sustain robust demand, propelled by an ageing population, a surge in lifestyle diseases, increasing affordability leading to better access to quality medical care and greater penetration of medical insurance. We believe Hospital's segment being the largest component of the overall healthcare industry will be the biggest beneficiaries of the healthcare market in India as public spend is likely to be limited to ~25-30% of annual healthcare spend.

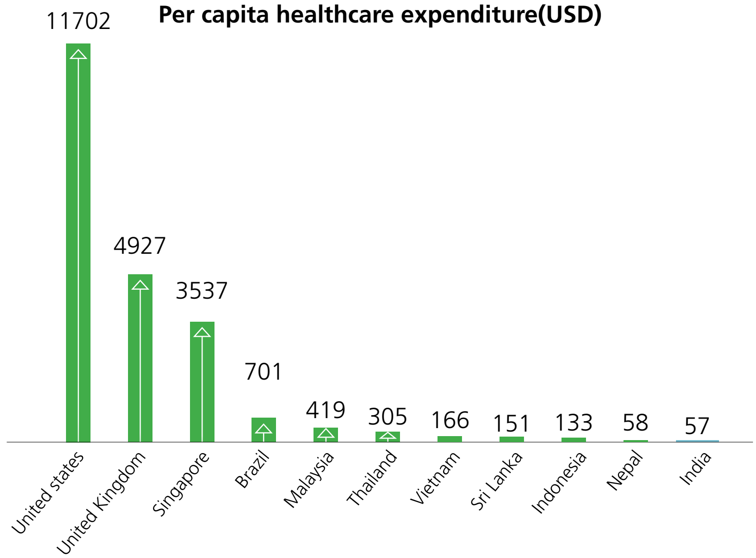
a. Key Growth Drivers for the Hospital Industry



- **Lower Healthcare Spend:** India healthcare spend is 3% of GDP vs 19% in case of US. This works out to be US$ 57 per person annually on health care vs US$ 11,702 in case of US

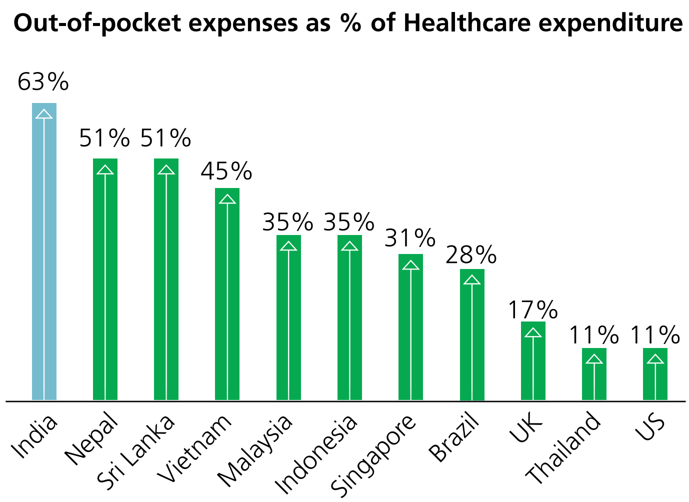


Management Discussion & Analysis (Contd.)



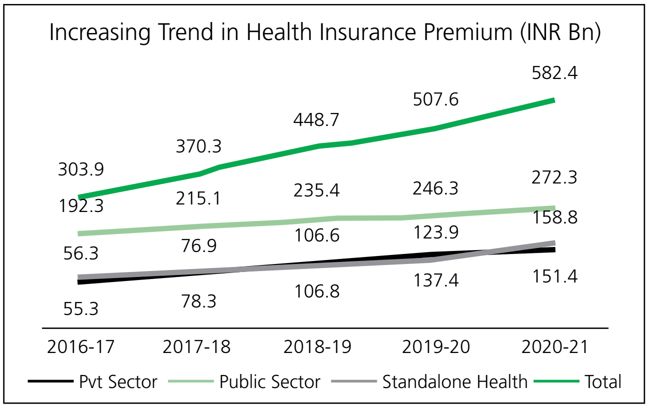
Source: PL Equity Research on Indian Healthcare; World Bank

- Low public spending and limited penetration of health insurance has led to 'out-of-pocket' expenditure accounting for ~63% of total healthcare which is one of highest in the world and well above global average of 22%



Source: PL Equity Research on Indian Healthcare

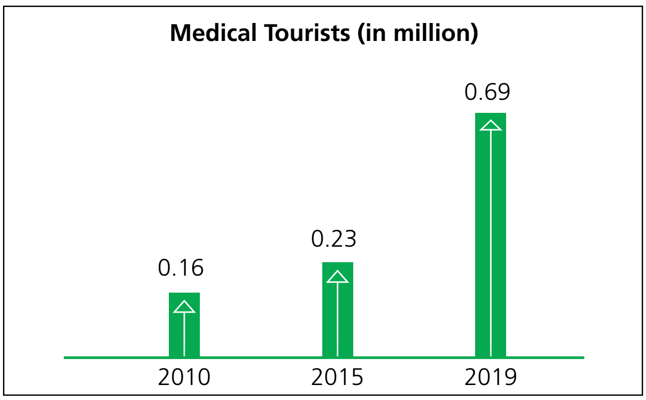
- **Increasing burden of Non-Communicable Diseases:** Non-communicable diseases (NCDs) encompass a vast group of diseases such as cardiovascular diseases, cancer, diabetes and chronic respiratory diseases. NCDs contribute to around 38 Million (68%) of all the deaths globally and to about 5.9 Million (60%) of all deaths in India. The majority of NCD deaths occur in low and middle-income countries such as India, which is undergoing an epidemiological health transition owing to rapid urbanisation, which in turn has led to an overall economic rise, but with certain associated flipsides.
- **Increase in Health Insurance Penetration:** During 2020-21, the general and health insurance companies witnessed a 14.7% growth in premium collection while the compounded annual growth rate over 2016 to 2021 stood at 17.7%. In addition, it was observed that the market share of private sector insurers increased from 18.5% in 2016-17 to 27.3% in 2020-21 while market share of public sector insurers declined from 63.3% to 47.8% in the same period.



Exclude Personal Accident and Travel Insurance

Source: IRDA 2020-21 Annual Report

- **Significant opportunity from medical tourism:** Medical tourism is expected to be one of significant growth drivers for India's Healthcare Sector. The medical tourism market is expected to grow at a CAGR of 65-70% between FY 2021-25 (Source: PL Equity Research). In addition, India offers a significant cost advantage globally along with best-in-class clinical outcomes.



Source: PL Equity Research on Indian Healthcare

- **Continuing demand supply gap for quality healthcare services and healthcare infrastructure:** India currently has 1.3 hospital beds per 1,000 population. There is also a shortage of skilled health workers, with 0.65 physicians per 1,000 people (the World Health Organisation standard is 1 per 1,000 people) and 1.3 nurses per 1,000 people.

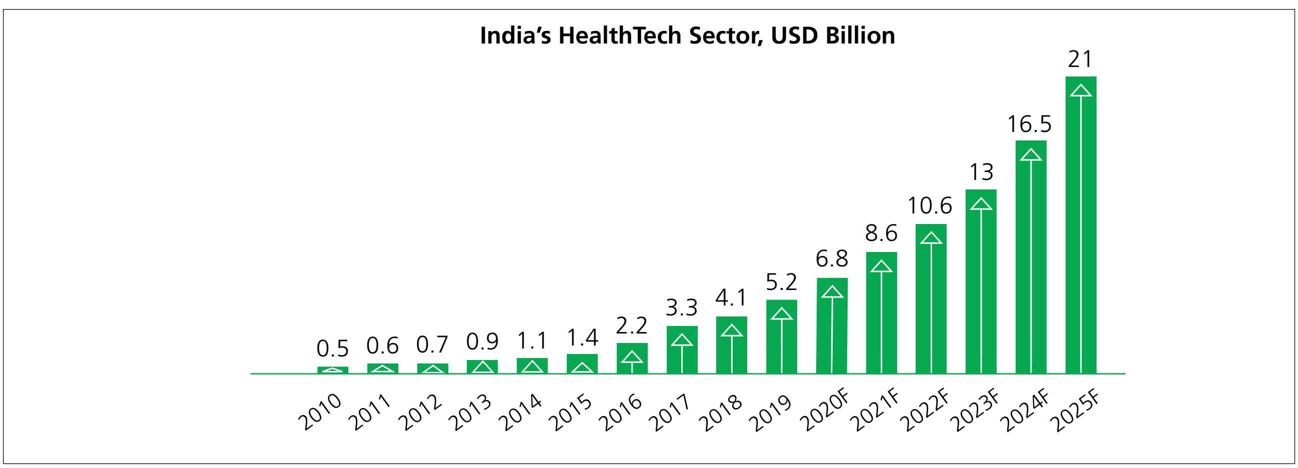
  India would need an additional 3 Million beds to achieve the target of 3 beds per 1,000 people by 2025. Furthermore, another 1.54 Million doctors and 2.4 Million nurses will be required to meet the growing demand for healthcare in India.

D. Technological Transformation

The HealthTech industry in India has seen impressive growth, outpacing most other segments of the healthcare sector, with a remarkable CAGR of 39%, following global trends. By 2033, it is projected to reach $50 Billion (Source: RBSA Advisors). Currently, the industry comprises six segments, namely telemedicine, e-pharmacy, fitness, wellness, healthcare IT, analytics, home healthcare and personal health management.

Data mining, clinical diagnoses and self-monitoring devices to assist in maintaining a healthy lifestyle are just some of the ways in which the healthcare industry in India is constantly evolving in tandem with technological advancements.

India's healthtech market is estimated to reach US$ 21 Billion in FY 25 on the back of telemedicine and preventive healthcare growth



Management Discussion & Analysis (Contd.)

The Indian government and private sector stakeholders have supported the development of technologically advanced medical devices in addition to digital infrastructure. Increasing smartphone and Internet penetration, and initiatives like the government-run National Digital Health Mission are collectively responsible for the accelerated pace of health systems digitisation in India.

The MedTech market in India, which comprises mainly of medical equipment, life sciences, and in-vitro diagnostic technology, was valued at around $10.4 Billion in 2020 and is projected to grow at a CAGR of 37% to reach $50 Billion by 2025. (Source: IBEF)

Meanwhile, the use of digital healthcare technologies, including Artificial Intelligence (AI) and telemedicine, has increased significantly globally, with investments reaching nearly $57 Billion in 2021.

Examples of digital transformation in the healthcare industry include telemedicine, AI-assisted medical devices, blockchain for electronic health records and cloud-enabled data management platforms.

Additionally, India's virtual or remote healthcare industry will be crucial going forward. According to a market research report, remote healthcare global market is expected to be around $57.1 Billion by 2030. A significant factor that will help its growth will be the use of AI.

In the coming years, the healthcare space is likely to be affected by 5G. With the help of 5G, everything can be done in a distributed manner, including robotic surgeries, extensive healthcare management in rural areas, as well as virtual health education and health research.

The following prominent trends can be anticipated as the healthcare industry reinvents itself for a new digital future:

Key Technology Transformation Trends in the Healthcare Sector

- **Increased Focus on Big Data & Analytics:** Numerous healthcare organisations are progressively putting resources and investment into clinical data analytics for analysing patient data. For example, adaptive data analytics (ADA) is already at the forefront of the new age research of the industry, to enhance the ability to quickly adapt data and analytic techniques.
- **Growth of AI/ML and analytics:** AI and advanced analytics is enabled by digitalisation, which makes it easier to analyse things like predictive analytics, telemedicine, precision medicine, population health analytics and so on. According to a market research report, the AI in Healthcare Market is expected to reach $102.7 Billion by 2028, up from $14.6 Billion in 2023.
- **Robotics in healthcare:** Robots aid healthcare professionals in completing routine tasks more efficiently, freeing up their time to concentrate on other crucial duties. Such automation in medical care makes operations more secure and more affordable for patients.
- **Remote health and virtual care becoming mainstream:** Telemedicine accounted for 30% of all patient visits during the pandemic, and digital health platform transactions increased by three times. The domestic telemedicine market is anticipated to reach $5.5 Billion by 2025, according to an EY study.
- **Leveraging Blockchain:** Providers are developing novel solutions that make use of the emerging blockchain technology to enhance the performance, security, and transparency of healthcare data sharing. Blockchain has the potential to revolutionise the healthcare industry.
- **Internet of Medical Things (IoMT):** The Healthcare industry is emulating the concept of IoMT, a connected infrastructure of smart devices and software applications to improve healthcare services. The Internet of Things (IoT) in healthcare and remote patient monitoring are developing simultaneously to revolutionise patient care. According to a market forecast, The IoT Healthcare Market is worth $158.1 Billion with 50 Billion connected devices by 2020
- **Cloud Technology:** Patients and healthcare professionals now have access to cloud technology, which has grown significantly. More cloud data centers are needed for the training and operation of AI and machine learning tools, which are growing in number.
- **E-Pharmacies:** E-pharmacies in India will serve 70 Million households by FY 2024-25, according to the industry body FICCI, as internet use and digital awareness rise.

Outlook

Healthcare is expected to remain a major contributor to the economy in the coming years as various policies, innovations and investments are anticipated to shape the industry's future impacting economic growth. The increasing focus on digital health solutions, telemedicine and other technological advancements in the healthcare industry has opened new avenues for growth and innovation.The government plans to increase the budget allocation for public health spending to 2.5% by 2025, which will be beneficial given the huge demand for tertiary care and specialty hospitals.

Critical Role of Private Players: Private healthcare players will continue to play a critical role in the industry as they continue to provide healthcare services to more than 70% of the country's rural population and 80% of the urban population. In addition, private healthcare players will continue to invest towards addition of new bed capacity, bringing in new high end medical infrastructure and uplifting the overall healthcare services in the country by adopting new technologies; all to further strengthen the overall patient experience and clinical outcomes.

Growing Home Healthcare Solutions: It is expected to be one of the fastest growing segments in India, though it is currently at a relatively nascent stage. The growth would be driven by the rising elderly population in the country, increase in the incidence of chronic diseases, enhanced demand for constant personalised care as well as the emergence of nuclear family structures in urban areas.

Advancements in Technology: Advancements such as AI, wearables and other mobile technologies, along with Internet of Things, are expected to take the healthcare services to the next level. Key segments where new opportunities are likely to emerge for health technology players include development of tools to facilitate emergency care and improvements to medical infrastructure, through technology-based optimisation. This includes expanding the scope of wearable devices to track health conditions, developing patient-facing mobile health applications as well as greater integration of AI, robots and blockchain technologies.

We believe that the future of diagnostics and healthcare can be built upon several pillars, including anytime anywhere connected and home-based care and testing, data driven clinical interventions , automation, advanced testing technologies, and supply chain efficiency. We believe that prevention and early diagnosis to be central to the health, and sophisticated tests and tools could mean most diagnosis take place at or close to people's homes.

Proactive and Integrated System: The future of health will be driven by proactive and integrated system of health where transformational technologies like AI, quantum computing, cloud storage, virtual reality will play a pivotal role. Next-generation sequencing (NGS) has enabled scientists and researchers to better understand the genetic mechanisms linked to conditions, in areas such as women's health or in diseases like cancer and inherited disorders. More importantly, these advances have given rise to improved diagnostics for early intervention and monitoring treatment response, ensuring patients get the best therapies possible.

The hospital sector in the country has emerged sharper in the aftermath of the COVID pandemic. The evolving industry environment and the opportunities for growth have led to an increasing interest by investors, private equity players, other corporate and healthcare players for investment in the sector. This has also led to consolidation opportunities in the industry highlighting the need to gain size and scale in order to draw higher operating leverage.At the same time, the market environment is competitive and regulatory uncertainties remain. Healthcare organisations are making efforts to grow revenue, enhance patient experience and better clinical outcomes in order to grow their market share in an evolving environment.

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.

Malar Hospital was established in 1992 and over the years became a household name for tertiary care hospital services in Chennai. During 2007-08, Fortis Healthcare Limited (FHL) acquired a majority stake in Malar Hospital Limited.

Today, Fortis Malar Hospital has an enormous 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 160 beds including about 40 ICU/CCU/RTU beds.

Management Discussion & Analysis (Contd.)

(ii) Clinical Excellence

- Fortis Malar has been successfully maintaining the standard of treating STEMI patient within 90 minutes for 95% of the patients.
- CTVS – A 32 year old man, weighing 120kg with history of breathlessness underwent Minimally Invasive Right Atrial Myxoma (11.5cm x 8cm) excision. It is the largest Myxoma excised using a minimally invasive procedure.
- CTVS – A 48 year old male with LV function of 25% and Triple Vessel Disease underwent CABG + EVPP (Endo Ventricular Patch Plasty). One of its kind done in the entire nation. Post Surgery patients LV function improved to 40%.
- The Renal Transplant Team has successfully completed 13 transplants (Live – 11 and Cadaver – 2) inclusive of Swap, Domino and Double swap.

(B) OPERATIONAL AND FINANCIAL PERFORMANCE

Your Company achieved a consolidated total income of ₹ 92.59 Crores during the current year as against ₹ 93.57 Crores in the corresponding financial year ended March 31, 2022. EBITDA for the year stood at ₹ 11.21 Crores compared to ₹ 10.83 Crores for the previous corresponding year. The Profit / (Loss) before tax for the period stood at ₹ (7.01) Crores as against ₹ (8.26) Crores during the corresponding year. Profit / (Loss) for the year stood at ₹ (15.48) Crores in the current financial year compared to ₹ (8.27) 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 ₹ 165 Lakhs as against ₹ 163 Lakhs in the previous year. The average length of stay (ALOS) was at 3.85 days in FY 2022-23 compared to 4.29 days in FY 2021-22. Occupancy of the hospital during the year was at 38% as compared to 39% in the previous year. There has been no change in the nature of business of the Company during the year under review.

Ratio	FY 2022-23	FY 2021-22	Change %
Debtors Turnover (x)	31.93	40.17	(20.52%)
Inventory Turnover (x)	8.54	9.76	(12.49%)
Interest Coverage Ratio (x)	0.25	0.88	(71.93%)
Current Ratio (x)	2.66	1.56	70.32%
Debt Equity Ratio (x)	0.72	0.67	8.47%
Operating Profit Margin (%)	5.32%	3.99%	33.32%
Net Profit Margin (%)	(18.1%)	(9.6%)	87.61%
Return on Net worth (%)	(24.12%)	(10.32%)	(133.65%)

(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.

Please elaborate on any key HR activity performed during the year in Malar.

The total number of employees stoodat 417 as on March 31, 2023.

(D) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

At Fortis Malar, the internal control system has been designed to correspond to the size and complexity of the operations and the incremental changes made. All aspects are continuously monitored by the management to provide reasonable assurance that the objectives and prescribed benchmarks are met.

We have a robust system for checking the effectiveness and efficiency of the operations, as well as the reliability of financial reporting and compliance with applicable laws and regulations. It is overseen at several layers including where required by the Committees of the Board.

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. These discussions and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

References

- Market Research, Equity and Other Reports, Web Articles, Press & Media Reports and Others
- Investment Opportunities in India's Healthcare Sector, NITI Aayog
- IBEF report on Healthcare Sector, February 2023
- PrabhudasLilladher Equity Research report
- World Bank Data

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 reflects 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 para C, D and E of Schedule V and clauses (b) to (i) and (t) 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, Women and Independent Directors, representing a judicious mix of professionalism through knowledge and experience. 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, 2023, the Board comprises of 6 (six) directors, of which, 1 (One) is an Executive Director (whole-time Director) and 5 (five) are Non-Executive Directors (including two Woman Directors). Amongst the Non-Executive Directors, 3 (three) are Independent Directors. Non-Executive Directors bring an external and wider perspective in Board's deliberations and decisions. Size and composition of the Board conforms to the requirements of Regulation 17 of SEBI LODR, as on March 31, 2023. Other details relating to the directors as on March 31, 2023 are as follows:

S. No.	Name of Director	Position held in the Company	Directorships in other Companies[1]	Committees Membership in Other Companies[2]	Chairmanship in committees of other Companies[2]	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	0	-
2.	Dr. Nithya Ramamurthy DIN – 00255343	Non-Executive Non-Independent Director	2	0	0	-
3.	Mr. Ramesh L. Adige DIN – 00101276	Non-Executive Independent Director	1	1	0	-
4.	Mr. Chandrasekar Ramasamy DIN-09414564	Whole Time Director	0	0	0	-

REPORT ON CORPORATE GOVERNANCE (Contd.)

S. No.	Name of Director	Position held in the Company	Directorships in other Companies[1]	Committees Membership in Other Companies[2]	Chairmanship in committees of other Companies[2]	Names of the listed entities where the person is a director and the category of directorship
5.	Mr. Ravi Rajagopal DIN – 00067073	Non-Executive Independent Director	3	2	0	Fortis Healthcare Limited (Independent Director)
6.	Ms. Shailaja Chandra DIN-03320688	Non-Executive Independent Director	4	4	1	• Fortis Healthcare Limited (Independent Director) • Birla Corporation Limited (Independent Director)

[1]The Directorships held by Directors as mentioned above, do not include directorships in Foreign Companies, Limited Liability Partnership, Companies registered under Section 8 of the Companies Act, 2013.

[2]Represents Memberships / Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all Public Limited Companies (excluding Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.

In accordance with Regulation 26 of SEBI LODR, none of the Directors on the Board are members in more than ten Committees and / or act 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, 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	Dr. Nithya Ramamurthy	Mr. Ramesh L. Adige	Mr. Chandrasekar Ramasamy	Mr. Ravi Rajagopal	Ms. Shailaja Chandra
Educational Qualifications in respective functional domain.	✓	✓	✓	✓	✓	✓
Understanding of the corporate governance and stakeholder management frameworks.	✓	✓	✓	✓	✓	✓
Strong Financial Acumen and understanding of financial controls	✓	-	✓	✓	✓	-
Able to provide prudent insights on issues of strategy, performance, risk management & standards of conduct.	✓	✓	✓	✓	✓	✓

REPORT ON CORPORATE GOVERNANCE (Contd.)

Particulars / Names	Mr. Daljit Singh	Dr. Nithya Ramamurthy	Mr. Ramesh L. Adige	Mr. Chandrasekar Ramasamy	Mr. Ravi Rajagopal	Ms. Shailaja Chandra
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 are disclosed on the website of the Company viz.

https://www.fortismalar.com/investorrelations/investorcatdetails/policies-other-documents1

Further, in compliance with Regulation 25(7) of SEBI LODR, 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/investorrelations/investorcatdetails/policies-other-documents1

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.

Familiarisation Programs for Independent Directors

Independent Directors inducted on the Board are given a formal introduction about the Company and its operations. This is enabled through a meeting with the Whole-time Director and members of senior management team. The objective is to provide them an insight about the industry in which the Company operates and comprehensive information about Company's business, its operations and management.

The Directors have unrestricted access to information and are free to interact with the senior management officials/ Key Managerial Personnel. Such forums provide an opportunity to the Board members to interact with project/ functional teams which gives an insight from business perspective and provides a platform for the management to receive strategic inputs from the directors. The time devoted by each of the Independent Directors on such forums are included in the details of familiarisation program published.

Details of familiarisation initiatives undertaken by the Company are made available on the website of the Company at https://www.fortismalar.com/frontend/investorrelations/Familiarization%20Program%202022-23-1684409618.pdf

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.

As per the provisions of the 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 and 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 32nd 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 Companies Act, 2013 and Regulation 17(2) of SEBI LODR, the Board meets at least 4 (four) times a year, and 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 Familiarisations Program forms part of the Annual Report.

During the year ended March 31, 2023, 6 (Six) Board Meetings were held on (i) May 24, 2022 (ii) August 02, 2022 (iii) August 18, 2022 (iv) September 30, 2022 (v) November 07, 2022 and (vi) February 07, 2023. The gap between two meetings did not exceed one hundred and twenty days.

Last Annual General Meeting of the Company was held on July 27, 2022. Attendance of each Director at the Board Meetings held during the year ended March 31, 2023 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	6	Yes
Mr. Chandrasekar Ramasamy	6	Yes
Dr. Nithya Ramamurthy	5	Yes
Mr. Ramesh Lakshman Adige	6	Yes
Mr. Ravi Rajagopal	2	No
Ms. Shailaja Chandra	6	Yes

Save as elsewhere provided in this report, the information / documents as required under SEBI LODR, to the extent applicable, are placed before the Board.

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 2022-23. 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 the 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

A) AUDIT AND RISK MANAGEMENT COMMITTEE

Composition of the Committee

As on March 31, 2023, Audit and Risk Management Committee comprised of the following members, namely:

S. No.	Name of Members	Designation	Category
1.	Mr. Ramesh L. 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
4.	Ms. Shailaja Chandra	Member	Non-Executive Independent Director

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

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;
- To approve appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- To review utilisation of loans and / or advances from / investment by the holding company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loan / advances / investments; and
- To consider and recommend on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc.

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/investorrelations/investorcatdetails/audit-and-risk-management-committee1

Meetings and Attendance during the year

During the financial year ended March 31, 2023, 4 (Four) meetings of Audit and Risk Management Committee were held on:

i. May 24, 2022

ii. August 02, 2022

iii. November 07, 2022

iv. February 07, 2023

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

S. No.	Name of Members	No. of Meetings attended
1.	Mr. Ramesh Lakshman Adige, Chairman	4
2.	Mr. Daljit Singh	4
3.	Mr. Ravi Rajagopal	0
4.	Ms. Shailaja Chandra	4

B) NOMINATION AND REMUNERATION COMMITTEE

Composition of the Committee

As on March 31, 2023, 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.	Mr. Ravi Rajagopal	Member	Non-Executive Independent Director

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

- 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;
- 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; and
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

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/investorrelations/investorcatdetails/nomination-and-remuneration-committee1

Meetings and Attendance

During the financial year ended March 31, 2023, 2 (Two) meetings of the Nomination and Remuneration Committee were held on:

i) April 26, 2022; and

ii) April 28, 2022

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	2
2.	Mr. Daljit Singh	2
3.	Mr. Ravi Rajagopal	2

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

Remuneration policy and 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 regular basis and is in consonance with the existing industry practice.

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.

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.

Remuneration to Directors / Executive Director(s)

REPORT ON CORPORATE GOVERNANCE (Contd.)

The details of remuneration paid to Executive Directors during the financial year ended March 31, 2023 are as under: -

Name of the Director	Salary, Allowances & Perquisites (₹)	Performance Incentives (₹)	Retiral Benefits (₹)	Service Contract	
				Tenure	Notice Period
Mr. Chandrasekar Ramasamy	38,51,828	2,43,288	21,600	3 years w.e.f. January 11, 2022	3 Months

Notes:

1) As on March 31, 2023, Mr. Chandrasekar did not hold any equity shares in the Company.

2) No Stock options of the Company was granted to Mr. Chandrasekar. 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, 2023 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, 2023
Mr. Daljit Singh	8,50,000	Nil
Ms. Shailaja Chandra	5,50,000	Nil
Dr. Nithya Ramamurthy	5,00,000	8,59,377
Mr. Ramesh Lakshman Adige	9,00,000	Nil
Mr. Ravi Rajagopal	2,00,000	Nil

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, 2023, Stakeholders Relationship Committee comprised of the following members, namely:

S. No.	Name of Members	Designation	Category
1.	Mr. Ramesh L. 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

Mr. Sandeep Singh, Company Secretary and Compliance Officer acts as Secretary of the Committee.

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;

REPORT ON CORPORATE GOVERNANCE (Contd.)

- Review of measures taken for effective exercise of voting rights by shareholders;
    - Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
    - Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

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/investorrelations/investorcatdetails/stakeholders-relationship-committee1

Meeting and Attendance

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

i) May 24, 2022;

ii) August 02, 2022;

iii) November 07, 2022; and

iv) February 07, 2023

Attendance of the members of Stakeholders Relationship Committee at the said meetings were as follows:

S. No.	Names of the Members	No. of Meetings attended
1.	Mr. Ramesh L. Adige, Chairman	4
2.	Mr. Daljit Singh	4
3.	Dr. Nithya Ramamurthy	4

Details of Investors' Grievances received during the FY 23:

Nature of Complaints	Pending as on April 01, 2022	Received during the year	Resolved / attended during the year	Pending as on March 31, 2023	Complaints not solved to the satisfaction of shareholder
Non-receipt of Dividend warrants / non-receipt of Annual Reports / Non-receipt of Securities / Non-receipt of securities after transfer /clarification regarding shares / others etc.	0	60	60	0	0

The Company gives utmost priority to the redressal of Investors' Grievances which is evident from the fact that all complaints received from the investors were resolved expeditiously, to the satisfaction of the investors.

D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition of the Committee

The Committee as on March 31, 2023 comprised of the following members, namely: -

S. 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/investorrelations/investorcatdetails/corporate-social-responsibility-committee1

Meetings and Attendance during the year

Corporate Social Responsibility Committee meets as and when required. During the year under review, 1 (One) meetings was held on May 24, 2022;

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

INDEPENDENT DIRECTORS MEETING

Independent Directors meets as and when required. During the year under review, 1 (one) meeting was held on February 07, 2023.

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

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 your 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 and the web link of the same is

https://www.fortismalar.com/investorrelations/investorcatdetails/policies-other-documents1

Basis the Consolidated Audited Annual Accounts of the Company for FY 2022-23, 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, 2023. 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
2021-22	July 27, 2022	2:00 P.M.	Through Video Conferencing / Other Audio - Visual Means	NIL
2020-21	July 29, 2021	2.00 P.M.	Through Video Conferencing / Other Audio - Visual Means	NIL
2019-20	August 27, 2020	2.00 P.M.	Through Video Conferencing / Other Audio - Visual Means	NIL

Details of resolution passed by way of Postal Ballot

Pursuant to Regulation 44 of SEBI LODR and Sections 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, no resolutions by way of postal ballot was approved by Shareholder.

Further, there is no immediate proposal for passing any resolution through Postal Ballot as on the date of this report.

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, 2024, as per the prescribed procedure under the Companies Act, 2013 and SEBI LODR.

Procedure for E-voting

In compliance with Regulation 44 of Listing Regulations and Section 108, 110 and other applicable provisions of Companies Act, 2013 read with Rules made thereunder, the Company provides e-voting Facility to the Members. The Notice of Annual General Meeting along with the Explanatory Statement pertaining to the Resolution(s) explaining in detail, the material facts are sent to all the members, whose name appear on the register of members as on the cut-off date. The members were given option to vote through e-voting facility.

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 favor 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 favor are more than the votes cast against.

For the members who opted for e-voting facility, they casted their votes via E-voting portal of Depositories (NSDL or CDSL) or through KTL e-voting system of KFIN Technologies Limited (KFIN) as detailed in Notice of AGM.

The scrutiniser appointed for the purpose scrutinises the e-votes received and submit his consolidated report to the Company. The results are displayed on the website of the Company- https://www.fortismalar.com/investor-relations.

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/investorrelations/investorcatdetails/policies-other-documents1

During the period under review, material related party transaction(s) were entered with the related party of the company pursuant to the approval received from Shareholders.

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 the requirements of the Stock Exchange(s), Securities and Exchange Board of India or other authorities on any matter related to Capital Market during the last 3 (three) years, except, as disclosed from time to time.

During the under review, there were no non compliance of requirements of Corporate Governance Report of Sub para 2 to 10 of Clause C of Schedule V of SEBI (LODR), 2015.

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/investorrelations/investorcatdetails/policies-other-documents1

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 behavior, 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

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 weblink https://www.fortismalar.com/investorrelations/investorcatdetails/policies-other-documents1

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.

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 and are statutorily required to be informed.

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. Investors can also mail their queries to Registrar and Transfer Agent at einward.ris@kfintech.com.

9. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting: Monday, July 31, 2023 at 2.00 P.M. (IST) through OAVM/VC.

(b) The Financial Year of the Company - April 01 to March 31

Financial Calendar 2023-24 (tentative & subject to change)

S. No.	Tentative Schedule	Tentative Date (On or before)
1.	Financial Reporting for the quarter ending June 30, 2023	August 14, 2023
2.	Financial Reporting for the quarter ending September 30, 2023	November 14, 2023
3.	Financial Reporting for the quarter ending December 31, 2023	February 14, 2024
4.	Financial Reporting for the quarter ending March 31, 2024	May 30, 2024
5.	Annual General Meeting for the year ending March 31, 2024	On or before September 30, 2024

(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 2022-23.

(d) Stock Code

Stock / Scrip Code at BSE Limited is 523696

ISIN for Equity is INE842B01015.

(e) Market Price Data

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

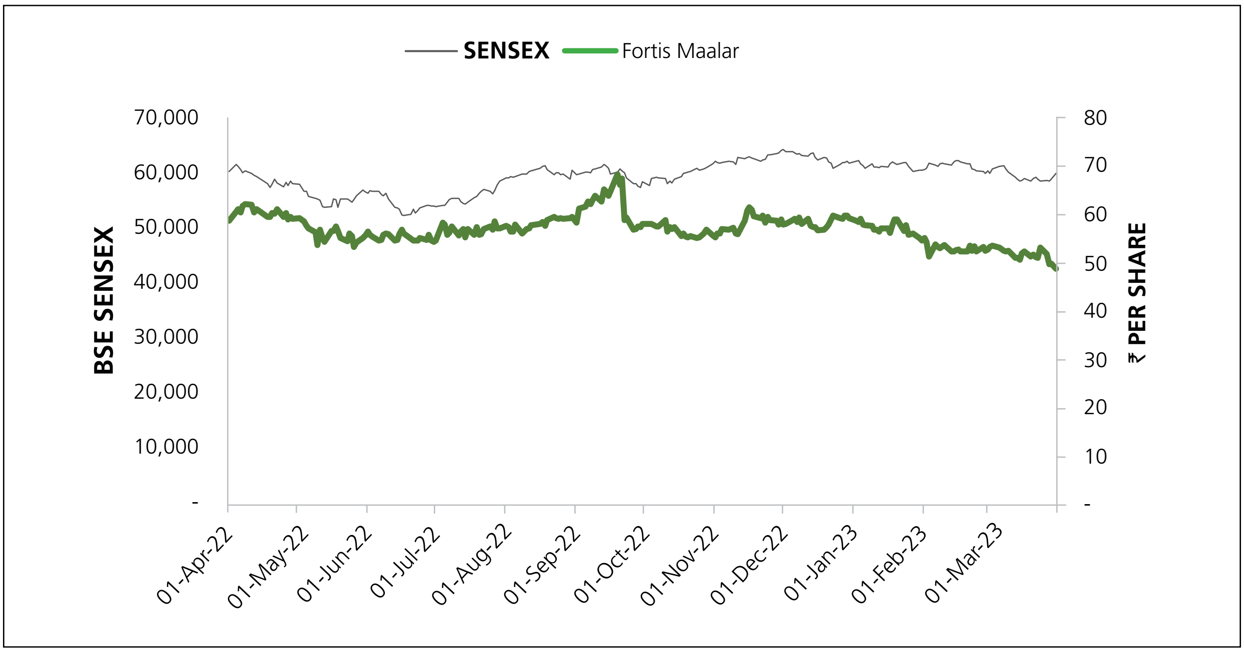
Monthly High and Low Quotations of Shares traded on BSE

Month	Share Price on BSE (₹)	
	High	Low
Apr-22	61	58
May-22	58	52
Jun-22	56	53
Jul-22	57	54
Aug-22	58	55
Sep-22	67	56
Oct-22	58	54
Nov-22	60	54
Dec-22	59	56
Jan-23	58	43
Feb-23	54	50
Mar-23	53	48

Based on monthly High/ Low 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. The said Certificate is attached with this report.

(j) It is confirmed that at there was no instance during FY 2022-23 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	(Amount in ₹)
Statutory Audit Fees	B S R & Co. LLP	6,30,000
Tax Audit Fees	B S R & Co. LLP	57,500
Other Services Limited Review / OPE & GST	B S R & Co. LLP	7,68,685
TOTAL		**14,56,185**

(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013:

a. number of complaints filed during the financial year – Nil

b. number of complaints disposed of during the financial year – Nil

c. number of complaints pending as on end of the financial year – Nil

(m) Registrar and Transfer Agent

KFin Technologies 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

Website: www.kfintech.com

(n) Share Transfer System

The Board has delegated the authority for approving transposition, 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 was placed at every Board meeting / Stakeholders' Relationship Committee.

The Company has obtained annual certificate 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

(o) Distribution of Shareholding as on March 31, 2023

S. no.	Category	No. of Cases	% of Cases	Amount	% of Amount
1.	1-5000	14,163	95.90	76,41,620	4.08
2.	5001- 10000	291	1.97	25,01,600	1.33
3.	10001- 20000	145	0.98	22,49,780	1.20
4.	20001- 30000	53	0.36	13,62,040	0.73
5.	30001- 40000	17	0.12	6,32,820	0.34
6.	40001- 50000	21	0.14	10,05,220	0.54
7.	50001- 100000	33	0.22	25,48,520	1.36
8.	100001& Above	45	0.31	16,94,75,990	90.42
	Total:	**14,768**	**100.00**	**18,74,17,590**	**100.00**

(p) Shareholding Pattern of Equity Shares as on March 31, 2023

S. No	Description	No. of Cases	Total Shares	% Equity
1.	DIRECTORS AND THEIR RELATIVES	1	8,59,377	4.59
2.	EMPLOYEES	8	92,550	0.49
3.	H U F	170	1,23,399	0.66
4.	I E P F	1	8,37,124	4.47
5.	BODIES CORPORATES	58	15,88,106	8.47
6.	MUTUAL FUNDS	1	13,500	0.07
7.	NON RESIDENT INDIANS	35	1,96,801	1.05
8.	NON RESIDENT INDIAN NON REPATRIABLE	37	51,581	0.28
9.	PROMOTERS BODIES CORPORATE	1	1,17,52,402	62.71
10.	RESIDENT INDIVIDUALS	14,454	32,26,719	17.21
11.	TRUSTS	2	200	0.00
	Total:	**14,768**	**1,87,41,759**	**100.00**

(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, 2023, 1,81,63,754 Equity shares representing 96.92% of the paid-up Equity Capital of the Company had been dematerialised.

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

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 01, 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 2022-23 is given below:

Particulars		BSE
Average Shares Traded	Share (Nos.)	2,390
Average Annual Turnover	Value (In Crores)	0.014

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

(r) As on March 31, 2023, the Company has not issued any GDRs, ADRs, FCCBs, Warrants or any other convertible instruments.

(s) Hospital Location

Fortis Malar Hospitals
No. 52, 1st 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, 2023 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 / codes of the Company.

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 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
Website: www.kfintech.com

For Investor Assistance

Secretarial Department
Fortis Malar Hospitals Limited,
3rd Floor, Tower A, Unitech Business Park,
Block – F, South City 1, Sector – 41,
Gurgaon, Haryana 122001, India
Tel: +91 124 4921083
E-Mail: - 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. The shareholders may refer below link to detailed procedure in this regard https://www.fortismalar.com/investorrelations/investorcatdetails/investor-services-nomination1

(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 Practicing Company Secretary in each of the quarter in FY 2022-23, 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, 2023 has been filed with the Stock Exchange within 30 days from the end of the respective quarter.

(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, 2022): 24 Shareholders and 19,600 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, 2023: 24 Shareholders and 19,600 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, 2023, 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.

(af) The Company and its subsidiary has not granted any loans and advances in the nature of loans to firms / companies in which directors are interested.

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.

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

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, 2023.

Chandrasekar Ramasamy
Whole-time Director
DIN : 09414564

Date: May 19, 2023
Place: Chennai

REPORT ON CORPORATE GOVERNANCE (Contd.)

COMPLIANCE CERTIFICATE

[For Financial Year ended on March 31, 2023]
[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, Chandrasekar Ramasamy, Whole Time Director and 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, 2023 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

Chandrasekar Ramasamy	**Yogendra Kumar Kabra**
Whole Time Director	Chief Financial Officer
DIN: 09414564	
Place: Chennai	Place: Chennai
Date: May 19, 2023	Date: May 19, 2023

CORPORATE GOVERNANCE CERTIFICATE

To

The Members

Fortis Malar Hospitals Limited

Fortis Hospital, Sector-62, Phase-VIII,

Mohali-160062

We, **M/s Mukesh Agarwal & Co.**, have examined the compliance of conditions of Corporate Governance by Fortis Malar Hospitals Limited ("the Company") for the year ended March 31, 2023, as stipulated under regulations 17 to 27 and clauses (b) to (i) and (t) 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) and (t) 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 & Co.
Company Secretaries

Mukesh Kumar Agarwal
Proprietor
C.P. No. 3851
UDIN: F005991E000312671

Place: New Delhi
Dated: May 16, 2023

REPORT ON CORPORATE GOVERNANCE (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members

Fortis Malar Hospitals Limited ("the Company")

Fortis Hospital, Sector-62, Phase-VIII,

Mohali -160062

We, M/s Mukesh Agarwal & Co., have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Fortis Malar Hospitals Limited, having CIN L85110PB1989PLC045948 and having registered office at Fortis Hospital, Sector-62, Phase-VIII, Mohali -160062, (hereinafter referred to as **"the Company**"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (**including Directors Identification Number (DIN) status at the portal www.mca.gov.in**) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 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.

Sr. No.	Name Of Director	DIN	Date of Appointment in Company
1.	Ramesh Lakshman Adige	00101276	February 19, 2008
2.	Daljit Singh	00135414	December 24, 2014
3.	Nithya Ramamurthy	00255343	May 01, 2006
4.	Chandrasekar Ramasamy	09414564	January 11, 2022
5.	Ravi Rajagopal	00067073	October 23, 2019
6.	Shailaja Chandra	03320688	March 10, 2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency 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:F00591E000312660

Place: Delhi
Date: May 16, 2023

STANDALONE STATEMENT

Contents Pages

INDEPENDENT AUDITOR'S 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 31 March 2023, 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 significant accounting policies and other explanatory information.

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 31 March 2023, and its loss and other comprehensive loss, 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 regularization of the hospital building in which the Company operates today and the related matters. A letter was received from Chennai Metropolitan Development Authority (CMDA) on 25 August 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularization. The Company is taking steps to complete the process of submission of the sought clearances and certificates, which involves taking a number of actions, 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 regularization 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 regularization is not approved) as all such expenses will be borne by FHML. The Company also continues to believe that all Orders / Notices issued by CMDA prima facie would not result in any significant adverse impact on its operations/ financial statements or on the going concern status.

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTER

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 Auditor's Report (Contd.)

RELATED PARTY TRANSACTIONS

See Note 32, 43 and 45 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
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. 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 material portion of the expenses (lease expenses, clinical establishment expenses, pathology expenses, etc.) are paid to related parties.	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: • Obtain an understanding of the Company's related party relationships and transactions. • 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. • Evaluated the design, implementation and operating effectiveness of key controls over identification and authorization of significant related party transactions. • 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. • Evaluated compliance of such related party transactions with the relevant accounting standard and applicable laws and regulations. • Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard and applicable laws and regulations.

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 Annual report, but does not include the financial statements and auditor's report(s) thereon. The 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 will 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 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES 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

Independent Auditor's Report (Contd.)

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 the 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.

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 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 in preparation of standalone 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 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.

Independent Auditor's Report (Contd.)

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 auditor's 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 Auditor's 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:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 34 and Note 45 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 47 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"),

Independent Auditor's Report (Contd.)

with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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) of the Act which are required to be commented upon by us.

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432
ICAI UDIN:23222432BGYLAU3202

Place: Chennai
Date: 19 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF FORTIS MALAR HOSPITALS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the 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. Certain discrepancies noticed on such verification were material and have been properly dealt with in the books of account.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable to the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

Independent Auditor's Report (Contd.)

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Fortis Malar Hospitals Limited for the year ended 31 March 2023 (Contd.)

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any investments, or provided any guarantee or security as specified under section 185 and 186 of the Companies Act, 2013. In respect of the loans given by the Company, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of provident fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	5,789,269	FY 2019-20	Commissioner of Income Tax (Appeals)	None
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	25,493,296	FY 2008-09 to FY 2011-12	Honourable High Court of Madras	None

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Fortis Malar Hospitals Limited for the year ended 31 March 2023 (Contd.)

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

Independent Auditor's Report (Contd.)

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Fortis Malar Hospitals Limited for the year ended 31 March 2023 (Contd.)

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual report is expected to be made available to us after the date of this auditor's report.

(xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432
ICAI UDIN:23222432BGYLAU3202

Place: Chennai
Date: 19 May 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF FORTIS MALAR HOSPITALS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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 Act

(Referred to in paragraph 2(A)(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 31 March 2023 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 31 March 2023, 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 AND BOARD OF DIRECTORS' RESPONSIBILITIES 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 Act.

AUDITOR'S 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 standalone 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)

Independent Auditor's Report (Contd.)

Annexure B to the Independent Auditor's Report on the Standalone Financial Statements of Fortis Malar Hospitals Limited for the year ended 31 March 2023 (Contd.)

provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432
ICAI UDIN:23222432BGYLAU3202

Place: Chennai
Date: 19 May 2023

STANDALONE BALANCE SHEET

as at March 31, 2023

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

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4(a)	1,147.48	1,302.50
Capital work-in-progress	4(b)	-	0.18
Right of use assets	37	3,576.45	4,399.41
Other Intangible assets	4(c)	17.25	60.37
Intangible assets under development	4(d)	-	5.58
Financial assets			
Investment in subsidiary	5	5.00	5.00
Loans	13	-	4,000.00
Other financial assets	6	45.64	54.68
Deferred tax assets (net)	40	-	845.57
Other tax assets (net)	7	541.80	493.30
Other non-current assets	8	2.11	0.56
Total non-current assets		**5,335.73**	**11,167.15**
Current assets			
Inventories	9	110.34	186.36
Financial assets			
Trade receivables	10	318.44	219.93
Cash and cash equivalents	11	372.97	1,033.47
Bank balances other than above	12	357.65	15.05
Loans	13	6,800.00	2,800.00
Other financial assets	14	199.24	265.83
Other tax assets (net)	7	-	58.39
Other current assets	15	74.75	120.89
Total current assets		**8,233.39**	**4,699.92**
Total assets		**13,569.12**	**15,867.07**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,875.70	1,875.70
Other equity	17	4,320.04	5,921.30
Total equity		**6,195.74**	**7,797.00**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	18	3,818.14	4,639.77
Provisions	21	387.81	295.03
Total non-current liabilities		**4,205.95**	**4,934.80**
Current liabilities			
Financial liabilities			
Lease liabilities	18	821.62	701.70
Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		34.41	16.71
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,991.12	1,982.63
Other financial liabilities	20	23.62	105.52
Provisions	21	80.09	83.63
Other current liabilities	22	216.57	245.08
Total current liabilities		**3,167.43**	**3,135.27**
Total liabilities		**7,373.38**	**8,070.07**
Total equity and liabilities		**13,569.12**	**15,867.07**
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

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

Nithya Ramamurthy
Director
DIN 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877

Yogendra Kumar Kabra
Chief Financial Officer

Place : Chennai
Date: May 19, 2023

Place : Delhi
Date: May 19, 2023

Place : Chennai

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

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

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	23	8,595.08	8,617.82
Other income	24	655.78	733.32
Total income		**9,250.86**	**9,351.14**
EXPENSES			
Purchases of medical consumables and drugs		1,190.47	1,726.18
Changes in inventories of medical consumables and drugs	25	76.02	(23.69)
Employee benefits expense	26	1,933.27	1,852.55
Finance costs	27	607.06	655.80
Depreciation and amortisation expense	28	1,214.66	1,253.17
Other expenses	29	4,937.13	4,717.68
Total expenses		**9,958.61**	**10,181.69**
Loss before tax		**(707.75)**	**(830.55)**
Tax expense:	30		
Current tax		-	-
Deferred tax		845.57	-
Total tax expense		**845.57**	**-**
Loss for the year		**(1,553.32)**	**(830.55)**
Other comprehensive income/ (loss)	31		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability		(47.94)	(34.03)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income/ (loss) for the year, net of tax		**(47.94)**	**(34.03)**
Total comprehensive loss for the year		**(1,601.26)**	**(864.58)**
Earnings per equity share	41		
Basic (in ₹)		(8.29)	(4.43)
Diluted (in ₹)		(8.29)	(4.43)
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 19, 2023

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

Nithya Ramamurthy
Director
DIN 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877

Yogendra Kumar Kabra
Chief Financial Officer

Place : Delhi
Date: May 19, 2023

Place : Chennai

Fortis MALAR HOSPITAL

STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2023

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

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities			
Loss before tax for the year		(707.75)	(830.55)
Adjustments for:			
Interest income		(620.81)	(701.05)
Profit on sale of property, plant and equipment		-	(4.83)
Depreciation and amortisation expense		1,214.66	1,253.17
Interest expense on lease liability		563.47	634.01
Allowance for credit losses (including bad debts written off)		48.67	30.42
Liabilities no longer required written back		(34.97)	(27.44)
Operating profit before working capital changes		**463.27**	**353.73**
Movements in working capital:			
Decrease in other current and non current financial assets		122.59	46.54
Decrease in other current and non-current assets		44.59	9.86
(Increase) in trade and other receivables		(147.18)	(41.24)
Decrease /(Increase) in inventories		76.02	(23.69)
Increase in provisions		41.30	16.21
Increase in trade payables		61.16	582.45
(Decrease)/ increase in financial liabilities		(81.90)	48.84
(Decrease) in other current liabilities		(28.51)	(244.98)
Cash generated from operations		**551.34**	**747.72**
Income taxes (paid) / refund (net)		9.89	(68.07)
Net cash generated from operating activities		**561.23**	**679.65**
Cash flows from investing activities			
Payments for purchase of property, plant and equipment, intangible assets, capital work-in-progress and intangibles asset under development		(187.80)	(140.49)
Proceeds from sale of property, plant and equipment		-	12.44
Inter-corporate deposit placed with related parties		-	(4,000.00)
Inter-corporate deposits repaid by related parties		-	3,500.00
Bank balances not considered as cash and cash equivalents		(342.60)	598.94
Interest received		573.85	846.83
Net cash generated from investing activities		**43.45**	**817.72**
Cash flows from financing activities			
Repayment of lease liabilities including interest thereon		(1,265.18)	(1,010.01)
Net cash used in financing activities		**(1,265.18)**	**(1,010.01)**
Net (decrease) / increase in cash and cash equivalent		**(660.50)**	**487.36**
Cash and cash equivalents at the beginning of the year		1,033.47	546.11
Cash and cash equivalents at the end of the year	11	**372.97**	**1,033.47**
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 19, 2023

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

Nithya Ramamurthy
Director
DIN 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877

Place : Delhi
Date: May 19, 2023

Yogendra Kumar Kabra
Chief Financial Officer

Place : Chennai

STANDALONE STATEMENT OF CHANGE IN EQUITY

for the year ended March 31, 2023

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

		Note	As at March 31, 2023	As at March 31, 2022
A	**Equity share capital**	16		
	Balance at the beginning of year		1,875.70	1,875.70
	Changes in equity share capital during the year		-	-
	Closing balance		**1,875.70**	**1,875.70**

B **Other equity** 17

Particulars	Reserves and surplus		Total
	Securities Preimium	Retained Earnings	
Balance as at March 31, 2021	**957.23**	**5,828.65**	**6,785.88**
Loss for the year	-	(830.55)	(830.55)
Other comprehensive income for the year, net of taxes	-	(34.03)	(34.03)
Total comprehensive loss for the year	**-**	**(864.58)**	**(864.58)**
Balance as at March 31, 2022	**957.23**	**4,964.07**	**5,921.30**
Loss for the year	-	(1,553.32)	(1,553.32)
Other comprehensive income for the year, net of taxes	-	(47.94)	(47.94)
Total comprehensive loss for the year	**-**	**(1,601.26)**	**(1,601.26)**
Balance as at March 31, 2023	**957.23**	**3,362.81**	**4,320.04**

Loss of ₹ 47.94 Lakhs and ₹ 34.03 Lakhs on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2023 and March 31, 2022 respectively.

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 19, 2023

for and on behalf of the Board of Directors of
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Membership No.: F9877

Place : Delhi
Date: May 19, 2023

Yogendra Kumar Kabra
Chief Financial Officer

Place : Chennai

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 Intermediate 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 19, 2023.

b) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees ('₹'/'Rs'), 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
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 have made the following judgements and estimates 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:

a. fair valuation of financial assets (refer note 39)

b. lease arrangement- classification (refer note 37)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

a. Useful lives of Property, plant and equipment and intangible assets (refer note 3.3)

b. Measurement of defined benefit obligations: key actuarial assumptions; (refer note 3.7 and note 36)

c. Recognition and estimation of tax expenses including deferred tax: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; (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, 3.15, 34 and 45)

e. Measurement of expected credit loss (ECL) allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate; (refer note 3.6)

f. lease arrangement- classification (refer note 37)

Notes forming part of the Standalone Financial Statements (Contd.)

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 classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified 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 or cash equivalents. The Company's normal operating cycle is twelve months.

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 (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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.

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 or FVOCI 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

Notes forming part of the Standalone Financial Statements (Contd.)

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.

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.

3.3 Property, plant and equipment

i. Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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 and the cost of the item can be measured reliably.

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 off).

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 releasable value. The cost of inventories is determined based on weighted average basis. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-Item basis.

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.

Notes forming part of the Standalone Financial Statements (Contd.)

3.6 Impairment

i) Impairment of financial instruments

The Company recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs 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. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

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.

ii) Impairment of non-financial assets

The Company's non-financial assets, other than 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.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. 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 amount of the other assets of the CGU (or group 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 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 amoun 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.

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) Defined contribution plan - Provident fund

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes.The Company makes specified monthly contributions towards Government administered provident fund scheme for eligible employees.

Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Notes forming part of the Standalone Financial Statements (Contd.)

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 resource embodying 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.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract (also see Note 3.6(ii)).

3.9 Revenue recognition

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services and also includes sale of medical and non-medical items. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Company assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Company expects to receive in exchange for those products or services and is net of tax collected from customers and remitted to government authorities such as Goods and Service Tax (GST) and applicable discounts and allowances including claims. Further, the Company also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognised as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue includes only those sales for which the Company has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Company has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Excess of revenue earned over billings on contracts is recognised as unbilled revenue. Unbilled revenue is classified as Trade receivables 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.

Other operating revenue comprises revenue from various ancillary revenue generating activities like maintenance agreements and academic services. The revenue in respect of such arrangements is recognised as and when services are performed.

Income from export benefit schemes, included in other operating revenue, is recognised on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis 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 1 April 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.

(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 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

Notes forming part of the Standalone Financial Statements (Contd.)

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; Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit/(loss) attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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.

Contingent assets

Contingent asset is not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3.16 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.

3.17 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.

3.18 Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015

Notes forming part of the Standalone Financial Statements (Contd.)

by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

(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	Total
Gross carrying amount						
As at March 31, 2021	**192.98**	**2,798.57**	**233.00**	**136.57**	**61.08**	**3,422.20**
Additions	1.35	48.16	12.38	86.18	8.50	156.57
Disposals	-	-	15.42	-	-	15.42
As at March 31, 2022	**194.33**	**2,846.73**	**229.96**	**222.75**	**69.58**	**3,563.35**
Additions	-	163.18	2.12	17.05	3.77	186.12
Disposals	-	-				-
As at March 31, 2023	**194.33**	**3,009.91**	**232.08**	**239.80**	**73.35**	**3,749.47**
Accumulated depreciation						
As at March 31, 2021	**84.84**	**1,540.75**	**129.12**	**127.95**	**49.08**	**1,931.74**
Depreciation	29.33	250.85	28.34	19.44	8.96	336.92
Disposals	-	-	7.81	-	-	7.81
As at March 31, 2022	**114.17**	**1,791.60**	**149.65**	**147.39**	**58.04**	**2,260.85**
Depreciation	18.79	261.28	19.87	35.81	5.39	341.14
Disposals	-	-		-	-	-
As at March 31, 2023	132.96	2,052.88	169.52	183.20	63.43	2,601.99
Net carrying amount						
As at March 31, 2022	**80.16**	**1,055.13**	**80.31**	**75.36**	**11.54**	**1,302.50**
As at March 31, 2023	**61.37**	**957.03**	**62.56**	**56.60**	**9.92**	**1,147.48**

Note:

1. There are no immovable properties for which title deeds are not in the name of the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).
2. The Company has not revalued its Property, Plant and Equipment during the year.

Notes forming part of the Standalone Financial Statements (Contd.)

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

4(b) CAPITAL WORK-IN-PROGRESS (CWIP)

The Company does not have any Capital work-in-progress as at current year end. In previous year, Capital work-in-progress includes installation of computer/ medical equipments in progress amounting to ₹ 0.18 Lakhs.

As at March 31, 2023

	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-

As at March 31, 2022

	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	0.18	-	-	-	0.18

The Company does not have any Capital work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

4(c) OTHER INTANGIBLE ASSETS

	Software
Gross carrying amount	
As at March 31, 2021	**603.83**
Additions	14.12
Disposals	-
As at March 31, 2022	**617.95**
Additions	7.44
Disposals	-
As at March 31, 2023	**625.39**
Accumulated amortisation	
As at March 31, 2021	**465.32**
Amortisation	92.26
Disposals	-
As at March 31, 2022	**557.58**
Amortisation	50.56
Disposals	-
As at March 31, 2023	**608.14**
Net carrying amount	
As at March 31, 2022	**60.37**
As at March 31, 2023	**17.25**

Notes forming part of the Standalone Financial Statements (Contd.)

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

4(d) INTANGIBLE ASSETS UNDER DEVELOPMENT (IAUD)

The Company does not have any Intangible assets under development as at current year-end. In the previous year, Intangible assets under development includes amount incurred on implementation of Oracle Fusion amounting to ₹ 5.58 Lakhs.

As at March 31, 2023

	Amount in IAUD for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

	Amount in IAUD for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	5.58	-	-	-	5.58
Projects temporarily suspended	-	-	-	-	-

5. INVESTMENTS IN SUBSIDIARY - NON-CURRENT

	As at March 31, 2023	As at March 31, 2022
Unquoted investments (fully paid)		
Investments in equity instruments- at cost		
Malar Stars Medicare Limited [50,000 (March 31, 2022: 50,000) equity shares of ₹ 10 each]	5.00	5.00
Total	**5.00**	**5.00**
Aggregate value of unquoted investments	5.00	5.00

6. OTHER FINANCIAL ASSETS - NON-CURRENT

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Security deposits	40.33	44.38
Advance to related parties (refer note 32)	5.31	10.30
Total	**45.64**	**54.68**

7. OTHER TAX ASSETS

	As at March 31, 2023	As at March 31, 2022
Non-current		
Advance income tax (net of provision for taxation)	541.80	493.30
Total	**541.80**	**493.30**
Current		
Advance income tax (net of provision for taxation)	-	58.39
Total	**-**	**58.39**

Notes forming part of the Standalone Financial Statements (Contd.)

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

8. OTHER NON-CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital advances	2.11	0.56
Total	**2.11**	**0.56**

9. INVENTORIES

	As at March 31, 2023	As at March 31, 2022
Medical consumables and drugs	110.34	186.36
Total	**110.34**	**186.36**

10. TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Current		
Trade receivables considered good - Unsecured	318.44	219.93
Trade receivables which have significant increase in credit risk- Unsecured	8.38	9.42
Credit impaired - Unsecured	533.33	514.61
	860.15	**743.96**
Less: Allowance for expected credit loss	(541.71)	(524.03)
Total	**318.44**	**219.93**
The movement in allownace for expected credit loss is as follow:		
Balances at the beginning of the year	524.03	516.54
Provision for the year (net)	17.68	7.49
Balance at the end of the year	541.71	524.03

Ageing for trade receivables outstanding as at March 31, 2023 is as follows:

Particulars		Not due	Outstanding for following period from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables- Considered good	193.78	124.66	-	-	-	-	318.44
(ii)	Undisputed Trade Receivables- which have significant increase in credit risk	-	8.38	-	-	-	-	8.38
(iii)	Undisputed Trade Receivables- Credit Impaired	-	22.81	28.64	69.34	8.78	403.76	533.33
(iv)	Disputed Trade Receivables- Considered Good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	Total	**193.78**	**155.85**	**28.64**	**69.34**	**8.78**	**403.76**	**860.15**

Notes forming part of the Standalone Financial Statements (Contd.)

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

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

Particulars		Not due	Outstanding for following period from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - Considered good	208.09	11.84	-	-	-	-	219.93
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	1.61	7.81	-	-	-	-	9.42
(iii)	Undisputed Trade Receivables - Credit Impaired	-	23.29	38.94	49.82	96.49	306.07	514.61
(iv)	Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	Total	**209.70**	**42.94**	**38.94**	**49.82**	**96.49**	**306.07**	**743.96**

11. CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Cash on hand	1.51	2.33
Balances with banks:		
- On Current accounts	72.46	201.14
- Deposits with original maturity of less than three months	299.00	830.00
Total	**372.97**	**1,033.47**

12. BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2023	As at March 31, 2022
Unpaid dividend accounts	6.31	13.52
Deposits with original maturity of more than 3 months but less than 12 months	351.34	1.28
Margin money deposit	-	0.25
Total	**357.65**	**15.05**

Notes forming part of the Standalone Financial Statements (Contd.)

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

13. LOANS

	As at March 31, 2023	As at March 31, 2022
Non Current		
Unsecured, considered good		
Inter-corporate deposits to related party (refer note 32 and 43)	-	4,000.00
Total	**-**	**4,000.00**
Current		
Unsecured, considered good		
Inter-corporate deposits to related party (refer note 32 and 43)	6,800.00	2,800.00
Total	**6,800.00**	**2,800.00**

14. OTHER FINANCIAL ASSETS - CURRENT

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Interest accrued but not due		
(i) Inter-corporate deposits (refer note 32)	136.60	89.61
(ii) Deposit with banks	2.08	2.11
Advances to related parties (refer note 32)	5.11	12.51
Loans and advances to employees	9.60	1.59
Unbilled revenue from undischarged patients	45.85	160.01
Total	**199.24**	**265.83**

15. OTHER CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advance to vendors	30.00	19.28
Prepaid expenses	44.75	55.53
Others	-	46.08
Total	**74.75**	**120.89**

16. EQUITY SHARE CAPITAL

	As at March 31, 2023	As at March 31, 2022
Authorised		
30,000,000 (March 31, 2022: 30,000,000) equity shares of ₹ 10/- each	3,000.00	3,000.00
	3,000.00	**3,000.00**
Issued		
18,772,259 (March 31, 2022: 18,772,259) equity shares of ₹ 10/- each	1,874.17	1,874.17
	1,874.17	**1,874.17**
Subscribed and Paid Up		
18,741,759 (March 31, 2022: 18,741,759) equity shares of ₹ 10/- each fully paid up*	1,875.70	1,875.70
	1,875.70	**1,875.70**

*Includes amount received on forfeited shares amounting to ₹ 1.53 Lakhs

Notes forming part of the Standalone Financial Statements (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, 2023		Year ended March 31, 2022	
	Number	Amount in ₹	Number	Amount in ₹
At the beginning of the year	1,87,41,759	1,875.70	1,87,41,759	1,875.70
Outstanding at the end of the year	**1,87,41,759**	**1,875.70**	**1,87,41,759**	**1,875.70**

(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, 2023		As at March 31, 2022	
	Number	Amount in ₹	Number	Amount in ₹
Fortis Hospitals Limited, the Holding Company (Equity Shares of ₹ 10/- each)	**1,17,52,402**	**1,175.24**	**1,17,52,402**	**1,175.24**

(d) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Hospitals Limited, the Holding Company	1,17,52,402	62.71%	1,17,52,402	62.71%
Rajasthan Global Securities Private Limited	13,42,159	7.16%	13,29,776	7.10%

(e) 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, 2023, no shares have been bought back by the Company and the Company has also not alloted any equity shares as full paid up without payment being received in cash.

(f) Details of shares held by promoters

As at March 31, 2023:

Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Fortis Hospitals Limited, the Holding Company	Equity shares of ₹ 10/- each fully paid up	1,17,52,402	62.71%	1,17,52,402	62.71%	-

Notes forming part of the Standalone Financial Statements (Contd.)

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

As at March 31, 2022:

Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Fortis Hospitals Limited, the Holding Company	Equity shares of ₹ 10/- each fully paid up	1,17,52,402	62.71%	1,17,52,402	62.71%	-
Malvinder Mohan Singh		-	-	100	0.00%	Refer note below
Shivi Holdings (P) Limited.		-	-	100	0.00%	
Fortis Healthcare Holdings Private Limited		-	-	100	0.00%	
RHC Finance Private Limited		-	-	100	0.00%	
Todays Holdings Private Limited		-	-	100	0.00%	

Note: During the year ended March 31, 2022, the Company has reclassified these shareholders from Promoter group to public, accordingly, shareholding for these individuals/ body corporate is disclosed as nil in the above table. However, these individuals/ body corporate still continue to hold the same number of shares as at March 31, 2022 but under public category. As at March 31, 2022, only Fortis Hospitals Limited is the promoter of the Company.

17. OTHER EQUITY

		As at March 31, 2023	As at March 31, 2022
a	**Reserve and surplus**		
	Securities premium		
	Opening balance	957.23	957.23
	Closing balance	**957.23**	**957.23**
	Retained earnings		
	Opening balance	4,964.07	5,828.65
	Add: Loss for the year	(1,553.32)	(830.55)
	Add: Remeasurement (loss) / gain of defined employee benefit plans (net of taxes)	(47.94)	(34.03)
	Closing balance	**3,362.81**	**4,964.07**
	Total	**4,320.04**	**5,921.30**

b 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. It also includes remeasurements of defined benefit liability / (asset) which comprises actuarial gains and losses and return on plan assets (excluding interest income).

Dividends

The Company has neither declared nor paid any dividend during the current and previous year.

Fortis MALAR HOSPITAL

Notes forming part of the Standalone Financial Statements (Contd.)

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

18. LEASE LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Non-current		
Lease liabilities (refer note 3.11 and note 37)	3,818.14	4,639.77
Total	**3,818.14**	**4,639.77**
Current		
Lease liabilities (refer note 3.11 and note 37)	821.62	701.70
Total	**821.62**	**701.70**

19. TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Current		
Total outstanding dues of micro enterprises and small enterprises (refer note 42)	34.41	16.71
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,991.12	1,982.63
Total	**2,025.53**	**1,999.34**
*Includes payable to related parties (refer note 32)	543.61	491.64

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	25.55	6.97	1.43	0.30	0.16	34.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	374.34	704.96	71.04	26.65	75.45	1,252.44
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Sub-total (a)	**399.89**	**711.93**	**72.47**	**26.95**	**75.61**	**1,286.85**
Accrued expenses/ unbilled dues (b)						738.68
Total (a+b)						**2,025.53**

Notes forming part of the Standalone Financial Statements (Contd.)

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

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	16.03	0.61	-	0.07	-	16.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	425.40	722.66	35.47	49.91	67.05	1,300.49
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Sub-total (a)	**441.43**	**723.27**	**35.47**	**49.98**	**67.05**	**1,317.20**
Accrued expenses/ unbilled dues (b)						682.14
Total (a+b)						**1,999.34**

20. OTHER FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Currrent		
Security deposits	-	4.14
Unpaid equity dividend	6.31	13.52
Capital creditors**	17.31	87.86
Total	**23.62**	**105.52**

**Includes outstanding dues of micro enterprises and small enterprises of ₹ 1.35 Lakhs (March 31, 2022 - Nil)

21. PROVISIONS

	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for gratuity	377.37	295.03
Provision for compensated absences	10.44	-
Total	**387.81**	**295.03**
Current		
Provision for compensated absences	80.09	83.63
Total	**80.09**	**83.63**

Fortis MALAR HOSPITAL

Notes forming part of the Standalone Financial Statements (Contd.)

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

22. OTHER CURRENT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Advance from patients/Amounts unclaimed by patients	20.91	69.37
Employee benefits payable	109.47	88.73
Statutory dues payables	86.19	86.98
Total	**216.57**	**245.08**

23. REVENUE FROM OPERATIONS

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services (refer notes below)		
In-Patient	7,232.98	7,240.28
Out-Patient	1,348.46	1,366.25
Total	**8,581.44**	**8,606.53**
Other operating revenue		
Income from Service Export from India Scheme	2.06	-
Others	11.58	11.29
Total	**13.64**	**11.29**
	8,595.08	**8,617.82**

Notes:

a) 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) Discounts and deductions amounting to ₹ 202.99 Lakhs (March 31, 2022 - ₹ 312.30 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, 2023	Year ended March 31, 2022
Receivable which are included in trade receivable (refer note 10)	318.44	219.93
Unbilled revenue from undischarged patients (refer note 14)	45.85	160.01
Advance from patients / amounts unclaimed by patients (refer note 22)	20.91	69.37

Notes forming part of the Standalone Financial Statements (Contd.)

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

24. OTHER INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on:		
Bank deposits	32.78	39.24
Inter-corporate deposits (refer note 32)	554.00	628.16
Income tax refund	30.26	28.82
Financial assets carried at amortised cost	3.77	4.83
Total	**620.81**	**701.05**
Other non-operating income:		
Profit on Sale of assets	-	4.83
Liabilities no longer required written back	34.97	27.44
Total	**655.78**	**733.32**

25. CHANGE IN INVENTORIES OF MEDICAL CONSUMABLES AND DRUGS

	Year ended March 31, 2023	Year ended March 31, 2022
Inventory at the beginning of the year	186.36	162.67
Less: Inventory at the end of the year	(110.34)	(186.36)
Changes in inventories	**76.02**	**(23.69)**

26. EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	1,659.18	1,613.28
Contribution to provident and other funds (refer note 36)	146.51	139.76
Staff welfare expenses	127.58	99.51
Total	**1,933.27**	**1,852.55**

27. FINANCE COSTS

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on:		
- lease liabilities (refer note 37)	563.47	634.01
- others	43.59	21.79
Total	**607.06**	**655.80**

Notes forming part of the Standalone Financial Statements (Contd.)

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

28. DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 4(a))	341.14	336.92
Depreciation of right of use assets (refer note 37)	822.96	823.99
Amortisation of other intangible assets (refer note 4(c))	50.56	92.26
Total	**1,214.66**	**1,253.17**

29. OTHER EXPENSES

	Year ended March 31, 2023	Year ended March 31, 2022
Contractual manpower	95.79	93.29
Power, fuel and water	292.74	259.26
Housekeeping expenses including consumables	40.86	35.88
Patient food and beverages	68.62	70.38
Pathology laboratory expenses (refer note 32)	342.31	386.70
Consultation fees to doctors	1,183.19	956.21
Professional charges to doctors	1,304.06	1,447.39
Clinical establishment fee (refer note 29.2 below)	643.61	637.58
Repairs and maintenance		
- Building	16.66	0.44
- Plant and machinery	302.32	281.92
- Others	109.36	38.81
Rent		
- Equipments	36.84	14.82
- Hospital buildings, offices and labs	-	0.06
Legal and professional fee	134.15	91.23
Subscription fee	-	1.50
Travel and conveyance	51.17	58.51
Rates and taxes	1.54	0.68
Printing and stationery	41.47	31.83
Communication expenses	11.61	15.23
Directors' sitting fees	35.40	35.99
Insurance	46.08	118.77
Marketing and business promotion	62.12	92.99
Advances written off	26.97	-
Auditors' remuneration (refer note 29.1 below)	13.11	13.61
Allowance for credit losses (including bad debts written off)	48.67	30.42
Miscellaneous expenses	28.48	4.18
Total	**4,937.13**	**4,717.68**

Notes forming part of the Standalone Financial Statements (Contd.)

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

29.1 Payments to auditors

	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Statutory audit	5.25	4.95
Tax audit	0.58	0.55
Limited review of quarterly results	4.73	4.50
Certificates	-	1.25
For GST on professional services	2.00	2.00
Reimbursement of expenses	0.55	0.36
Total	**13.11**	**13.61**

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, 2023	Year ended March 31, 2022
Current tax		
In respect of the current year	-	-
In respect of prior year	-	-
Total	**-**	**-**
Deferred tax		
Reversal of temporary differences	845.57	-
Total	**845.57**	**-**
Total tax expense	**845.57**	**-**

31. OTHER COMPREHENSIVE INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans [refer note 36(II)(a)]	(47.94)	(34.03)
Total	**(47.94)**	**(34.03)**

Notes forming part of the Standalone Financial Statements (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
Intermediate Holding Company	Integrated Healthcare Holdings Limited, Malaysia
	Parkway Pantai Limited, Singapore
	Northern TK Venture Pte Limited, Singapore
	Fortis Healthcare Limited, India
Holding Company	Fortis Hospitals Limited, India
Subsidiary Company	Malar Stars Medicare Limited, India
Fellow Subsidiary or Entities Under Common Control	SRL Limited, India
	Escorts Heart Institute and Research Centre Limited, India
	Fortis Health Management Limited, India
	Mitsui & Co India Private Limited, India
Key Management Personnel	Mr Daljit Singh (Non-Executive Director)
	Mr Chandrasekar R (Whote-time Director) (effective from January 11, 2022)
	Ms Shailaja Chandra (Independent Director)
	Mrs. Nithya Ramamurthy (Non-Executive Director)
	Mr Ramesh L Adige (Independent Director)
	Mr Ravi Rajagopal (Independent Director)
	Mr Coimbatore Kalyanraman Nageswaran (Whote-time Director) (up to 02 November 2021)
	Mr Yogendra Kumar Kabra (Chief Financial Officer)
	Mr Sandeep Singh (Company Secretary) (effective from May 25, 2021)
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, 2023	Year ended March 31, 2022
Income			
Sale of Service	Fortis Healthcare Limited	0.36	38.47
	Fortis Hospitals Limited	1.32	10.20
	Escorts Heart Institute and Research Centre Limited	-	3.00
	Mitsui & Co India Private Limited	0.34	0.75
Interest income on Inter-corporate deposits	Fortis Healthcare Limited	554.00	321.07
	Escorts Heart Institute and Research Centre Limited	-	307.09
Mediclaim reimbursement and transfer of accumulated balance in retirement benefit	Fortis Hospitals Limited	1.86	1.04

Notes forming part of the Standalone Financial Statements (Contd.)

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

The schedule of related party transactions (Contd.)

Particulars	Name of the related party	Year ended March 31, 2023	Year ended March 31, 2022
Expenses			
Clinical establishment fee	Fortis Health Management Limited	643.61	637.58
Medical Consumables and Drugs	Fortis Healthcare Limited	-	9.20
	Fortis Hospitals Limited	-	42.00
	Escorts Heart Institute and Research Centre Limited	-	0.87
Interest expense on lease liabilities	Fortis Health Management Limited	536.66	599.35
Contractual manpower	SRL Limited	16.04	15.37
Pathology laboratory expenses	SRL Limited	329.95	372.11
	Fortis Healthcare Limited	0.96	1.34
Professional charges to doctors	Malar Stars Medicare Limited	8.28	8.28
	Mrs. Nithya Ramamurthy	162.00	159.00
	Dr. Radhi Malar	19.96	12.78
	Dr. M. Anand	49.29	31.34
Rental Expenses	Fortis Healthcare Limited	-	0.30
Travelling Expenses	Fortis Hospitals Limited	0.20	0.29
Recovery of Expenses incurred on behalf of other companies	Malar Stars Medicare Limited	-	0.05
	Fortis Hospitals Limited	0.78	-
Reimbursement of expenses incurred by other companies on behalf of the Company	Fortis Health Management Limited	287.59	252.21
Mediclaim reimbursement and transfer of accumulated balance in retirement benefits	Fortis Healthcare Limited	4.54	0.79
Managerial remuneration (including director sitting fees) *	Mr Ramesh L Adige	9.00	8.50
	Mrs. Nithya Ramamurthy	5.00	4.00
	Mr Coimbatore Kalyanraman Nageswaran	-	37.65
	Mr Daljit Singh	8.50	8.00
	Mr Ravi Rajagopal	2.00	6.00
	Ms Shailaja Chandra	5.50	4.00
	Mr Chandrasekar R	40.95	8.61
Collection done by Company on behalf of the related parties	Fortis Hospitals Limited	0.46	-
Reimbursement of Expenses incurred by Other Companies on behalf of the Company (Refund of advance received from patients)	Fortis Hospitals Limited	-	151.20
Inter Corporate Loan given	Fortis Healthcare Limited	-	4,000.00
Inter Corporate Loan repaid	Escorts Heart Institute and Research Centre Limited	-	3,500.00

* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

Notes forming part of the Standalone Financial Statements (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	As at March 31, 2023	As at March 31, 2022
Financial liabilities-non current	Fortis Health Management Limited	3,703.22	4,437.81
Trade payables / Other financial liabilities-current	SRL Limited	29.03	68.07
	Fortis Health Management Limited	1,244.70	1,047.24
	Fortis Hospitals Limited	-	0.29
	Fortis Healthcare Limited	4.49	-
	Malar Stars Medicare Limited	-	1.86
Other financial assets - current	Fortis Healthcare Limited	-	4.07
	Fortis Hospitals Limited	2.64	5.45
	Escorts Heart Institute and Research Centre Limited	2.24	2.24
	Mitsui & Co India Private Limited	0.23	0.75
Other financial assets - non-current	Fortis Health Management Limited	5.31	10.31
Inter corporate loan placed - Non - current	Fortis Healthcare Limited	-	4,000.00
Inter corporate loan placed - Current	Fortis Healthcare Limited	6,800.00	2,800.00
Interest accrued but not due	Fortis Healthcare Limited	136.60	89.61

Notes:

1. 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, 2023 and March 31, 2022 there are no further amounts payable to / receivable from them, other than as disclosed above.
2. All transactions with these related parties are priced on an arm's length basis and are carried out in the course of business.

33. COMMITMENTS

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account, net of advances with regard to tangible and intangible assets	153.45	62.30

34. CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBTS

	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debts (in respect of compensation claims by the patients / their relatives). (refer note 2 below)	1,020.36	1,093.77
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.

Notes forming part of the Standalone Financial Statements (Contd.)

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

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 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.
2. 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.
3. 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.

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.

Notes forming part of the Standalone Financial Statements (Contd.)

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	11,250	26.20
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	11,250	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

Particulars	As at March 31, 2023	As at March 31, 2022
Grant date share price (in ₹)	Not applicable	Not applicable
Exercise price (in ₹)		
Expected volatility*		
Life of the options granted (Vesting and exercise period) in years		
Expected dividends		
Average risk-free interest rate		
Expected dividend rate		

*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 Rs 92.70 Lakhs (Previous year: ₹ 93.34 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 (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, 2023	Year ended March 31, 2022
Amounts recognised in Standalone Statement of Profit and Loss in respect of these defined benefit plans are as follows:		
Service cost		
- Current service cost	33.76	31.60
Net interest expense	20.05	14.82
Components of defined benefit costs recognised in profit or loss	**53.81**	**46.42**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	(0.28)	2.85
Actuarial gains and loss arising from changes in financial assumptions	(9.55)	(8.63)
Actuarial gains and loss arising from experience adjustments	57.77	39.81
Components of defined benefit costs recognised in other comprehensive income	**47.94**	**34.03**
Total	**101.75**	**80.45**

(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, 2023	As at March 31, 2022
I. (Net Asset)/Liability recognised in the Balance Sheet		
1. Present value of defined benefit obligation as at 31 March	486.89	412.35
2. Fair value of plan assets as at 31 March	109.52	117.32
3. Deficit	377.37	295.03
4. Current portion of the above	-	-
5. Non current portion of the above	377.37	295.03

(c) Movement in the present value of the defined benefit obligation are as follows :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Change in the obligation during the year ended 31 March		
Present value of defined benefit obligation at the beginning of the year	412.35	362.59
Expenses Recognised in Standalone Statement of Profit and Loss:		
- Current Service Cost	33.76	31.60
- Interest Expense / (Income)	27.69	23.25
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		

Notes forming part of the Standalone Financial Statements (Contd.)

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	(9.55)	(8.63)
ii. Experience Adjustments	57.77	39.81
Benefit payments (including directly paid by the company)	(33.45)	(36.23)
Acquisitions Credit/(Cost)	(1.68)	(0.04)
Present value of defined benefit obligation at the end of the year	**486.89**	**412.35**

(d) Movement in fair value of plan assets are as follows :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Change in fair value of assets during the year ended 31 March		
Fair value of plan assets at the beginning of the year	117.32	137.97
Expenses Recognised in Statement of Profit and Loss:		
- Expected return on plan assets	7.64	8.43
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Return on plan assets (excluding amount included in net interest expense)	0.28	(2.85)
Contributions by employer	15.64	10.00
Benefit payments	(31.36)	(36.23)
Fair value of plan assets at the end of the year	**109.52**	**117.32**

(e) The fair value of plan assets at the end of the reporting period are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Life Insurance Corporation of India	109.52	117.32

(f) The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.25%	7.00%
Expected rate of salary increase	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 *	9 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

Notes forming part of the Standalone Financial Statements (Contd.)

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

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 ₹ 18.20 Lakhs (increase by ₹19.41 Lakhs) (As at March 31, 2022: decrease by ₹ 16.42 Lakhs (increase by ₹ 17.55 Lakhs)).

(ii) If the expected salary growth rate increase / (decreases) by 1% the defined benefit obligation would increase by ₹ 39.66 Lakhs (decrease by ₹ 35.66 Lakhs) (As at March 31, 2022: increase by ₹ 35.83 Lakhs (decrease by ₹ 31.95 Lakhs)).

(iii) If the withdrawal rate increases/(decreases) by 5% the defined benefit obligation would decrease by ₹ 4.22 Lakhs (increase by ₹ 3.98 Lakhs) (As at March 31, 2022: decrease by ₹ 6.26 Lakhs (increase by ₹ 6.02 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(also refer note 45), nurse hostel building and medical equipments which are taken on lease for providing healthcare services to the patients.

The summary of the movement of right-of-use assets for the year is given below:

	As at March 31, 2023	As at March 31, 2022
Right-of-use assets under Ind AS 116		
Balance as at 1 April	4,399.41	5,223.40
Less: Depreciation charge for the year	(822.96)	(823.99)
Balance as at 31 March	**3,576.45**	**4,399.41**
Lease liabilities		
Current lease liabilities	821.62	701.70
Non-current lease liabilities	3,818.14	4,639.77
	4,639.76	**5,341.47**

The following is the movement in lease liabilities during the year:

	Year ended March 31, 2023	Year ended March 31, 2022
Balance as at 01 April	5,341.47	5,717.47
Finance cost accrued during the year	563.47	634.01
Deletions	-	-
Payment of lease liabilities	(1,265.18)	(1,010.01)
Balance as at 31 March	**4,639.76**	**5,341.47**

(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 made after the reporting date:

	As at March 31, 2023	As at March 31, 2022
Lease liabilities under Ind AS 116		
Less than one year	821.62	701.70
One to five years	3,818.14	3,938.03
More than five years	-	701.74
Total lease liabilities as at 31 March	**4,639.76**	**5,341.47**

Amount recognised in standalone statement of profit and loss:

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on lease liabilities	563.47	634.01
Depreciation expense on righ of use assets	822.96	823.99
Expenses relating to short-term leases and leases of low-value assets	36.84	14.88

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

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at cost		
Investment in subsidiary	5.00	5.00
Measured at fair value through profit or loss (FVTPL)	-	-
Measured at amortised cost		
- Security deposits	40.33	44.38
- Advance to related parties	10.42	22.81
- Trade receivables	318.44	219.93
- Cash and bank balances	730.62	1,048.52
- Loans	6,800.00	6,800.00
- Other financial assets	194.13	253.32

(b) Financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at fair value through profit or loss (FVTPL)		
Measured at amortised cost		
- Trade payables	2,025.53	1,999.34
- Lease liabilities	4,639.76	5,341.47
- Other financial liabilities	23.62	105.52

Notes forming part of the Standalone Financial Statements (Contd.)

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

(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 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, 2023, ₹ 261.99 Lakhs (As at March 31, 2022, ₹ 300.26 Lakhs) is due from 3 international customers (As at March 31, 2022, 4 customers). 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 as at the reporting date was:

As at March 31, 2023

Ageing	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Within the credit period	193.78	0%	-	No
1-30 days past due	28.07	0%	-	No
31-60 days past due	32.50	0%	-	No
61-90 days past due	20.92	17%	3.48	No
More than 90 days past due	584.88	92%	538.23	Yes*
	860.15		**541.71**	

* The above carrying amount includes credit impaired receivables amounting to ₹ 533.33 Lakhs

As at March 31, 2022

Ageing	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Within the credit period	209.70	1%	1.61	No
1-30 days past due	-	0%	-	No
31-60 days past due	19.65	40%	7.81	No
61-90 days past due	3.80	100%	3.80	Yes
More than 90 days past due	510.81	100%	510.81	Yes
	743.96		**524.03**	

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 ₹ 730.62 Lakhs at March 31, 2023 (March 31, 2022: ₹ 1,048.52 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.

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

Notes forming part of the Standalone Financial Statements (Contd.)

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

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**
	(₹)	**(₹)**	**(₹)**	**(₹)**
As at March 31, 2023				
- Trade Payables	2,025.53	-	-	2,025.53
- Lease liabilities	821.62	1,966.77	1,851.37	4,639.76
- Other financial liabilities	23.62	-	-	23.62
Total	**2,870.77**	**1,966.77**	**1,851.37**	**6,688.91**
As at March 31, 2022				
- Trade Payables	1,999.34	-	-	1,999.34
- Lease liabilities	701.70	1,776.27	2,863.50	5,341.47
- Other financial liabilities	105.52	-	-	105.52
Total	**2,806.56**	**1,776.27**	**2,863.50**	**7,446.33**

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.

40. CURRENT TAX AND DEFERRED TAX

(i) Income tax expense

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Current tax:		
Current income tax charge	-	-
Income tax relating to earlier years	-	-
Total	-	-
Deferred tax		
Reversal of temporary difference	845.57	-
Total	**845.57**	**-**
Total tax expense recognised in standalone statement of profit and loss	**845.57**	**-**

Notes forming part of the Standalone Financial Statements (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 loss as follows:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Amount	Tax Amount	Amount	Tax Amount
Loss before tax from operations	(707.75)		(830.55)	
Income tax using the Company's domestic tax rate at 27.82% (March 31, 2022 : 27.82%)		(196.90)		(231.06)
Tax effect of :				
Adjustments recognised in the current year in relation to the current tax of prior years.	-	-	-	-
Deferred tax assets not recognised during the year	-	196.90	-	231.06
Reversal of temporary difference	-	845.57	-	-
Others	-	-	-	-
Total tax expense		**845.57**		**-**

(iii) Income tax on other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax		
Remeasurements of defined benefit plans	-	-
Total	**-**	**-**

(iv) Following is the analysis of the deferred tax asset / (liabilities) presented in the Balance Sheet

Particulars	Year ended March 31, 2023			
	Opening Balance	Recognised in profit and Loss*	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee benefits	113.61	(113.61)	-	-
Allowance for credit losses/Others	145.20	(145.20)	-	-
Lease liability	198.61	(198.61)	-	-
Carried forward of business and depreciation losses	380.63	(380.63)	-	-
Property, plant and equipment	7.51	(7.51)	-	-
	845.57	**(845.57)**	**-**	**-**
Net deferred tax asset / (liability)	**845.57**	**(845.57)**	**-**	**-**

Notes forming part of the Standalone Financial Statements (Contd.)

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

Particulars	Year ended March 31, 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee benefits	113.61	-	-	113.61
Allowance for credit losses/Others	145.20	-	-	145.20
Lease liability	198.61	-	-	198.61
Carried forward of business and depreciation losses	380.63	-	-	380.63
Property, plant and equipment	7.51	-	-	7.51
	845.57	**-**	**-**	**845.57**
Net deferred tax asset / (liability)	**845.57**	**-**	**-**	**845.57**

(v) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the Company can use the benefits therefrom:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gross amount	Unrecognised tax effect*	Gross amount	Unrecognised tax effect
Deductible temporary differences	2,516.14	699.99	344.13	95.74
Tax losses	2,028.90	564.44	486.42	135.32
Total	**4,545.04**	**1,264.43**	**830.55**	**231.06**

Tax losses carried forward

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount	Expiry date	Amount	Expiry date
Expire	848.68	2028-32	846.44	2028-31
Never expire	1,180.22		969.65	

*Note - In the current year, the Company has revised its estimate of future taxable profits and taking conservative approach, has reversed the deferred tax assets recognised in the earlier years for the deductible temporary differences and tax losses amounting to ₹ 845.57 Lakhs.

Notes forming part of the Standalone Financial Statements (Contd.)

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

41. EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss after tax - ₹	(1,553.32)	(830.55)
Weighted average number of equity shares (No's.):		
Weighted average number of equity shares for calculating Basic EPS	1,87,41,759	1,87,41,759
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	1,87,41,759	1,87,41,759
Earnings Per Equity Share - in ₹		
- Basic - in ₹	(8.29)	(4.43)
- Diluted - in ₹	(8.29)	(4.43)
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, 2023 has been made in the standalone financial statements based on information received and available with the Company.

Particulars		As at March 31, 2023	As at March 31, 2022
(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	35.76	16.71
(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 (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, 2023	As at March 31, 2022
Fortis Healthcare Limited	10.50%	Quarterly	Unsecured	2,800.00	2,800.00
Fortis Healthcare Limited	6.50%	Quarterly	Unsecured	4,000.00	4,000.00

Particulars	Relation	Maximum amount outstanding during the year	
		March 31, 2023	March 31, 2022
Fortis Healthcare Limited*	Intermediate Holding	6,800.00	6,800.00

* There are two inter corporate deposits placed with Fortis Healthcare Limited:

a) ₹ 2,800 Lakhs was given for meeting its working capital/ general corporate requirements. This loan is repayable on or before July 08, 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.

b) ₹ 4,000 Lakhs was given for meeting its working capital / corporate requirement . This loan is repayable on or before 2 years from the date of drawdown i.e., February 22, 2024 and the Company has option to recall this loan post disbursement after giving one month prior written notice to the borrower.

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 Company does not meet the applicable thresholds both in the year ended March 31, 2023 and March 31, 2022, accordingly, the Company has not spent any such amounts in both these years.

45. ORDER / NOTICE RECEIVED FROM CMDA

Request for regularisation of the hospital building in which the Company operates was made vide an application dated May 29, 1999 to Chennai Metropolitan Development Authority ("CMDA"). In the year 2012, Land and hospital building was sold by the Company to Fortis Health Management Limited ("FHML"). Company and FHML had also simultaneously entered into a "Hospital and Medical Services Agreement" w.r.t. rendering of medical and healthcare services in the hospital premises (including right to use of the hospital building). CMDA by its Order dated 18th March 2016 ("Rejection Order") rejected the regularisation application that was submitted in the year 1999. A statutory appeal was preferred in April 2016 before Secretary to the Government of Tamil Nadu, Housing and Urban Development Authority ("Authority") challenging the said rejection. During the pendency of the statutory appeal, on May 03, 2016, CMDA served a "Lock & Seal" Notice stating that in view of the Rejection Order, 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

Notes forming part of the Standalone Financial Statements (Contd.)

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

certificates which involved taking number of actions, significant expenses and capital expenditure. During the ongoing pandemic, there were lockdowns resulting in limited and restricted access to various offices all across, which slowed down the progress of actions initiated. The Company is taking bonafide steps on best effort basis to complete the process of submission of the clearances and certificates sought by CMDA. On May 20, 2021, an update was sent to CMDA confirming that out of six requirements, as set out in their letter dated August 25, 2020, three have already been complied with and steps were underway for completion of the remaining actions. Subsequently, the Company obtained NOC from the Airport Authority of India dated February 24, 2022. Pursuant thereto, for regularisation of the building, on June 07, 2022, an application along with available documents have been submitted with CMDA. For processing of the application, which is accompanied with available documents in support of Company's claim for regularisation, requisite scrutiny fee has been deposited. In addition to the legal action already being undertaken by FHML for getting possession of the Land parcel adjacent to the hospital premises occupied by Bharat Petroleum Corporation Limited, Chennai (BPCL), a writ petition has also been filed against BPCL and others before the Hon'ble High Court of Judicature at Madras by FHML on March 29, 2023 seeking peaceful and vacant possession of the said Land parcel. While the Company is co-operating to get all the clearance, based on legal advice, Company is of the view that it is not required to bear any expenses, revenue or capital in nature, incurred towards regularisation of building and for obtaining 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 results or on the going concern status.

46. RATIO ANALYSIS AND ITS ELEMENTS

Particulars	Numerator	Denominator	Current year	Previous year	% of variance	Explanation for change in the ratio by more than 25%
Current Ratio (times)	Total Current Assets	Total Current Liabilities	2.60	1.50	73%	The current ratio has increased in the current year due to increase in current assets majorly on account of movement in inter-corporate loans.
Debt-Equity Ratio (times)	Debt consists of borrowings and lease liabilities	Total equity	0.75	0.69	9%	Not applicable
Debt Service Coverage Ratio (times)	Earning for debt service = Net loss after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and Lease Payments + Principal Repayments	0.25	0.88	(72%)	The ratio has decreased in the current year as the net loss after tax has increased due to reversal of deferred tax assets.
Net Profit Ratio (%)	Loss for the year	Revenue from operations	(18.1%)	(9.6%)	88%	The net profit ratio has decreased because of the decrease in net profit on account of reversal of deferred tax assets during the year.
Return on Equity Ratio (%)	Loss for the year	Average Equity	(22.2%)	(10.1%)	(120%)	The decrease in return on equity ratio is majorly on account of decrease in net profit due to reversal of deferred tax assets during the year.
Return on Capital employed (%)	Loss before taxes and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	(0.9%)	(1.3%)	30%	The increase in return on capital employed is majorly on account of decrease in loss before taxes in the current year. The losses has reduced on account of improvement in operations of the Company.

Notes forming part of the Standalone Financial Statements (Contd.)

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

Particulars	Numerator	Denominator	Current year	Previous year	% of variance	Explanation for change in the ratio by more than 25%
Return on Investment (%)	Income generated from invested funds	Average invested funds in treasury investments	7.8%	9.1%	(15%)	Not applicable
Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivables	31.9	40.2	(21%)	Not applicable
Inventory turnover ratio (times)	Cost of goods sold	Average Inventory	8.5	9.8	(13%)	Not applicable
Trade payables turnover ratio (times)	Net purchases	Average Trade Payables	0.6	1.0	(41%)	The decrease in turnover ratio is majorly on account of decrease in purchases during the year. The purchase of consumable items and vaccines has reduced due to reduction in COVID related cases.
Net capital turnover ratio (times)	Revenue from operations	Average working capital (i.e., Total Current assets less Total current liabilities)	2.6	3.5	(26%)	The reduction is majorly on account of increase in average working capital during the year. The working capital has increased due to movement in inter-corporate loan balances.

47. ADDITIONAL REGULATORY INFORMATION

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) The Company does not have any borrowings in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets. Accordingly, it was not required to file any quarterly returns or statements of current assets with banks and financial institutions.

Notes forming part of the Standalone Financial Statements (Contd.)

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

(ix) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(x) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

48. In light of the acquisition of the controlling stake of FHL by Northern TK Venture Pte Limited ("NTK") a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia, a mandatory open offer got triggered for acquisition by NTK of up to 4,894,308 fully paid up equity shares of face value of ₹ 10 each in the Company, representing 26% of the paid-up equity shares of the Company at a price of ₹ 60.10 per share ("Malar Open Offer") in December 2018. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare Limited to IHH Healthcare Berhad, Malaysia be maintained, the Mandatory Open offer was kept in abeyance. The Hon'ble Supreme Court has disposed of the petitions with certain directions to the Hon'ble High Court of Delhi. Malar Open offer continues to be in abeyance an on date. From publicly available information, it is learnt that SEBI had advised NTK to proceed with the Fortis Open Offer and the Malar Open Offer after obtaining an appropriate order from the Hon'ble High Court of Delhi. In view of the same, NTK is obtaining advice from legal counsel.

49. 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.

50. 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 19, 2023

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

Nithya Ramamurthy
Director
DIN 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877

Yogendra Kumar Kabra
Chief Financial Officer

Place : Delhi
Date: May 19, 2023

Place : Chennai

CONSOLIDATED STATEMENT

Contents | Pages

INDEPENDENT AUDITOR'S REPORT

To the Members of Fortis Malar Hospitals Limited

Report on the Audit of the 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 (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, 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 31 March 2023, 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 31 March 2023, of its consolidated loss and other comprehensive loss, 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 on the consolidated financial statements.

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 pursuant to agreements with Fortis Health Management Limited ("FHML") and the related matters. A letter was received from Chennai Metropolitan Development Authority (CMDA) on 25 August 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularisation. The 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 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 MATTER

Key audit matters 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 Auditor's Report (Contd.)

RELATED PARTY TRANSACTIONS

See Note 31, 42 and 44 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
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 material portion of the expenses (lease expenses, clinical establishment expenses, pathology expenses, etc.) are paid to related parties	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: • Obtain an understanding of the Group's related party relationships and transactions. • 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. • Evaluated the design, implementation and operating effectiveness of key controls over identification and authorization of significant related party transactions. • 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. • Evaluated compliance of such related party transactions with the relevant accounting standard and applicable laws and regulations. • Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard and applicable laws and regulations.

OTHER INFORMATION

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

Our opinion on the consolidated financial statements does not cover the other information and we will 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 the 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 Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the 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 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies 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 are 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 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 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 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.

Independent Auditor's Report (Contd.)

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 auditor's 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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, 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 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2023 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 and its subsidiary 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 Auditor's 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:

   a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 33 and 44 to the consolidated financial statements.

   b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

   c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023.

   d (i) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited represented that, to the best of their knowledge and belief, as disclosed in the Note 46 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited represented that, to the best of their knowledge and belief, as disclosed in the Note 46 to the consolidated financial statements, no funds have been received by the Holding Company and subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary company incorporated in India have neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and subsidiary company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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 and 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) of the Act which are required to be commented upon by us.

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

Harsh Vardhan Lakhotia
Partner

Place: Chennai
Date: 19 May 2023

Membership No.: 222432
ICAI UDIN:23222432BGYLAT4001

Independent Auditor's Report (Contd.)

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FORTIS MALAR HOSPITALS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432
ICAI UDIN:23222432BGYLAT4001

Place: Chennai
Date: 19 May 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FORTIS MALAR HOSPITALS LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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 Act

(Referred to in paragraph 2(A)(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 Fortis Malar Hospitals Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies 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 AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The respective 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 respective 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 respective 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 Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 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

Independent Auditor's Report (Contd.)

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 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 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 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432
ICAI UDIN:23222432BGYLAT4001

Place: Chennai
Date: 19 May 2023

Fortis MALAR HOSPITAL

CONSOLIDATED BALANCE SHEET

as at March 31, 2023

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

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4(a)	1,147.48	1,302.50
Capital work-in-progress	4(b)	-	0.18
Right of use assets	36	3,576.45	4,399.41
Other Intangible assets	4(c)	17.25	60.37
Intangible assets under development	4(d)	-	5.58
Financial assets			
Loans	12	-	4,000.00
Other financial assets	5	45.64	54.68
Deferred tax assets (net)	39	0.49	846.05
Other tax assets (net)	6	563.05	514.55
Other non-current assets	7	2.11	0.56
Total non-current assets		**5,352.47**	**11,183.88**
Current assets			
Inventories	8	110.34	186.36
Financial assets			
Trade receivables	9	318.44	219.93
Cash and cash equivalents	10	586.07	1,240.29
Bank balances other than above	11	357.65	15.05
Loans	12	6,800.00	2,800.00
Other financial assets	13	200.27	266.51
Other tax assets (net)	6	-	58.39
Other current assets	14	74.75	120.89
Total current assets		**8,447.52**	**4,907.42**
Total assets		**13.799.99**	**16,091.30**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,875.70	1,875.70
Other equity	16	4,541.54	6,137.45
Total equity		**6,417.24**	**8,013.15**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	17	3,818.14	4,639.77
Provisions	20	389.09	296.30
Total non-current liabilities		**4,207.23**	**4,936.07**
Current liabilities			
Financial liabilities			
Lease liabilities	17	821.62	701.70
Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		34.41	16.71
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,992.91	1,983.43
Other financial liabilities	19	23.62	105.52
Provisions	20	80.76	84.26
Current tax liabilities (net)		0.33	-
Other current liabilities	21	221.87	250.46
Total current liabilities		**3,175.52**	**3,142.08**
Total liabilities		**7,382.75**	**8,078.15**
Total equity and liabilities		**13,799.99**	**16,091.30**
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 19, 2023

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

Nithya Ramamurthy
Director
DIN 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877

Yogendra Kumar Kabra
Chief Financial Officer

Place : Delhi
Date: May 19, 2023

Place : Chennai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

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

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	22	8,595.08	8,617.82
Other income	23	663.81	739.05
Total income		**9,258.89**	**9,356.87**
EXPENSES			
Purchases of medical consumables and drugs		1,190.47	1,726.18
Changes in inventories of medical consumables and drugs	24	76.02	(23.69)
Employee benefits expense	25	1,940.57	1,859.83
Finance costs	26	607.06	655.80
Depreciation and amortisation expense	27	1,214.66	1,253.17
Other expenses	28	4,930.90	4,711.71
Total expenses		**9,959.68**	**10,183.00**
Loss before tax		**(700.79)**	**(826.13)**
Tax expense:	29		
Current tax		1.81	1.25
Deferred tax		845.51	(0.03)
Total tax expense		**847.32**	**1.22**
Loss for the year		**(1,548.11)**	**(827.35)**
Other comprehensive income/ (loss)	30		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability		(47.75)	(33.93)
Income tax relating to items that will not be reclassified to profit or loss		(0.05)	(0.03)
Other comprehensive income/ (loss) for the year, net of tax		**(47.80)**	**(33.96)**
Total comprehensive loss for the year		**(1,595.91)**	**(861.31)**
Earnings per equity share	40		
Basic (in ₹)		(8.26)	(4.41)
Diluted (in ₹)		(8.26)	(4.41)
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
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Company Secretary
Membership No.: F9877

Yogendra Kumar Kabra
Chief Financial Officer

Place : Chennai
Date: May 19, 2023

Place : Delhi
Date: May 19, 2023

Place : Chennai

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2023

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

	Note	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities			
Loss before tax for the year		(700.79)	(826.13)
Adjustments for:			
Interest income		(627.68)	(706.49)
Profit on sale of property, plant and equipment		-	(4.83)
Depreciation and amortisation expense		1,214.66	1,253.17
Interest expense on lease liability		563.47	634.01
Allowance for credit losses (including bad debts written off)		48.67	30.42
Liabilities no longer required written back		(36.13)	(27.72)
Operating profit before working capital changes		**462.20**	**352.43**
Movements in working capital:			
Decrease in other current and non current financial assets		124.45	46.54
Decrease in other current and non-current assets		44.59	9.86
(Increase) in trade and other receivables		(147.18)	(41.24)
Decrease/ (increase) in inventories		76.02	(23.69)
Increase in provisions		41.54	16.40
Increase in trade payables		61.45	590.48
(Decrease)/ increase in financial liabilities		(81.90)	48.84
(Decrease) in other current liabilities		(28.59)	(243.18)
Cash generated from operations		**552.58**	**756.44**
Income taxes (paid) / refund (net)		8.41	(72.22)
Net cash generated from operating activities		**560.99**	**684.22**
Cash flows from investing activities			
Payments for purchase of property, plant and equipment, intangible assets, capital work-in-progress and intangibles asset under development		(187.80)	(140.49)
Proceeds from sale of property, plant and equipment		-	12.44
Inter-corporate deposit placed with related parties		-	(4,000.00)
Inter-corporate deposits repaid by related parties		-	3,500.00
Bank balances not considered as cash and cash equivalents		(342.60)	598.94
Interest received		580.37	852.43
Net cash generated from investing activities		**49.97**	**823.32**
Cash flows from financing activities			
Repayment of lease liabilities including interest thereon		(1,265.18)	(1,010.01)
Net cash used in financing activities		**(1,265.18)**	**(1,010.01)**
Net (decrease) / increase in cash and cash equivalent		**(654.22)**	**497.53**
Cash and cash equivalents at the beginning of the year		1,240.29	742.76
Cash and cash equivalents at the end of the year	10	**586.07**	**1,240.29**
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 19, 2023

for and on behalf of the Board of Directors of
Fortis Malar Hospitals Limited
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Nithya Ramamurthy
Director
DIN 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877

Place : Delhi
Date: May 19, 2023

Yogendra Kumar Kabra
Chief Financial Officer

Place : Chennai

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

for the year ended March 31, 2023

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

		Note	As at March 31, 2023	As at March 31, 2022
A	**Equity share capital**	15		
	Balance at the beginning of year		1,875.70	1,875.70
	Changes in equity share capital during the year		-	-
	Closing balance		**1,875.70**	**1,875.70**

B **Other equity** 16

Particulars	Reserves and surplus		Total
	Securities Preimium	Retained Earnings	
Balance as at March 31, 2021	**957.23**	**6,041.53**	**6,998.76**
Loss for the year	-	(827.35)	(827.35)
Other comprehensive income for the year, net of taxes	-	(33.96)	(33.96)
Total comprehensive loss for the year	**-**	**(861.31)**	**(861.31)**
Balance as at March 31, 2022	**957.23**	**5,180.22**	**6,137.45**
Loss for the year	-	(1,548.11)	(1,548.11)
Other comprehensive income for the year, net of taxes	-	(47.80)	(47.80)
Total comprehensive loss for the year	**-**	**(1,595.91)**	**(1,595.91)**
Balance as at March 31, 2023	**957.23**	**3,584.31**	**4,541.54**

Loss of ₹ 47.80 lakhs and ₹ 33.96 lakhs on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended March 31, 2023 and March 31, 2022 respectively.

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 19, 2023

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

Nithya Ramamurthy
Director
DIN 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877

Yogendra Kumar Kabra
Chief Financial Officer

Place : Delhi
Date: May 19, 2023

Place : Chennai

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2023

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 Intermediate 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 19, 2023.

b) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees ('INR'/'Rs'), 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
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.

The details of the subsidiary considered in the preparation of these consolidated financial statements are given below:

Name of the subsidiary	Country of incorporation	Relationship	Effective ownership as at	
			March 31, 2023	March 31, 2022
Malar Stars Medicare Limited	India	Subsidiary	100%	100%

e) Use of estimates and judgements

In preparing these consolidated financial statements, management/directors have made the following judgements and estimates 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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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:

a. fair valuation of financial assets (refer note 38)

b. lease arrangement - classification (refer note 36)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

a. Useful lives of Property, plant and equipment and intangible assets (refer note 3.3)

b. Measurement of defined benefit obligations: key actuarial assumptions; (refer note 3.7 and note 35)

c. Recognition and estimation of tax expenses including deferred tax: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; (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, 3.15, 33 and 44)

e. Measurement of expected credit loss (ECL) allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate; (refer note 3.6)

f. lease arrangement - accounting (refer note 36)

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).

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 classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a

liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified 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 or cash equivalents. The Group's normal operating cycle is twelve months.

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.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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 or FVOCI 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.

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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.

3.3 Property, plant and equipment

i. Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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 and the cost of the item can be measured reliably.

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 off).

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

Notes forming part of the Consolidated Financial Statements (Contd.)

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 releasable value. The cost of inventories is determined based on weighted average basis. Cost includes all costs of purchase, and other costs incurred in bringing the inventories to their present location and condition inclusive of non-refundable (adjustable) taxes wherever applicable.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

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

The Group recognises loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs 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. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

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's non-financial assets, other than 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.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. 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 amount of the other assets of the CGU (or group 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 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 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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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.

v) Defined contribution plan - Provident fund

A defined contribution plan is a post-employment benefit plan where the Group's legal or constructive obligation is limited to the amount that it contributes. The Group makes specified monthly contributions towards Government administered provident fund scheme for eligible employees.

Obligations for contributions to defined contribution plan are expensed as an employee benefits expense in the statement of profit and loss in period in which the related service is provided by the employee. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

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 resource embodying 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.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (also see Note 3.6(ii)).

3.9 Revenue recognition

Revenue primarily comprises fees charged under contract for inpatient and outpatient hospital services and also includes sale of medical and non-medical items. Hospital services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to patients.

Contracts with customers could include promises to transfer multiple services/ products to a customer. The Group assesses the product/ services promised in a contract and identifies distinct performance obligation in the contract. Revenue for each distinct performance obligation is measured to at an amount that reflects the consideration which the Group expects to receive in exchange for those products or services and is net of tax collected from customers and remitted to government authorities such as Goods and Service Tax (GST) and applicable discounts and allowances including claims. Further, the Group also determines whether the performance obligation is satisfied at a point in time or over a period of time. These judgments and estimations are based on various factors including contractual terms and historical experience.

Revenue from hospital services is recognised as and when services are performed and from sale of products is recognised upon transfer of control of products to customers at the time of delivery of goods to the customers.

Revenue includes only those sales for which the Group has acted as a principal in the transaction, takes title to the products, and has the risks and rewards of ownership, including the risk of loss for collection, delivery and returns. Any revenue transaction for which the Group has acted as an agent or broker without assuming the risks and rewards of ownership have been reported on a net basis.

Excess of revenue earned over billings on contracts is recognised as unbilled revenue. Unbilled revenue is classified as Trade receivables 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.

Other operating revenue comprises revenue from various ancillary revenue generating activities like maintenance agreements and academic services. The revenue in respect of such arrangements is recognised as and when services are performed.

Income from export benefit schemes, included in other operating revenue, is recognised on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis 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.

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.

(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

Notes forming part of the Consolidated Financial Statements (Contd.)

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.

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; Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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.

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

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit/ (loss) attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

Contingent assets

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

3.16 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.

3.17 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.

3.18 Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

(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	Total
Gross carrying amount						
As at March 31, 2021	**192.98**	**2,798.57**	**233.00**	**136.57**	**61.08**	**3,422.20**
Additions	1.35	48.16	12.38	86.18	8.50	156.57
Disposals	-	-	15.42	-	-	15.42
As at March 31, 2022	**194.33**	**2,846.73**	**229.96**	**222.75**	**69.58**	**3,563.35**
Additions	-	163.18	2.12	17.05	3.77	186.12
Disposals	-	-	-	-	-	-
As at March 31, 2023	**194.33**	**3,009.91**	**232.08**	**239.80**	**73.35**	**3,749.47**
Accumulated depreciation						
As at March 31, 2021	**84.84**	**1,540.75**	**129.12**	**127.95**	**49.08**	**1,931.74**
Depreciation	29.33	250.85	28.34	19.44	8.96	336.92
Disposals	-	-	7.81	-	-	7.81
As at March 31, 2022	**114.17**	**1,791.60**	**149.65**	**147.39**	**58.04**	**2,260.85**
Depreciation	18.79	261.28	19.87	35.81	5.39	341.14
Disposals	-	-	-	-	-	-
As at March 31, 2023	**132.96**	**2,052.88**	**169.52**	**183.20**	**63.43**	**2,601.99**
Net carrying amount						
As at March 31, 2022	**80.16**	**1,055.13**	**80.31**	**75.36**	**11.54**	**1,302.50**
As at March 31, 2023	**61.37**	**957.03**	**62.56**	**56.60**	**9.92**	**1,147.48**

Note:

1. There are no immovable properties for which title deeds are not in the name of the Group (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee).
2. The Group has not revalued its Property, Plant and Equipment during the year.

Notes forming part of the Consolidated Financial Statements (Contd.)

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

4(b) CAPITAL WORK-IN-PROGRESS (CWIP)

The Group does not have any Capital work-in-progress as at current year end. In previous year, Capital work-in-progress includes installation of computer/ medical equipments in progress amounting to ₹ 0.18 Lakhs.

As at March 31, 2023

	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-

As at March 31, 2022

	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	0.18	-	-	-	0.18

The Group does not have any Capital work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan.

4(c) OTHER INTANGIBLE ASSETS

	Software
Gross carrying amount	
As at March 31, 2021	**603.83**
Additions	14.12
Disposals	-
As at March 31, 2022	**617.95**
Additions	7.44
Disposals	-
As at March 31, 2023	**625.39**
Accumulated amortisation	
As at March 31, 2021	465.32
Amortisation	92.26
Disposals	-
As at March 31, 2022	**557.58**
Amortisation	50.56
Disposals	-
As at March 31, 2023	**608.14**
Net carrying amounts	
As at March 31, 2022	**60.37**
As at March 31, 2023	**17.25**

Fortis MALAR HOSPITAL

Notes forming part of the Consolidated Financial Statements (Contd.)

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

4(d) INTANGIBLE ASSETS UNDER DEVELOPMENT (IAUD)

The Group does not have any Intangible assets under development as at current year-end. In the previous year, Intangible assets under development includes amount incurred on implementation of Oracle Fusion amounting to ₹ 5.58 Lakhs.

As at March 31, 2023

	Amount in IAUD for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

	Amount in IAUD for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	5.58	-	-	-	5.58
Projects temporarily suspended	-	-	-	-	-

5. OTHER FINANCIAL ASSETS - NON-CURRENT

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Security deposits	40.33	44.38
Advance to related parties (refer note 31)	5.31	10.30
Total	**45.64**	**54.68**

6. OTHER TAX ASSETS

	As at March 31, 2023	As at March 31, 2022
Non-current		
Advance income tax (net of provision for taxation)	563.05	514.55
Total	**563.05**	**514.55**
Current		
Advance income tax (net of provision for taxation)	**-**	**58.39**
Total	**-**	**58.39**

7. OTHER NON-CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital advances	2.11	0.56
Total	**2.11**	**0.56**

Notes forming part of the Consolidated Financial Statements (Contd.)

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

8. INVENTORIES

	As at March 31, 2023	As at March 31, 2022
Medical consumables and drugs	110.34	186.36
Total	**110.34**	**186.36**

9. TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
Current		
Trade receivables considered good - Unsecured	318.44	219.93
Trade receivables which have significant increase in credit risk- Unsecured	8.38	9.42
Credit impaired - Unsecured	533.33	514.61
	860.15	**743.96**
Less: Allowance for expected credit loss	(541.71)	(524.03)
Total	**318.44**	**219.93**
The movement in allownace for expected credit loss is as follow:		
Balances at the beginning of the year	524.03	516.54
Provision for the year (net)	17.68	7.49
Balance at the end of the year	541.71	524.03

Ageing for trade receivables outstanding as at March 31, 2023 is as follows:

	Particulars	Not due	Outstanding for following period from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - Considered good	193.78	124.66	-	-	-	-	318.44
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	8.38	-	-	-	-	8.38
(iii)	Undisputed Trade Receivables - Credit Impaired	-	22.81	28.64	69.34	8.78	403.76	533.33
(iv)	Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	Total	**193.78**	**155.85**	**28.64**	**69.34**	**8.78**	**403.76**	**860.15**

Notes forming part of the Consolidated Financial Statements (Contd.)

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

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

Particulars		Not due	Outstanding for following period from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Undisputed Trade Receivables - Considered good	208.09	11.84	-	-	-	-	219.93
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	1.61	7.81	-	-	-	-	9.42
(iii)	Undisputed Trade Receivables - Credit Impaired	-	23.29	38.94	49.82	96.49	306.07	514.61
(iv)	Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	Total	**209.70**	**42.94**	**38.94**	**49.82**	**96.49**	**306.07**	**743.96**

10. CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Cash on hand	1.51	2.33
Balances with banks:		
- On Current accounts	74.03	202.30
- Deposits with original maturity of less than three months	510.53	1,035.66
Total	**586.07**	**1,240.29**

11. BANK BALANCES OTHER THAN ABOVE

	As at March 31, 2023	As at March 31, 2022
Unpaid dividend accounts	6.31	13.52
Deposits with original maturity of more than 3 months but less than 12 months	351.34	1.28
Margin money deposit	-	0.25
Total	**357.65**	**15.05**

Notes forming part of the Consolidated Financial Statements (Contd.)

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

12. LOANS

	As at March 31, 2023	As at March 31, 2022
Non Current		
Unsecured, considered good		
Inter-corporate deposits to related party (refer note 31 and 42)	-	4,000.00
Total	**-**	**4,000.00**
Current		
Unsecured, considered good		
Inter-corporate deposits to related party (refer note 31 and 42)	6,800.00	2,800.00
Total	**6,800.00**	**2,800.00**

13. OTHER FINANCIAL ASSETS - CURRENT

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Interest accrued but not due		
(i) Inter-corporate deposits (refer note 31)	136.60	89.61
(ii) Deposit with banks	3.11	2.79
Advances to related parties (refer note 31)	5.11	12.51
Loans and advances to employees	9.60	1.59
Unbilled revenue from undischarged patients	45.85	160.01
Total	**200.27**	**266.51**

14. OTHER CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advance to vendors	30.00	19.28
Prepaid expenses	44.75	55.53
Others	-	46.08
Total	**74.75**	**120.89**

15. EQUITY SHARE CAPITAL

	As at March 31, 2023	As at March 31, 2022
Authorised		
30,000,000 (March 31, 2022: 30,000,000) equity shares of ₹10/- each	3,000.00	3,000.00
	3,000.00	**3,000.00**
Issued		
18,772,259 (March 31, 2022: 18,772,259) equity shares of ₹10/- each	1,874.17	1,874.17
	1,874.17	**1,874.17**
Subscribed and Paid Up		
18,741,759 (March 31, 2022: 18,741,759) equity shares of ₹ 10/- each fully paid up*	1,875.70	1,875.70
	1,875.70	**1,875.70**

*Includes amount received on forfeited shares amounting to ₹ 1.53 lakhs

Fortis MALAR HOSPITAL

Notes forming part of the Consolidated Financial Statements (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, 2023		Year ended March 31, 2022	
	Number	Amount in ₹	Number	Amount in ₹
At the beginning of the year	1,87,41,759	1,875.70	1,87,41,759	1,875.70
Outstanding at the end of the year	**1,87,41,759**	**1,875.70**	**1,87,41,759**	**1,875.70**

(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.

(c) Shares held by the holding/ ultimate holding company and/or their subsidiaries/associates

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	Amount in ₹	Number	Amount in ₹
Fortis Hospitals Limited, the Holding Company (Equity Shares of ₹ 10/- each)	**1,17,52,402**	**1,175.24**	**1,17,52,402**	**1,175.24**

(d) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Hospitals Limited, the Holding Company	1,17,52,402	62.71%	1,17,52,402	62.71%
Rajasthan Global Securities Private Limited	13,42,159	7.16%	13,29,776	7.10%

(e) 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, 2023, no shares have been bought back by the Parent Company and the Parent Company has also not alloted any equity shares as full paid up without payment being received in cash.

(f) Details of shares held by promoters

As at March 31, 2023:

Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Fortis Hospitals Limited, the Holding Company	Equity shares of ₹ 10/- each fully paid up	1,17,52,402	62.71%	1,17,52,402	62.71%	-

Notes forming part of the Consolidated Financial Statements (Contd.)

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

As at March 31, 2022:

Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Fortis Hospitals Limited, the Holding Company	Equity shares of ₹ 10/- each fully paid up	1,17,52,402	62.71%	1,17,52,402	62.71%	-
Malvinder Mohan Singh		-	-	100	0.00%	Refer note below
Shivi Holdings (P) Limited.		-	-	100	0.00%	
Fortis Healthcare Holdings Private Limited		-	-	100	0.00%	
RHC Finance Private Limited		-	-	100	0.00%	
Todays Holdings Private Limited		-	-	100	0.00%	

Note: During the year ended March 31, 2022, the Parent Company has reclassified these shareholders from Promoter group to public, accordingly, shareholding for these individuals/ body corporate is disclosed as nil in the above table. However, these individuals/ body corporate still continue to hold the same number of shares as at March 31, 2022 but under public category. As at March 31, 2022, only Fortis Hospitals Limited is the promoter of the Parent Company.

16. OTHER EQUITY

		As at March 31, 2023	As at March 31, 2022
a	**Reserve and surplus**		
	Securities premium		
	Opening balance	957.23	957.23
	Closing balance	**957.23**	**957.23**
	Retained earnings		
	Opening balance	5,180.22	6,041.53
	Add: Loss for the year	(1,548.11)	(827.35)
	Add: Remeasurement (loss) / gain of defined employee benefit plans (net of taxes)	(47.80)	(33.96)
	Closing balance	**3,584.31**	**5,180.22**
	Total	**4,541.54**	**6,137.45**

b 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. It also includes remeasurements of defined benefit liability /(asset) which comprises actuarial gains and losses and return on plan assets (excluding interest income).

Dividends

The Parent Company has neither declared nor paid any dividend during the current and previous year.

Notes forming part of the Consolidated Financial Statements (Contd.)

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

17. LEASE LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Non-current		
Lease liabilities (refer note 3.11 and note 36)	3,818.14	4,639.77
Total	**3,818.14**	**4,639.77**
Current		
Lease liabilities (refer note 3.11 and note 36)	821.62	701.70
Total	**821.62**	**701.70**

18. TRADE PAYABLES

	As at March 31, 2023	As at March 31, 2022
Current		
Total outstanding dues of micro enterprises and small enterprises (refer note 41)	34.41	16.71
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,992.91	1,983.43
Total	**2,027.32**	**2,000.14**
*Includes payable to related parties (refer note 31)	543.61	490.68

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Not due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	25.55	6.97	1.43	0.30	0.16	34.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	374.34	704.96	71.04	26.65	75.45	1,252.44
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Sub-total (a)	**399.89**	**711.93**	**72.47**	**26.95**	**75.61**	**1,286.85**
Accrued expenses/ unbilled dues (b)						740.47
Total (a+b)						**2,027.32**

Notes forming part of the Consolidated Financial Statements (Contd.)

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

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Not due	Outstanding for following period from due date of payment				Total
		Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	16.03	0.61	-	0.07	-	16.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	425.40	722.66	35.47	49.91	67.05	1,300.49
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Sub-total (a)	**441.43**	**723.27**	**35.47**	**49.98**	**67.05**	**1,317.20**
Accrued expenses/ unbilled dues (b)						682.94
Total (a+b)						**2,000.14**

19. OTHER FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Currrent		
Security deposits	-	4.14
Unpaid equity dividend	6.31	13.52
Capital creditors**	17.31	87.86
Total	**23.62**	**105.52**

**Includes outstanding dues of micro enterprises and small enterprises of ₹ 1.35 Lakhs (March 31, 2022 - Nil)

20. PROVISIONS

	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for gratuity	378.65	296.30
Provision for compensated absences	10.44	-
Total	**389.09**	**296.30**
Current		
Provision for gratuity	0.67	0.63
Provision for compensated absences	80.09	83.63
Total	**80.76**	**84.26**

Notes forming part of the Consolidated Financial Statements (Contd.)

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

21. OTHER CURRENT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Advance from patients/Amounts unclaimed by patients	20.91	69.37
Employee benefits payable	114.77	94.03
Statutory dues payables	86.19	87.06
Total	**221.87**	**250.46**

22. REVENUE FROM OPERATIONS

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services (refer notes below)		
In-Patient	7,232.98	7,240.28
Out-Patient	1,348.46	1,366.25
Total	**8,581.44**	**8,606.53**
Other operating revenue		
Income from Service Export from India Scheme	2.06	-
Others	11.58	11.29
Total	**13.64**	**11.29**
	8,595.08	**8,617.82**

Notes:

a) 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) Discounts and deductions amounting to ₹ 202.99 lakhs (31 March 2022 - ₹ 312.30 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, 2023	Year ended March 31, 2022
Receivable which are included in trade receivable (refer note 9)	318.44	219.93
Unbilled revenue from undischarged patients (refer note 13)	45.85	160.01
Advance from patients / amounts unclaimed by patients (refer note 21)	20.91	69.37

Notes forming part of the Consolidated Financial Statements (Contd.)

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

23. OTHER INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on:		
Bank deposits	39.65	44.68
Inter-corporate deposits (refer note 31)	554.00	628.16
Income tax refund	30.26	28.82
Financial assets carried at amortised cost	3.77	4.83
Total	**627.68**	**706.49**
Other non-operating income:		
Profit on Sale of assets	-	4.83
Liabilities no longer required written back	36.13	27.73
Total	**663.81**	**739.05**

24. CHANGE IN INVENTORIES OF MEDICAL CONSUMABLES AND DRUGS

	Year ended March 31, 2023	Year ended March 31, 2022
Inventory at the beginning of the year	186.36	162.67
Less: Inventory at the end of the year	(110.34)	(186.36)
Changes in inventories	**76.02**	**(23.69)**

25. EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	1,666.24	1,620.33
Contribution to provident and other funds (refer note 35)	146.75	139.99
Staff welfare expenses	127.58	99.51
Total	**1,940.57**	**1,859.83**

26. FINANCE COSTS

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on:		
- lease liabilities (refer note 36)	563.47	634.01
- others	43.59	21.79
Total	**607.06**	**655.80**

Notes forming part of the Consolidated Financial Statements (Contd.)

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

27. DEPRECIATION AND AMORTISATION EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (refer note 4(a))	341.14	336.92
Depreciation of right of use assets (refer note 36)	822.96	823.99
Amortisation of other intangible assets (refer note 4(c))	50.56	92.26
Total	**1,214.66**	**1,253.17**

28. OTHER EXPENSES

	Year ended March 31, 2023	Year ended March 31, 2022
Contractual manpower	95.79	93.29
Power, fuel and water	292.74	259.26
Housekeeping expenses including consumables	40.86	35.88
Patient food and beverages	68.62	70.38
Pathology laboratory expenses (refer note 31)	342.31	386.70
Consultation fees to doctors	1,183.19	956.21
Professional charges to doctors	1,295.78	1,439.11
Clinical establishment fee (refer note 28.2 below)	643.61	637.58
Repairs and maintenance		
- Building	16.66	0.44
- Plant and machinery	302.32	281.92
- Others	109.36	38.81
Rent		
- Equipments	36.84	14.82
- Hospital buildings, offices and labs	-	0.06
Legal and professional fee	134.69	91.75
Subscription fee	-	1.50
Travel and conveyance	51.17	58.51
Rates and taxes	1.54	0.68
Printing and stationery	41.47	31.83
Communication expenses	11.61	15.23
Directors' sitting fees	35.40	35.99
Insurance	46.08	118.77
Marketing and business promotion	62.12	92.99
Advances written off	26.97	-
Auditors' remuneration (refer note 28.1 below)	14.56	14.87
Allowance for credit losses (including bad debts written off)	48.67	30.42
Miscellaneous expenses	28.54	4.71
Total	**4,930.90**	**4,711.71**

Notes forming part of the Consolidated Financial Statements (Contd.)

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

28.1 Payments to auditors

	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Statutory audit	6.30	6.00
Tax audit	0.58	0.55
Limited review of quarterly results	4.73	4.50
Certificates	-	1.25
For GST on professional services	2.22	2.00
Reimbursement of expenses	0.73	0.57
Total	**14.56**	**14.87**

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.

29. TAX EXPENSE

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
In respect of the current year	1.81	1.26
In respect of prior year	-	(0.01)
Total	**1.81**	**1.25**
Deferred tax		
In respect of the current year	(0.06)	(0.03)
Reversal of temporary differences	845.57	-
Total	**845.51**	**(0.03)**
Total tax expense	**847.32**	**1.22**

30. OTHER COMPREHENSIVE INCOME

	Year ended March 31, 2023	Year ended March 31, 2022
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans [refer note 35(II)(a)]	(47.75)	(33.93)
Total	**(47.75)**	**(33.93)**

Notes forming part of the Consolidated Financial Statements (Contd.)

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

31. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Description of Relationship

Ultimate Holding Company	IHH Healthcare Berhad, Malaysia
Intermediate Holding Company	Integrated Healthcare Holdings Limited, Malaysia
	Parkway Pantai Limited, Singapore
	Northern TK Venture Pte Limited, Singapore
	Fortis Healthcare Limited, India
Holding Company	Fortis Hospitals Limited, India
Fellow Subsidiary or Entities Under Common Control	SRL Limited, India
	Escorts Heart Institute and Research Centre Limited, India
	Fortis Health Management Limited, India
	Mitsui & Co India Private Limited, India
Key Management Personnel	Mr. Daljit Singh (Non-Executive Director)
	Mr. Chandrasekar R (Whote-time Director) (effective from January 11, 2022)
	Ms Shailaja Chandra (Independent Director)
	Mrs. Nithya Ramamurthy (Non-Executive Director)
	Mr. Ramesh L Adige (Independent Director)
	Mr. Ravi Rajagopal (Independent Director)
	Mr. Coimbatore Kalyanraman Nageswaran (Whote-time Director) (up to November 02, 2021)
	Mr.Yogendra Kumar Kabra (Chief Financial Officer)
	Mr.Sandeep Singh (Company Secretary) (effective from May 25, 2021)
	Dr. Sanjay Pandey (Director) (Upto May 17, 2022)
	Mr. Prabhat Kumar (Director) (effective from May 17, 2022)
	Mr. Ajay Maharaj (Director)
	Mr. Ranjan Bihari Pandey (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, 2023	Year ended March 31, 2022
Income			
Sale of Service	Fortis Healthcare Limited	0.36	38.47
	Fortis Hospitals Limited	1.32	10.20
	Escorts Heart Institute and Research Centre Limited	-	3.00
	Mitsui & Co India Private Limited	0.34	0.75
Interest income on Inter-corporate deposits	Fortis Healthcare Limited	554.00	321.07
	Escorts Heart Institute and Research Centre Limited	-	307.09
Mediclaim reimbursement and transfer of accumulated balance in retirement benefit	Fortis Hospitals Limited	1.86	1.04

Notes forming part of the Consolidated Financial Statements (Contd.)

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

The schedule of related party transactions (Contd.)

Particulars	Name of the related party	Year ended March 31, 2023	Year ended March 31, 2022
Expenses			
Clinical establishment fee	Fortis Health Management Limited	643.61	637.58
Medical Consumables and Drugs	Fortis Healthcare Limited	-	9.20
	Fortis Hospitals Limited	-	42.00
	Escorts Heart Institute and Research Centre Limited	-	0.87
Interest expense on lease liabilities	Fortis Health Management Limited	536.66	599.35
Contractual manpower	SRL Limited	16.04	15.37
Pathology laboratory expenses	SRL Limited	329.95	372.11
	Fortis Healthcare Limited	0.96	1.34
Professional charges to doctors	Mrs. Nithya Ramamurthy	162.00	159.00
	Dr. Radhi Malar	19.96	12.78
	Dr. M. Anand	49.29	31.34
Rental Expenses	Fortis Healthcare Limited	-	0.30
Travelling Expenses	Fortis Hospitals Limited	0.20	0.29
Recovery of Expenses incurred on behalf of other companies	Fortis Hospitals Limited	0.78	-
Reimbursement of expenses incurred by other companies on behalf of the Company	Fortis Health Management Limited	287.59	252.21
Mediclaim reimbursement and transfer of accumulated balance in retirement benefits	Fortis Healthcare Limited	4.54	0.79
Managerial remuneration (including director sitting fees)*	Mr. Ramesh L Adige	9.00	8.50
	Mrs. Nithya Ramamurthy	5.00	4.00
	Mr. Coimbatore Kalyanraman Nageswaran	-	37.65
	Mr. Daljit Singh	8.50	8.00
	Mr. Ravi Rajagopal	2.00	6.00
	Ms. Shailaja Chandra	5.50	4.00
	Mr. Chandrasekar R	40.95	8.61
Collection done by Company on behalf of the related parties	Fortis Hospitals Limited	0.46	-
Reimbursement of Expenses incurred by Other Companies on behalf of the Company (Refund of advance received from patients)	Fortis Hospitals Limited	-	151.20
Inter Corporate Loan given	Fortis Healthcare Limited	-	4,000.00
Inter Corporate Loan repaid	Escorts Heart Institute and Research Centre Limited	-	3,500.00

* Amount attributable to post employment benefits and compensated absences have not been disclosed as the same cannot be identified distinctly in the actuarial valuation.

Notes forming part of the Consolidated Financial Statements (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	As at March 31, 2023	As at March 31, 2022
Financial liabilities-non current	Fortis Health Management Limited	3,703.22	4,437.81
Trade payables / Other financial liabilities-current	SRL Limited	29.03	68.07
	Fortis Health Management Limited	1,244.70	1,047.24
	Fortis Hospitals Limited	-	0.29
	Fortis Healthcare Limited	4.49	-
Other financial assets - current	Fortis Healthcare Limited	-	4.07
	Fortis Hospitals Limited	2.64	5.45
	Escorts Heart Institute and Research Centre Limited	2.24	2.24
	Mitsui & Co India Private Limited	0.23	0.75
Other financial assets - non-current	Fortis Health Management Limited	5.31	10.31
Inter corporate loan - non - current	Fortis Healthcare Limited	-	4,000.00
Inter corporate loan - current	Fortis Healthcare Limited	6,800.00	2,800.00
Interest accrued but not due	Fortis Healthcare Limited	136.60	89.61

Notes:

1. 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 31 March 2023 and 31 March 2022 there are no further amounts payable to / receivable from them, other than as disclosed above.
2. All transactions with these related parties are priced on an arm's length basis and are carried out in the course of business

32. COMMITMENTS

	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account, net of advances with regard to tangible and intangible assets	153.45	62.30

33. CLAIMS AGAINST THE GROUP NOT ACKNOWLEDGED AS DEBTS

	As at March 31, 2023	As at March 31, 2022
Claims against the Group not acknowledged as debts (in respect of compensation claims by the patients / their relatives). (refer note 2 below)	1,020.36	1,093.77
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 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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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

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 Parent 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 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.

Effective Date:

The plan was effective from August 21, 2009.

Notes forming part of the Consolidated Financial Statements (Contd.)

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	-	-	11,250	26.20
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	11,250	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

Particulars	As at March 31, 2023	As at March 31, 2022
Grant date share price (in ₹)	Not applicable	Not applicable
Exercise price (in ₹)		
Expected volatility*		
Life of the options granted (Vesting and exercise period) in years		
Expected dividends		
Average risk-free interest rate		
Expected dividend rate		

*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.

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 Rs 92.70 Lakhs (Previous year: ₹ 93.34 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 (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, 2023	Year ended March 31, 2022
Amounts recognised in Consolidated Statement of Profit and Loss in respect of these defined benefit plans are as follows:		
Service cost		
- Current service cost	33.89	31.73
Net interest expense	20.16	14.92
Components of defined benefit costs recognised in profit or loss	**54.05**	**46.65**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	(0.28)	2.85
Actuarial gains and loss arising from changes in financial assumptions	(9.63)	(8.64)
Actuarial gains and loss arising from experience adjustments	57.66	39.72
Components of defined benefit costs recognised in other comprehensive income	**47.75**	**33.93**
Total	**101.80**	**80.58**

(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, 2023	As at March 31, 2022
I.	(Net Asset)/Liability recognised in the Balance Sheet		
1.	Present value of defined benefit obligation as at 31 March	488.84	414.25
2.	Fair value of plan assets as at 31 March	109.52	117.32
3.	Deficit	379.32	296.93
4.	Current portion of the above	0.67	0.63
5.	Non current portion of the above	378.65	296.30

(c) Movement in the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Change in the obligation during the year ended 31 March		
Present value of defined benefit obligation at the beginning of the year	414.25	364.36
Expenses Recognised in Consolidated Statement of Profit and Loss:		
- Current Service Cost	33.89	31.73
- Interest Expense / (Income)	27.80	23.35
Recognised in Other Comprehensive Income:		

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	(9.63)	(8.64)
ii. Experience Adjustments	57.66	39.72
Benefit payments (including directly paid by the Company)	(33.45)	(36.23)
Acquisitions Credit/(Cost)	(1.68)	(0.04)
Present value of defined benefit obligation at the end of the year	**488.84**	**414.25**

(d) Movement in fair value of plan assets are as follows :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Change in fair value of assets during the year ended 31 March		
Fair value of plan assets at the beginning of the year	117.32	137.97
Expenses Recognised in Statement of Profit and Loss:		
- Expected return on plan assets	7.64	8.43
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Return on plan assets (excluding amount included in net interest expense)	0.28	(2.85)
Contributions by employer	15.64	10.00
Benefit payments	(31.36)	(36.23)
Fair value of plan assets at the end of the year	**109.52**	**117.32**

(e) The fair value of plan assets at the end of the reporting period are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Life Insurance Corporation of India	109.52	117.32

(f) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.25%	7.00%
Expected rate of salary increase	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 *	9 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

Notes forming part of the Consolidated Financial Statements (Contd.)

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

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 ₹ 20.12 Lakhs (increase by ₹ 21.39 Lakhs) (As at 31 March 2022; decrease by ₹ 18.28 Lakhs (increase by ₹ 19.48 Lakhs)).

(ii) If the expected salary growth rate increase / (decreases) by 1% the defined benefit obligation would increase by ₹ 41.66 Lakhs (decrease by ₹ 37.55 Lakhs) (As at 31 March 2022 ; increase by ₹ 37.80 Lakhs (decrease by ₹ 33.79 Lakhs)).

(iii) If the withdrawal rate increases/(decreases) by 5% the defined benefit obligation would decrease by ₹ 6.17 Lakhs (increase by ₹ 5.93 Lakhs) (As at 31 March 2022; decrease by ₹ 8.16 Lakhs (increase by ₹ 7.92 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.

36. LEASES

36.1 Leases as lessee (Ind AS 116)

The leased assets of the Group include hospital building (also refer note 44), nurse hostel building and medical equipments which are taken on lease for providing healthcare services to the patients.

The summary of the movement of right-of-use assets for the year is given below:

	As at March 31, 2023	As at March 31, 2022
Right-of-use assets under Ind AS 116		
Balance as at April 01	4,399.41	5,223.40
Less: Depreciation charge for the year	(822.96)	(823.99)
Balance as at 31 March	**3,576.45**	**4,399.41**
Lease liabilities		
Current lease liabilities	821.62	701.70
Non-current lease liabilities	3,818.14	4,639.77
	4,639.76	**5,341.47**

The following is the movement in lease liabilities during the year:

	Year ended March 31, 2023	Year ended March 31, 2022
Balance as at April 01	5,341.47	5,717.47
Finance cost accrued during the year	563.47	634.01
Deletions	-	-
Payment of lease liabilities	(1,265.18)	(1,010.01)
Balance as at 31 March	**4,639.76**	**5,341.47**

Notes forming part of the Consolidated Financial Statements (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 made after the reporting date:

	As at March 31, 2023	As at March 31, 2022
Lease liabilities under Ind AS 116		
Less than one year	821.62	701.70
One to five years	3,818.14	3,938.03
More than five years	-	701.74
Total lease liabilities as at 31 March	**4,639.76**	**5,341.47**

Amount recognised in consolidated statement of profit and loss:

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on lease liabilities	563.47	634.01
Depreciation expense on righ of use assets	822.96	823.99
Expenses relating to short-term leases and leases of low-value assets	36.84	14.88

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

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at cost		
Measured at fair value through profit or loss (FVTPL)	-	-
Measured at amortised cost		
- Security deposits	40.33	44.38
- Advance to related parties	10.42	22.81
- Trade receivables	318.44	219.93
- Cash and bank balances	943.72	1,255.34
- Loans	6,800.00	6,800.00
- Other financial assets	195.16	254.00

(b) Financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at fair value through profit or loss (FVTPL)		
Measured at amortised cost		
- Trade payables	2,027.32	2,000.14
- Lease liabilities	4,639.76	5,341.47
- Other financial liabilities	23.62	105.52

Notes forming part of the Consolidated Financial Statements (Contd.)

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

(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.

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, 2023, ₹ 261.99 Lakhs (As at March 31, 2022, ₹ 300.26 Lakhs) is due from 3 international customers (As at March 31, 2022, 4 customers). 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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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

The ageing of trade receivables as at the reporting date was:

As at March 31, 2023

Ageing	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Within the credit period	193.78	0%	-	No
1-30 days past due	28.07	0%	-	No
31-60 days past due	32.50	0%	-	No
61-90 days past due	20.92	17%	3.48	No
More than 90 days past due	584.88	92%	538.23	Yes*
	860.15		**541.71**	

* The above carrying amount includes credit impaired receivables amounting to ₹ 533.33 Lakhs

As at March 31, 2022

Ageing	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Within the credit period	209.70	1%	1.61	No
1-30 days past due	-	0%	-	No
31-60 days past due	19.65	40%	7.81	No
61-90 days past due	3.80	100%	3.80	Yes
More than 90 days past due	510.81	100%	510.81	Yes
	743.96		**524.03**	

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 ₹ 943.72 Lakhs at March 31, 2023 (31 March 2022: ₹ 1,255.34 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.

(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

Notes forming part of the Consolidated Financial Statements (Contd.)

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

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
	(₹)	(₹)	(₹)	(₹)
As at 31 March 2023				
- Trade Payables	2,027.32	-	-	2,027.32
- Lease liabilities	821.62	1,966.77	1,851.37	4,639.76
- Other financial liabilities	23.62	-	-	23.62
Total	**2,872.56**	**1,966.77**	**1,851.37**	**6,690.70**
As at 31 March 2022				
- Trade Payables	2,000.14	-	-	2,000.14
- Lease liabilities	701.70	1,776.27	2,863.50	5,341.47
- Other financial liabilities	105.52	-	-	105.52
Total	**2,807.36**	**1,776.27**	**2,863.50**	**7,447.13**

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, 2023	Year ended March 31, 2022
Current tax:		
Current income tax charge	1.81	1.26
Income tax relating to earlier years	-	(0.01)
Total	1.81	1.25
Deferred tax		
Origination and reversal of temporary difference	(0.06)	(0.03)
Reversal of temporary difference	845.57	-
Total	**845.51**	**(0.03)**
Total tax expense recognised in consolidated statement of profit and loss	**847.32**	**1.22**

Notes forming part of the Consolidated Financial Statements (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 loss as follows:

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Amount	Tax Amount	Amount	Tax Amount
Loss before tax from operations	(700.79)		(826.13)	
Income tax using the Company's domestic tax rate at 27.82% (31 March 2022 : 27.82%)		(194.96)		(229.83)
Tax effect of :				
Adjustments recognised in the current year in relation to the current tax of prior years.	-	-	-	(0.01)
Deferred tax assets not recognised during the year	-	196.90	-	231.06
Reversal of temporary difference	-	845.57		
Others	-	(0.19)	-	0.00
Total tax expense		**847.32**		**1.22**

(iii) Income tax on other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Deferred tax		
Remeasurements of defined benefit plans	(0.05)	(0.03)
Total	**(0.05)**	**(0.03)**

(iv) Following is the analysis of the deferred tax asset / (liabilities) presented in the Balance Sheet

Particulars	Year ended March 31, 2023			
	Opening Balance	Recognised in profit and Loss*	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee benefits	114.09	(113.55)	(0.05)	0.49
Allowance for credit losses/Others	145.20	(145.20)	-	-
Lease liability	198.61	(198.61)	-	-
Carried forward of business and depreciation losses	380.63	(380.63)	-	-
Property, plant and equipment	7.51	(7.51)	-	-
	846.05	**(845.51)**	**(0.05)**	**0.49**
Net deferred tax asset / (liability)	**846.05**	**(845.51)**	**(0.05)**	**0.49**

Notes forming part of the Consolidated Financial Statements (Contd.)

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

Particulars	Year ended March 31, 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee benefits	114.06	-	0.03	114.09
Allowance for credit losses/Others	145.20	-	-	145.20
Lease liability	198.61	-	-	198.61
Carried forward of business and depreciation losses	380.63	-	-	380.63
Property, plant and equipment	7.51	-	-	7.51
	846.02	**-**	**0.03**	**846.05**
Net deferred tax asset / (liability)	**846.02**	**-**	**0.03**	**846.05**

(v) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the group can use the benefits therefrom:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gross amount	Unrecognised tax effect*	Gross amount	Unrecognised tax effect
Deductible temporary differences	2,516.14	699.99	344.13	95.74
Tax losses	2,028.90	564.44	486.42	135.32
Total	**4,545.04**	**1,264.43**	**830.55**	**231.06**

Tax losses carried forward

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount	Expiry date	Amount	Expiry date
Expire	848.68	2028-32	846.44	2028-31
Never expire	1,180.22		969.65	

*Note - In the current year, the Parent Company has revised its estimate of future taxable profits, and taking a conservative approach has reversed the deferred tax assets recognised in the earlier years for the deductible temporary differences and tax losses amounting to ₹ 845.57 Lakhs.

Notes forming part of the Consolidated Financial Statements (Contd.)

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

40. EARNINGS PER EQUITY SHARE

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss after tax - ₹	(1,548.11)	(827.35)
Weighted average number of equity shares (No's.):		
Weighted average number of equity shares for calculating Basic EPS	1,87,41,759	1,87,41,759
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	1,87,41,759	1,87,41,759
Earnings Per Equity Share - in ₹		
- Basic - in ₹	(8.26)	(4.41)
- Diluted - in ₹	(8.26)	(4.41)
Face value per share - in ₹	10.00	10.00

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 31 March 2023 has been made in the consolidated financial statements based on information received and available with the Group.

	Particulars	As at March 31, 2023	As at March 31, 2022
(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	35.76	16.71
(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 Consolidated Financial Statements (Contd.)

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

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 31 March 2023	As at 31 March 2022
Fortis Healthcare Limited	10.50%	Quarterly	Unsecured	2,800.00	2,800.00
Fortis Healthcare Limited	6.50%	Quarterly	Unsecured	4,000.00	4,000.00

Particulars	Relation	Maximum amount outstanding during the year	
		March 31, 2023	March 31, 2022
Fortis Healthcare Limited*	Intermediate Holding	6,800.00	6,800.00

* There are two inter corporate deposits placed with Fortis Healthcare Limited:

a) ₹ 2,800 Lakhs was given for meeting its working capital/ general corporate requirements. This loan is repayable on or before July 08, 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.

b) ₹ 4,000 Lakhs was given for meeting its working capital / corporate requirement . This loan is repayable on or before 2 years from the date of drawdown i.e., February 22, 2024 and the Parent Company has option to recall this loan post disbursement after giving one month prior written notice to the borrower.

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 Group does not meet the applicable thresholds both in the year ended 31 March 2023 and 31 March 2022, accordingly, the Group has not spent any such amounts in both these years.

44. ORDER / NOTICE RECEIVED FROM CMDA

Request for regularisation of the hospital building in which the Parent Company operates was made vide an application dated May 29, 1999 to Chennai Metropolitan Development Authority ("CMDA"). In the year 2012, Land and hospital building was sold by the Parent Company to Fortis Health Management Limited ("FHML"). Parent Company and FHML had also simultaneously entered into a "Hospital and Medical Services Agreement" w.r.t. rendering of medical and healthcare services in the hospital premises (including right to use of the hospital building). CMDA by its Order dated 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 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 the Rejection Order, 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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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

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 involved taking number of actions, significant expenses and capital expenditure. During the ongoing pandemic, there were lockdowns resulting in limited and restricted access to various offices all across, which slowed down the progress of actions initiated. The Parent Company is taking bonafide steps on best effort basis to complete the process of submission of the clearances and certificates sought by CMDA. On May 20, 2021, an update was sent to CMDA confirming that out of six requirements, as set out in their letter dated August 25, 2020, three have already been complied with and steps were underway for completion of the remaining actions. Subsequently, the Parent Company obtained NOC from the Airport Authority of India dated February 24, 2022. Pursuant thereto, for regularisation of the building, on June 07, 2022, an application along with available documents have been submitted with CMDA. For processing of the application, which is accompanied with available documents in support of Parent Company's claim for regularisation, requisite scrutiny fee has been deposited. In addition to the legal action already being undertaken by FHML for getting possession of the Land parcel adjacent to the hospital premises occupied by Bharat Petroleum Corporation Limited, Chennai (BPCL), a writ petition has also been filed against BPCL and others before the Hon'ble High Court of Judicature at Madras by FHML on March 29, 2023 seeking peaceful and vacant possession of the said Land parcel. While the Parent Company is co-operating to get all the clearance, based on legal advice, 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 for obtaining requisite clearances and certificates (or for the expenses that may be incurred in the unlikely event that the regularization is not approved) as all such expenses will be borne by FHML. The 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.

45. INFORMATION AS REQUIRED BY PART III OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

31 March 2023

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
Parent				
As a % of consolidated	96.55%	100.34%	100.29%	100.34%
Amount as at 31 March 2023	6,195.74	(1,553.32)	(47.94)	(1,601.26)
Subsidiary - Indian				
Malar Stars Medicare Limited				
As a % of consolidated	3.53%	-0.34%	-0.29%	-0.34%
Amount as at 31 March 2023	226.50	5.21	0.14	5.35
Inter-company eliminations				
As a % of consolidated	-0.08%	0.00%	0.00%	0.00%
Amount as at 31 March 2023	(5.00)	-	-	-
Total				
As a % of consolidated	100%	100%	100%	100%
Amount as at 31 March 2023	6,417.24	(1,548.11)	(47.80)	(1,595.91)

Notes forming part of the Consolidated Financial Statements (Contd.)

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

31 March 2022

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
Parent				
As a % of consolidated	97.30%	100.39%	100.21%	100.38%
Amount as at 31 March 2022	7,797.00	(830.55)	(34.03)	(864.58)
Subsidiary - Indian				
Malar Stars Medicare Limited				
As a % of consolidated	2.76%	-0.39%	-0.21%	-0.38%
Amount as at 31 March 2022	221.15	3.20	0.07	3.27
Inter-company eliminations				
As a % of consolidated	-0.06%	0.00%	0.00%	0.00%
Amount as at 31 March 2023	(5.00)	-	-	-
Total				
As a % of consolidated	100%	100%	100%	100%
Amount as at 31 March 2022	8,013.15	(827.35)	(33.96)	(861.31)

46. ADDITIONAL REGULATORY INFORMATION

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(viii) The Group does not have any borrowings in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets. Accordingly, it was not required to file any quarterly returns or statements of current assets with banks and financial institutions.

(ix) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Notes forming part of the Consolidated Financial Statements (Contd.)

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

(x) The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(xi) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

47. In light of the acquisition of the controlling stake of FHL by Northern TK Venture Pte Limited ("NTK") a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia, a mandatory open offer got triggered for acquisition by NTK of up to 4,894,308 fully paid up equity shares of face value of ₹ 10 each in the Parent Company, representing 26% of the paid-up equity shares of the Parent Company at a price of ₹ 60.10 per share ("Malar Open Offer") in December 2018. However, in view of order dated December 14, 2018 passed by Hon'ble Supreme Court wherein it was specified that status quo with regard to sale of the controlling stake in Fortis Healthcare Limited to IHH Healthcare Berhad, Malaysia be maintained, the Mandatory Open offer was kept in abeyance. The Hon'ble Supreme Court has disposed of the petitions with certain directions to the Hon'ble High Court of Delhi. Malar Open offer continues to be in abeyance an on date. From publicly available information, it is learnt that SEBI had advised NTK to proceed with the Fortis Open Offer and the Malar Open Offer after obtaining an appropriate order from the Hon'ble High Court of Delhi. In view of the same, NTK is obtaining advice from legal counsel.

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 Group'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 19, 2023

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

Nithya Ramamurthy
Director
DIN 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877

Place : Delhi
Date: May 19, 2023

Yogendra Kumar Kabra
Chief Financial Officer

Place : Chennai

Notes

Notes

M A L A R
H O S P I T A L

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