SHALBY
MULTI-SPECIALTY HOSPITALS

August 19, 2020

Shalby/SE/2020-21/47

The Listing Department **National Stock Exchange of India Ltd**	Corporate Service Department **BSE Limited**
Scrip Code : SHALBY Through : https://www.connect2nse.com/LISTING/	**Scrip Code: 540797** Through : http://listing.bseindia.com

Sub.: Annual Report of 16th Annual General Meeting of the members of the Company scheduled on Monday, September14, 2020
Ref : Our letter no. Shalby/SE/2020-21/41 dated August 10, 2020

Dear Sir/Madam,

In continuation of our above referred letter and in compliance with the Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), we are submitting herewith the Annual Report of the Company for the financial year 2019-20 along with Notice containing the business to be transacted at the 16th Annual General Meeting scheduled on Monday, September 14, 2020 at 3:30 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities & Exchange Board of India from time to time.

Annual Report of the Company for the financial year 2019-20 alongwith the Notice of the 16th AGM is being sent through electronic mode only to those members whose e-mail addresses are registered with the Company/Depositories in accordance with MCA circulars and SEBI circulars.

The Annual Report for FY 2019-20 including Notice of 16th AGM is available in the investor section of our website at www.shalby.org.

Kindly take the same on your records.

Thanking You,

Yours sincerely,
For **Shalby Limited**
JAYESH RAVJIBHAI PATEL
Jayesh Patel
Company Secretary & Compliance Officer
Mem. No: ACS14898

Encl: as above

ANNUAL REPORT
2019-20

SHALBY®
MULTI-SPECIALTY
HOSPITALS

Fit for the Future

26 years of serving

Corporate Information

Board of Directors

Dr. Vikram Shah
Chairman & Managing Director

CA Shyamal Joshi
Non-Executive Director

Dr. Ashok Bhatia
Non-Executive Director

Dr. Umesh Menon
Independent Director

Mr. Tej Malhotra
Independent Director

CA Sujana Shah
Independent Director

Audit and Risk Management Committee

Dr. Umesh Menon, Chairman
CA Shyamal Joshi, Member
Mr. Tej Malhotra, Member
CA Sujana Shah, Member

Nomination and Remuneration Committee

Dr. Umesh Menon, Chairman
CA Shyamal Joshi, Member
CA Sujana Shah, Member

Stakeholder Relationship Committee

CA Shyamal Joshi, Chairman
Dr. Umesh Menon, Member
Dr. Vikram Shah, Member

Corporate Social Responsibility Committee

CA Sujana Shah, Chairperson
CA Shyamal Joshi, Member
Dr. Umesh Menon, Member

Chief Financial Officer

CA Prahlad Rai Inani

Company Secretary

Jayesh Patel

Statutory Auditors

T. R. Chadha & Co.
Chartered Accountants

Internal Auditors

Pricewaterhouse Coopers P. Ltd.

Bankers

HDFC Bank Limited
IDFC Bank Limited
Kotak Mahindra Bank Limited
Yes Bank
State Bank of India

Registrar & Transfer Agent

KFin Technologies Private Limited
Selenium Tower B, Plot 31 - 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500 032, Telangana, India
Phone: +91- 40 - 67162222
+91- 40 - 33211000
E-mail: einward.ris@kfintech.com

Registered & Corporate Office

Shalby Limited
Shalby Multi-Specialty Hospitals,
Opp. Karnavati Club, S. G. Highway,
Ahmedabad - 380 015
CIN: L85110GJ2004PLC044667
Phone: +91 - 79 - 4020 3000
Fax No: +91 - 79 - 4020 3120
E-mail: companysecretary@shalby.in
Website: www.shalby.org

Stories Inside

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CORPORATE OVERVIEW

To view this report online, please visit: **www.shalby.org**

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STATUTORY REPORTS

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FINANCIAL STATEMENTS

Forward-looking statements/ Cautionary statement

In this Annual Report, we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Fit for the Future

Shalby Limited is famed for providing high-quality, cost-effective healthcare services. Through our growing network of multi-specialty hospitals in India providing tertiary and quaternary services at affordable costs, we are changing the paradigm of healthcare delivery. We are also reaching out through our outpatient clinics across the country and at select overseas locations, to bring new hope to thousands of patients.

Our innovative business model, which twines superior healthcare services with affordability, has not only been right for people needing care, but has also been right for growing our business. The trust that we have earned for our services and the solid foundation that we have built sets the stage for an even more exciting and dynamic future.

We believe a critical component of our future growth is our team of best-in-class doctors and healthcare experts. We continue to attract and retain top medical professionals with our excellent industry reputation and by providing superior facilities with advanced technology and equipment. Our unwavering focus on pursuing a multidisciplinary approach and establishing consistent clinical protocols further empowers us to elevate clinical performance and enhance patient outcomes.

Within our hospitals, we have also broadened our capabilities beyond our niche segment of Orthopaedics, by setting up new specialties such as Cardiac Science, Oncology, Dental & Cosmetics Implantology, Neurology and Nephrology, among others. Our wide range of super-specialty services positions us well to meet the future demand for private healthcare services, driven by the higher prevalence of non-communicable diseases along with rising disposable income and deeper insurance penetration.

While exceeding expectations in patient care, we remain committed to maintain our own organisational health. We are setting up new hospitals through a calibrated expansion strategy. Additionally, in new geographies, we are pursuing an asset-light model of expansion through a franchise route, hospital management contracts and outpatient clinics. To drive operational efficiencies, we are leveraging technology and lean practices. By keeping both capital investment and operating expenses low without compromising on quality, we have struck a resounding balance between the humane facet of healthcare and the commercial element of business.

Our 'fit for the future' business model is underpinned by our strong balance sheet. Our net cash surplus status means that we can move ahead with confidence in growing our business and creating long-term value for all our stakeholders. Our results this year are further evidence of our operational and financial fitness. We achieved 10.3% growth in total patient count, 12.1% growth in In-patient count, and 7% increase in revenues. It is how we know, from our patients, customers, medical team, other employees, and stakeholders, that we are truly fit for the future.

Shalby at a Glance

Shalby Limited (Shalby) is one of India's leading multi-specialty hospital chains with over 26 years' experience in delivering quality and affordable healthcare. Since our inception in 1994 by Dr. Vikram Shah, we have grown from a single hospital in Gujarat to one of the country's most trusted healthcare providers with an international presence.

Shalby is world-renowned for its Joint Replacement Centre with over 0.1 million joint replacements performed till date. We are a market leader in the procedure of joint replacement surgeries, with a strong brand recall. In our endeavour to provide holistic healthcare services under one roof, we have forayed into tertiary and quaternary specialties such as Cardiology, Neurology, Oncology, Bariatrics, Liver and Renal transplants. We are focussing more on homecare business where we provide healthcare to our patients in the comfort of their homes.

Our team of dedicated healthcare professionals is committed to delivering patient-centric care through a professional and ethical approach. Our network of multi-specialty hospitals in India spans 11 units and is backed by a strong network of outpatient clinics in India and overseas to increase accessibility to quality healthcare. Shalby's international presence includes nations such as Kenya, Tanzania, Rwanda, Uganda, UAE, Bangladesh, Cambodia, Jakarta, Oman, Uzbekistan and Nepal.

Our guiding philosophy

Vision

Exceeding expectation from health.

Mission

Leveraging global leadership in joint replacement to establish multi-specialty care across geographies.

Values

We value all human lives placed in our hands and are constantly working towards meeting the expectations of our customers and stakeholders by raising the standards of our service deliverables.

Accreditations

National Accreditation Board of Hospitals & Healthcare Providers (NABH) certified

One of the few hospitals in India to receive this prestigious certification

National Accreditation Board for Testing and Calibration Laboratories (NABL) recognised

State-of-the-art laboratory technology and equipment for testing a wide range of conditions

Shalby in Numbers

26
Years of experience

11
Multi-specialty hospitals

50
Outpatient clinics

100,000+
Joint replacement surgeries till date

15%
Market share of joint replacement surgeries in India, highest among private healthcare players

50
Cities across India (hospitals/outpatient clinics)

500+
Doctors

31%
12-year CAGR revenue

36%
12-year CAGR EBIDTA

1,800,000+
Patients provided healthcare services till date

₹260 million
Net cash position

Zero
Promoter pledge

Our Specialities

Orthopaedics

Cardiac Science

Critical Care

Oncology

Neurology

Nephrology & Urology

Dental, Implantology & Cosmetic Surgery

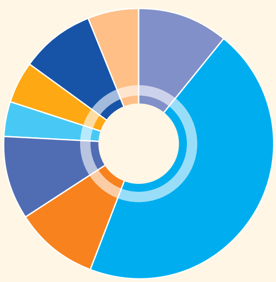
GI, Hepatobiliary & Bariatric Surgery

Paediatrics & Neonatology

Gynaecology & IVF

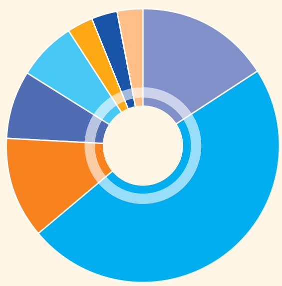
Shalby Homecare

Specialty Mix (Revenue)



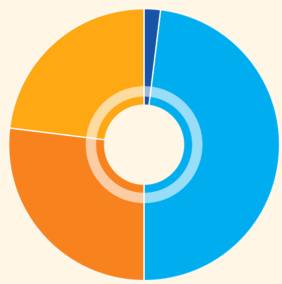
- **45%** Arthroplasty
- **10%** Cardiac Science
- **10%** Critical Care & General Medicine
- **4%** Nephrology
- **5%** Neurology
- **9%** Oncology
- **6%** Other Ortho
- **11%** Others

Surgery Count



- **48%** Arthroplasty
- **12%** Orthopaedic
- **8%** Nephrology
- **7%** General Surgery
- **3%** Cosmetic & Plastic Surgery
- **3%** Oncology
- **3%** Cardiac Science
- **16%** Others

Payer Mix (Revenue)

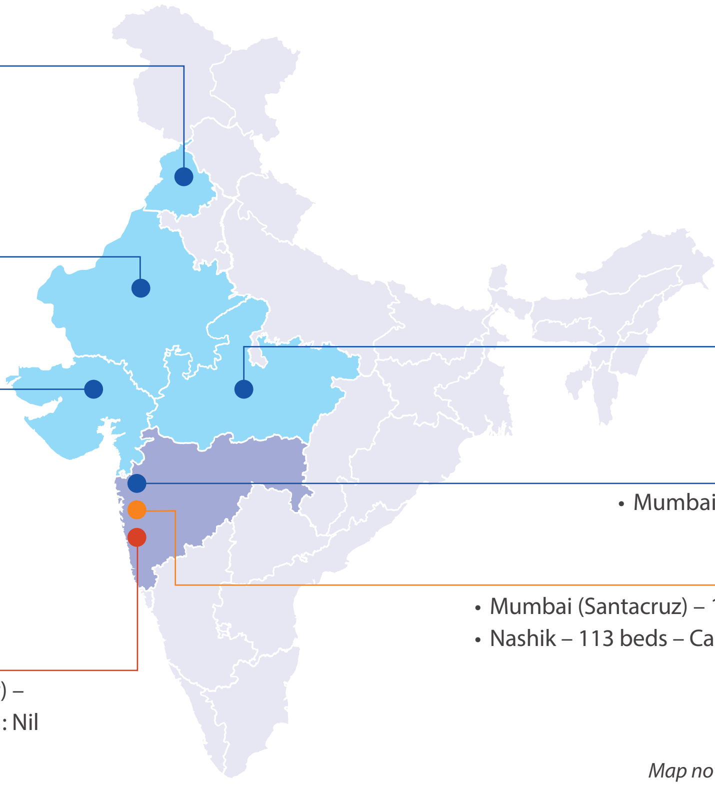


- **48%** Self Pay
- **27%** Corporate Government
- **23%** TPA
- **2%** Corporate Private

Our Global Footprint

Network of Hospitals in India with bed capacity

- Existing 11 Units (2012 beds)
- Upcoming 2 Units (288 beds)
- Ramp-up within existing setup by 100 beds



PUNJAB
- Mohali – 145 beds

RAJASTHAN
- Jaipur – 237 beds

GUJARAT
- Ahmedabad
  - SG – 201 beds
  - Krishna – 220 beds
  - Vijay – 27 beds
  - Naroda – 267 beds
- Vapi – 146 beds
- Surat – 243 beds

MAHARASHTRA
- Mumbai (Zynova, Ghatkopar) – 100 additional beds – Capex : Nil

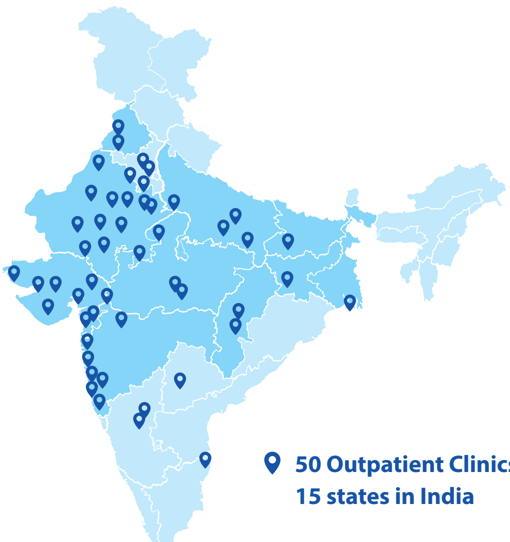
MADHYA PRADESH
- Indore – 243 beds
- Jabalpur – 233 beds

MAHARASHTRA
- Mumbai (Zynova, Ghatkopar) – 50 beds

MAHARASHTRA
- Mumbai (Santacruz) – 175 beds – Capex: ₹ 1,600 million
- Nashik – 113 beds – Capex: ₹ 310 million

Map not to scale. For illustrative purposes only

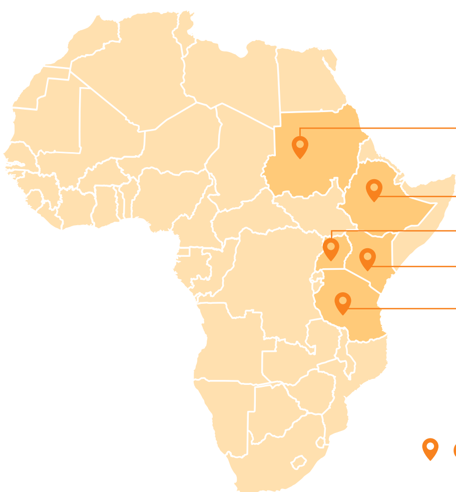
Network of Outpatient Clinics in India



50 Outpatient Clinics across 15 states in India

Overseas Network of Outpatient Clinics

International Presence (in Africa)



Sudan
Addis Ababa
Rwanda
Nairobi
Dar es Salaam

Outpatient Clinics

Maps not to scale. For illustrative purposes only

Awards and Accolades

Shalby has been the recipient of numerous government and non-governmental awards in the year under review. These prestigious honours bear testament to our unyielding resolve to deliver best-in-class healthcare.

Shalby was presented the "Medical Value Travel Specialist Hospital Awards – 2019", in the category – Orthopaedics (Joint Replacement), at Advantage Health Care India-2019 Summit, organised by the Ministry of Commerce and Industry, Govt. of India and FICCI from November 13 to 15, 2019. A few more awards that cemented its credibility as one of the leading names in healthcare service in the year under review are given hereof:

The Best Hospital For Patient Care by ET Health world 2020 (March-2020)

Company of the Year-Zee Business Award (October-2019)

Healthcare Leadership Award – Gujarat (September-2019)

Best Brand Evolution Award (July-2019)

Health Care Award - Madhya Pradesh (May-2019)

Times Ahmedabad Power Women Award and Phenomenal Woman Award to Dr. Darshini Shah (May-2019 and March-2020)

Chairman and Managing Director's Message

At Shalby, with delivery of world-class services at affordable costs being our greatest differentiator, we continue to make every effort to optimise our operational model.

Dear Shareholders,

As we prepare this year's Annual Report, the world is confronting one of the greatest health challenges of a generation with COVID-19 (coronavirus) sweeping across the globe.

At the same time, this year will go down in history, not just for the pandemic, but for the many ways in which people are choosing to come together and support each other. The selfless acts of essential services workers and several other groups reassure us that human spirit will eventually emerge triumphant. At Shalby, we are humbled to be part of the healthcare industry that directly and powerfully affects the lives of so many. In these difficult times, we reaffirm our commitment to protecting public health and supporting the government in its battle to overcome this crisis.

The outbreak of the pandemic has reiterated the necessity for countries to invest in adequate and effective healthcare infrastructure. In India, especially, stepping up healthcare allocation is a pressing priority as our average healthcare spend per person is amongst the lowest when compared to other countries. Additionally, our bed-population ratio is nearly 1:1,000 against the World Health Organisation's (WHO) recommendation of 3.5 beds per 1,000 people.

Recognising the gaps in the healthcare sector, the government aims to double its public health spending to 2.5% of the GDP by 2025 from 1.28% currently. In line with this objective, the Union Budget 2020-21 increased healthcare allocations by 3.9% over the previous year's outlay to ₹ 671,120 million. Allocation for Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) – the largest government-funded healthcare insurance programme in the world – was increased by 100% to ₹ 64,000 million. AB-PMJAY has the potential to provide cashless coverage to around 500 million people at the empanelled public and private hospitals. Additionally, the government has also announced that the AB-PMJAY scheme would be expanded by setting up more hospitals in the Tier-2 and Tier-3 cities under the public-private-partnership (PPP) route. The allocation of higher outlays and the launch of more targeted initiatives have the potential to make way for significant scale-up in the sector.

During the year under review, I am pleased to share that at Shalby Hospitals, we once again delivered on our promise of meeting the expectations of our patients and stakeholders. We registered commendable growth both operationally and financially, thus accelerating our journey towards making quality healthcare available within the reach of the common man. Our revenues stood at ₹ 5,042 million in FY 2019-20 as against ₹ 4,706 million in the previous year, while Profit Before Tax for the year stood at ₹ 567.25 million compared to ₹ 503.88 million in the previous year. Both in-patient and outpatient counts recorded a substantial increase over the previous year, reflecting our unwavering patient focus approach. The growing trust for our services was also evidenced in the fact that we performed over 19,835 surgeries during the year.

In pursuit of our vision to exceed expectations in health, we continue to take bold and unique measures. During the year, we emphasised more on homecare services to deliver efficient, high quality treatment and care in the comfort of our patients' homes. As part of this offering, medicines, diagnostic solutions, medical equipment and medical services reach patients at their homes instead of them having to step out. Our homecare services have been tremendously beneficial for patients needing medical help at the time of the nationwide lockdown. Another important development was the expansion of our orthopaedic services to newer geographies through an asset-light model at partner hospitals. At these hospitals, our orthopaedic team of doctors provide their expertise to drive excellent patient outcomes. By pairing our world-class orthopaedic capabilities with an asset-light expansion model, we envision an opportunity to scale our niche segment to newer heights.

We are also strengthening expertise across a wide range of specialities beyond orthopaedics with the aim to position Shalby at the pinnacle of healthcare provision in India. We now offer tertiary care services in areas such as cancer management, neurosurgery, cardiac surgery, urology and organ transplants, among others. Our commitment to provide superior quality and personalised service within the context of affordability will be a strong growth driver for these clinical areas as well. Towards this end, we are investing in our capabilities and hospital infrastructure and equipment with the objective of developing the best surgical resources. Our excellent reputation enables us to attract highly qualified healthcare professionals in multiple areas of operation, thus ensuring that the patients receive the highest standard of care.

A truly distinguishing feature of Shalby's healthcare services is our multidisciplinary approach for delivering better patient outcomes. Our specialists from different domains look at the unique needs of each patient and the most effective treatment is identified on the basis of our collective opinions, insights from outcome studies and wealth of experience. The strong culture of collaboration that we foster internally enables us to excel in taking care of our patients. Documentation of clinical records as per global standards is an integral aspect of the way we operate to ensure continuity in patient care, especially important in the current environment where many different healthcare professionals are involved in the treatment of a single patient.

At Shalby, with delivery of world-class services at affordable costs being our greatest differentiator, we continue to make every effort to optimise our operational model. The implementation of advanced Hospital Information System (HIS), which provides automated clinical, electronic medical records (EMR) to be rolled out at all units by FY 2021 and SAP ERP to be rolled out at all units by FY 2022. These technology initiatives further empower us to improve patient outcomes and deliver cost-effective care. Further, our four mature hospitals, which have been operating for more than six years, are consistently delivering superior performance across key metrics. As operations at our new and recent hospitals stabilise, we are confident they will mirror the performance of our matured units.

Our medium-to-long term growth expectations continue to be supported by strong industry fundamentals. High incidence of non-communicable diseases, higher levels of insurance penetration and increasing levels of awareness of the benefits of good health and wellbeing are expected to drive a double-digit growth rate for healthcare service delivery over the next decade. We have two upcoming hospitals in Maharashtra across Mumbai and Nashik to enhance our patient access. Of these, the Nashik hospital by FY 2022 and one facility at Mumbai by FY 2023 are expected to be operational. Further, our net cash surplus balance sheet and low-cost expansion model set the stage for continued growth and serving more patients.

In closing, delivering efficient, high quality care and clinical outcomes for patients in each of our hospitals across the country and at our outpatient clinics in India and abroad will continue to be a priority for us. Moreover, through our strategic initiatives and focussed efforts, we will work to be the trusted provider of choice for doctors, a positive contributor to the industry and a strong partner to the government as they seek to reform and deliver healthcare services. I would like to take this opportunity to extend my sincere appreciations to our entire medical team and all other employees and of course to you, our shareholders, for being the pillar of strength and support that has made our rewarding and satisfying journey possible.

Dr. Vikram Shah
Chairman and Managing Director

The Year in Numbers

OPERATIONAL HIGHLIGHTS*

Bed Capacity (Nos.)*	
2015-16	1,295
2016-17	2,012
2017-18	2,012
2018-19	2,012
2019-20	**2,012**

Operational Beds (Nos.)	
2015-16	823
2016-17	781
2017-18	1,150
2018-19	1,012
2019-20	**1,200**

Bed Occupancy (%)	
2015-16	26
2016-17	35
2017-18	29
2018-19	38
2019-20	**38**

Total Doctors	
2015-16	242
2016-17	297
2017-18	386
2018-19	500+
2019-20	**500+**

Patients Treated	
2015-16	1,73,449
2016-17	1,91,223
2017-18	2,55,937
2018-19	3,52,182
2019-20	**3,88,354**

Average Revenue Per Operating Bed **(ARPOB)** (In ₹)	
2015-16	34,173
2016-17	32,761
2017-18	31,564
2018-19	31,235
2019-20	**30,457**

**Maximum number of beds according to structure of the hospital*

FINANCIAL HIGHLIGHTS*

Total Revenue (₹ in million)

2015-16	2,927
2016-17	3,305
2017-18	3,923
2018-19	4,706
2019-20	**5,042**

Domestic Revenue (₹ in million)

2015-16	2,799
2016-17	3,166
2017-18	3,792
2018-19	4,585
2019-20	**4,960**

International Revenue (₹ in million)

2015-16	128
2016-17	139
2017-18	131
2018-19	121
2019-20	**82**

Revenue Growth (%)

2015-16	5
2016-17	13
2017-18	19
2018-19	20
2019-20	**7**

EBIDTA (₹ in million)

2015-16	579
2016-17	778
2017-18	925
2018-19	907
2019-20	**991**

EBIDTA Margin (%)

2015-16	20
2016-17	24
2017-18	24
2018-19	19
2019-20	**20**

Capital Employed (₹ in million)

2015-16	4,153
2016-17	5,488
2017-18	8,553
2018-19	8,408
2019-20	**8,833**

RoCE (%)

2015-16	14
2016-17	13
2017-18	10
2018-19	7
2019-20	**7**

Net Worth (₹ in million)

2015-16	2,109
2016-17	2,508
2017-18	7,615
2018-19	7,798
2019-20	**7,992**

RoE (%)

2015-16	13
2016-17	11
2017-18	6
2018-19	4
2019-20	**3**

**Based on consolidated financials*

The Future of the Healthcare Industry

Indian healthcare industry, one of the largest in terms of revenue and employment, is projected to reach a size of USD 372 billion in 2022 driven by growing private investments in the sector and various Government schemes.

Government Initiatives

The government pledges to invest 2.5% of its GDP into healthcare by 2025 to speed up the health infrastructure. The government also allows 100% FDI under the automatic route for Greenfield projects and under the government route for Brownfield projects in healthcare sector to encourage foreign investment.

Health schemes

The National Health Mission (NHM) 2012-2020 with its two sub-missions, the National Rural Health Mission (NRHM) and the National Urban Health Mission (NUHM), is the world's largest government-funded healthcare programme started in India. **Ayushman Bharat** is another programme which offers services through Health and Wellness Centres (HWCs) and Pradhan Mantri Jan Arogya Yojana (PMJAY). **Rashtriya Swasthya Bima Yojana, National Nutrition Mission (NNM)** and **Mission Indradhanush** are other schemes targeted at improving the healthcare sector in India.

Budget 2020-21 allocations

- ₹ 671,120 million for the Ministry of Health and Family Welfare
- ₹ 21,000 million for Health research sector
- NHM was allocated ₹ 334,000 million
- Allocation for PMJAY shot up 100% to ₹ 64,000 million
- Allocation for Pradhan Mantri Swasthya Suraksha Yojana increased 27% to ₹ 60,200 million
- The Budget proposed more than 20,000 new empanelled hospitals under PM Jan Arogya Yojana in Tier-2 and Tier-3 cities and Aspirational Districts

Growing private participation

Compared to 1.28% of public expenditure, the private sector spends approximately 3% of the GDP per annum on healthcare and accounts for 70% of India's total healthcare expenditure. Further, private players have significantly penetrated in Tier-2 and Tier-3 cities with their high quality facilities and services. Significantly, private healthcare now contributes a significant portion (around 65%) to the primary healthcare system of the country and. With the government opting for PPP mode for healthcare sector development, it is going to be a huge opportunity for private players to grow in this sector.

Growing middle-class income and medical insurance

According to a report by the World Economic Forum, by 2030, India will add about 140 million middle-income and 21 million high-income households. Rapid urbanisation, increase in income, and preference for comfortable and quality healthcare are driving the growth of the private healthcare sector in India. Growth of private medical insurance and insurance coverage by corporates and government entities are another growth driver for the healthcare industry, as it increases affordability for advanced healthcare services.

New areas of growth in specialty care

Growing lifestyle diseases catapult demand for specialised healthcare services. A WHO report says, 63% of deaths in India were caused by non-communicable diseases (NCDs) such as cardiovascular diseases, cancer, high blood pressure, diabetes in the year 2016. Growing incidence of obesity, osteoarthritis and osteoporosis has driven an increase in orthopaedic and bariatric surgeries in Indians. Further, joint replacement surgeries have become easier because of recent technological innovations in implantations, minimal invasive surgeries. Another area of service which has tremendously grown in recent years is cosmetic surgery and dentistry. These new areas of specialty healthcare are expected to catapult the growth of private healthcare in India.

Medical tourism and homecare service

India offers quality and cost-effective healthcare in world-class hospitals with highly qualified medical professionals. The country is well positioned to skyrocket its share in the global medical tourism market. Further, with India's poor doctor-to-patient ratio and overcrowded hospitals, home healthcare can be a driver of change in India's healthcare segment. Increasing geriatric population in India and growth of nuclear families has increased the need of home healthcare services. Private healthcare providers are already investing in this segment to tap into the growth potentials.

Our Ethics Establish a Strong Foundation for our Future

Our reputation has been cemented by providing quality healthcare through a professional and ethical approach over the past two and half decades. We remain committed to providing comprehensive wellness across specialties.

In the field of healthcare, people seek a trusted brand with a flawless reputation above all else. Shalby has carved a niche for itself as a responsible and ethical healthcare provider through its patient-focussed approach. It is the strength of our brand that attracts and retains talented employees. It is our reputation that has enabled word-of-mouth publicity for our patients. As a result, the name Shalby has become synonymous with "Joint Replacement Surgery Expert" in western and central India. We are leveraging our brand equity to foray into various specialities and widen our footprint. Our brand name attracts a significant number of patients from all over the country to avail of our affordable and quality services. The trust in our services has led to the robust performance of our Company.

Our reputation is based on three pillars:

Professionalism | Robust Governance | Timely Services

Professionalism

Our medical team comprises highly qualified and experienced individuals from various specialities who are passionate about healthcare. Driven by professionalism and a patient-focussed approach, our team endeavours to enhance patient satisfaction every step of the way. Led by our founder and visionary Dr. Shah, the team demonstrates best practices and holds ethical values in high regard.

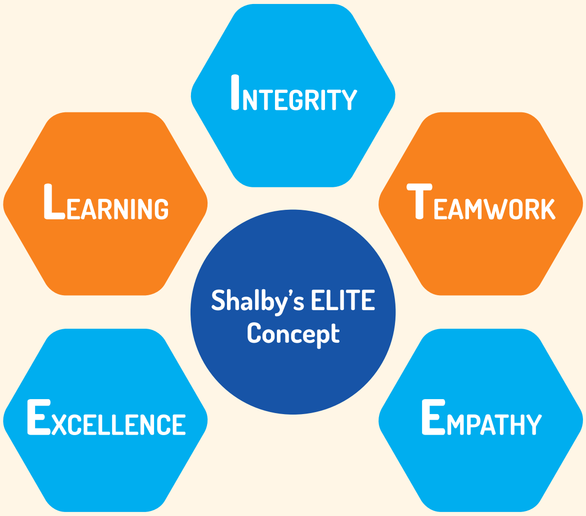
Robust Governance

We endeavour to provide best-in-class healthcare services for the benefit of all our stakeholders. We have developed a firm system of checks and controls to monitor our processes and practices. Our processes and practices are thoroughly reviewed at regular intervals and continually improved upon. We conduct judicious maintenance of our equipment and carry out clinical audits for the patients at our facilities to further improve our services. Our Code of Ethics is updated every year and observed by all our administrative members, irrespective of their hierarchy.

Timely Services

In the healthcare industry and especially for emergency patients, timely, efficient and agile services are paramount. Our strong internal controls ensure that our patients are dealt with care and professionalism.

We always do the right things even when no one is watching.



We keep raising our standards on a regular basis that helps us evolve. We welcome changes and embrace every opportunity to achieve our goals.

We jointly work towards one objective – patient satisfaction, regardless of teams/ departments.

We work with an intention to achieve excellence in every aspect of our endeavours.

We do everything possible to satisfy our patients' needs. Focussing on patient-centricity, their well-being, safety, comfort and happiness is our primary goal.

ELITE values

Our core values of Excellence, Learning, Integrity, Teamwork and Empathy, encapsulated under 'ELITE', are etched in the hearts and minds of every Shalbyte

Patient-centricity Paves the Way for Continued Progress

We value every human life we have been entrusted with and are constantly pushing ourselves to deliver first-rate healthcare to all our patients.

Care, empathy and respect is at the heart of our patient-focussed approach. In a world that is rife with inequitable access to healthcare, Shalby endeavours to make quality healthcare accessible.

Our innovations such as the 'ZERO technique' and innovated OS Needle have helped in reducing the time under surgery and the length of hospital stay. Our experienced team of medical professionals have an average of over 9 years of experience and have demonstrated remarkable capabilities to deliver holistic healthcare to all our patients. Even in the most complex cases, our team ensures that there is a personal touch in order to ensure a positive impact on the lives of our patients.

Shalby Care Card

The COVID-19 outbreak compelled us to think out of the box in order to expand our services and continue with our business with an aim of serving our patients. One such innovative product launched recently is the Shalby Care Card, with a cost of ₹ 2,500 and ₹ 5,000. We have introduced the care card as we saw that large number of patients, especially senior citizens, do not have insurance because of the insurance company age limitations and cost component. This provision is intended to offer them affordable treatment with discounted service rates and increase our occupancy at the same time. It will also improve the stickiness of the current customers.

Shalby Homecare

Home healthcare is an umbrella term which includes healthcare services provided by both skilled and experienced medical professionals in the comfort and convenience of your home. India is still crippled by a poor doctor-to-patient ratio of one doctor for every 1,445 patients and hospitals are crowded with long queues. In such times, home healthcare can be a driver of change in India's healthcare segment.

At Shalby, we have envisioned many innovative concepts for taking expert multispecialty healthcare to the doorsteps of millions in needs. We have introduced specialised services in Tier-2 cities of India, which so far remained deprived of such facilities due to lack of infrastructure and expertise. Through Shalby's "Homecare" service, we intend to bring an "invisible hospital" to the comfort of your own home. The initiative, which is aimed at changing the face of primary home health care services in India, is actually bringing back your good old home physician concept back to the service. The service is designed in a way to provide expert healthcare services for fast recovery of patients from illness and disabilities at the convenience of home environment.

We registered annual homecare revenue of ₹ 30.40 million and average monthly revenues of ₹ 2.5 million in FY 2019-20.

~USD 6 billion

is the estimated size of the current home healthcare market in India

8,271

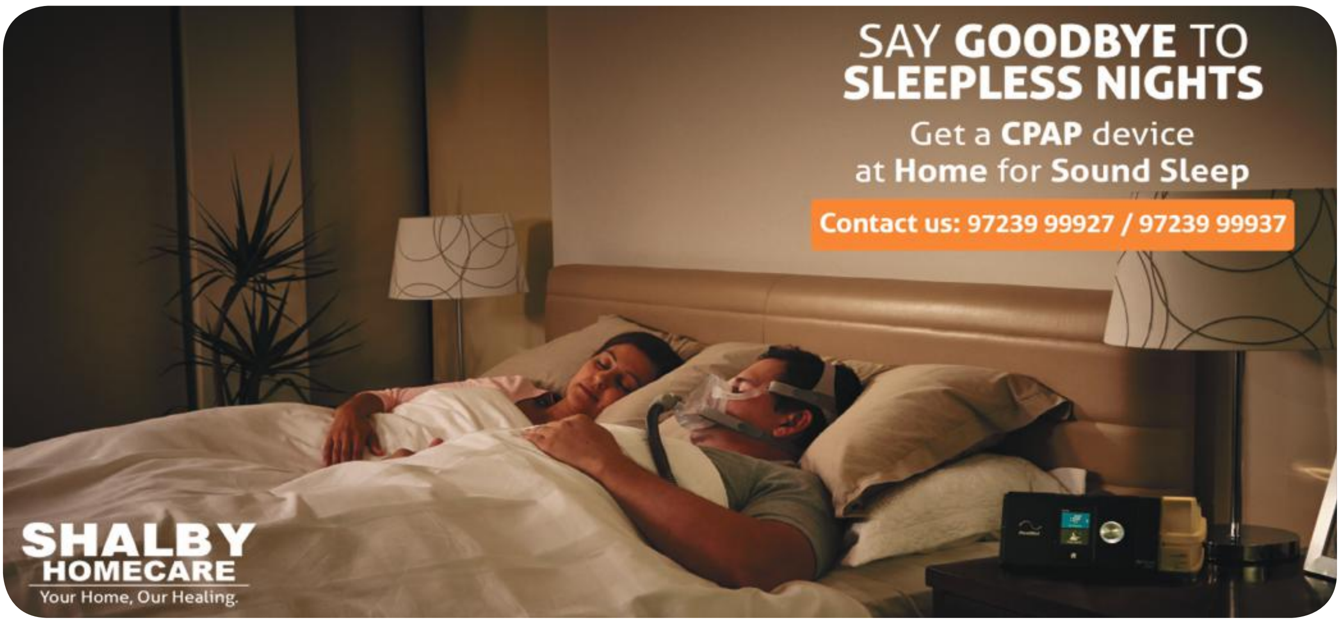
Total Homecare cases

43,327

Total Homecare visits

Opportunities & Initiatives

- Increasing geriatric population in India needing home healthcare services
- New services like medical equipment on rent and sales at all locations of Shalby hospitals
- Special Homecare services like trained nurse, attendant, doctor visit and various lab packages convenient for long-term bedridden and chronic disease patients
- Launch of Homecare App to manage digital patient traffic for homecare services
- Launch of centralised call centre to capture and convert digital leads across all units
- ICU @ Home solution to capture long-term critical patient under Homecare



Investing in Future-ready Capabilities

We have transformed healthcare and patient care through introducing innovative concepts and expanding our service capabilities, enhancing our expertise and specialties and deploying state-of-the-art technologies.

State-of-the-art technologies in joint replacement

Our expertise in the niche segment of orthopaedics and joint replacement is supported extensively by our founder, Dr. Vikram Shah, pioneering the use of '0 Technique' in joint replacement surgery. We remained the number one player worldwide for knee replacement surgery. We are capitalising on this niche and working on an asset-light model around India.

Equipment and technology upgrade

At Shalby, all our treatment and recovery processes are supported with state-of-the-art equipment and technologies for enhanced efficiency and better results. Our facilities are equipped with high-end machines for diagnosis and treatment support. We are also at the forefront of using new technologies to enhance the quality of patient care and improve internal efficiencies.

Healthcare cannot progress in isolation from digital transformation. Our aim is to achieve a high level of automation across our systems and processes. We are also revamping of our existing IT infrastructure to make our processes safe, error-free and make Shalby a smart hospital in true terms.

We have implemented a new Hospital Information System (HIS), which has automated clinical, electronic medical records (EMR), administrative and inventory functions. This has helped in optimising our operational efficiency and costs. We are also implementing Enterprise Resource Planning (ERP) solution from leading provider SAP S/4 HANA.

Hospital expansion

We, at Shalby, focus on expanding to new geographies and expanding its service range. We are aiming at expanding our footprint in Tier-1 and Tier-2 cities where the demand for specialties is more than quality service availability. The capacity and estimated CAPEX details of our upcoming units in Maharashtra are as below:

- Mumbai (Ghatkopar) – **100 beds** – Capex : Nil
- Mumbai (Santacruz) – **175 beds** – Capex: ₹ 1,600 million
- Nashik – **113 beds** – Capex: ₹ 310 million

Franchise model

We have recently strategised a franchise model as a way of business expansion. After investing generously in expanding our facilities, we now aim at expanding further without any capex in brick and mortar. Instead of building our own facilities, we are looking at offering our Franchise to other hospitals operating in the healthcare market. Hence, we are coming up with a franchise model for orthopedics and for joint replacement with a goal of augmenting our topline and bottom line revenue. We are aiming to expand pan-India.

Mars Medical Devices Limited

About 80% to 90% of the medical devices we use are being imported. Hence, we intend to explore this domain, backed by our years of expertise and with tech collaboration with a few International players. As the government is focussing on Make in India and offering a 15% income tax regime for new manufacturing facilities, this is an opportunity we would like to leverage on. We have formed a 100% subsidiary of Shalby Limited, which is Mars Medical Devices Limited. In order to secure our supply chain for medical devices, this company will facilitate backward integration.

Financially Fit to Accelerate our Growth Trajectory

Our robust business model optimises capex and opex to address future challenges and leverage growing opportunities in health care, while offering the best-in-class services.

Features

- In-house team of architects, designers and planners
- Optimal use of real estate to minimise loss of real-estate space
- Efficient equipment sourcing strategy and utilities planning
- Focus on surgeries with higher ARPOB, better margins and return ratios
- Centralised procurement method to save costs
- Gradual ramp-up of bed capacity to keep costs low and break even faster at EBIDTA level
- Fully-owned or O&M on revenue sharing (no fixed rentals, no security deposit or minimum guarantee)

Results

Faster break-even costs and operational costs within 4-5 years and 2-3 years of launching a new hospital compared to the industry standard of 5-7 years and 3-5 years respectively.

Best-in-class returns

ROCE and ROE for FY 2019-20 stood at 7% and 3% respectively despite lower capacity utilisation post heavy capex.

30,457 ARPOB

One of the highest in the industry despite not having presence in Metro cities

2.61 days ALOS

(ALOS including Daycare)

(average length of stay), one of the lowest in the industry

Cost of running the day-to-day operations for a single hospital at Shalby is 10%-15% lower compared to peers

₹4.5 million to ₹5 million

capex per bed for Shalby

compared to

₹7.5 million to ₹15 million

capex per bed for other corporate hospitals

We operate outpatient clinics in India and abroad, where patients can visit and get specialised consultation. We also analyse patient trends and decide on expansion plans. This is followed by training of local doctors for conducting OPDs in and around Ahmedabad. We have been operating such OPD clinics for 15 years and have built a strong brand proposition. This allows us to expand our hospital facilities without incurring any additional branding costs.

Our intelligent business mode has been instrumental for us in achieving higher return ratios than industry peers. Further, we are supported by the absence of any working capital loan. Notwithstanding the continuous expansion in the past decade, the Company has remained debt-free by virtue of its asset-light model approach and steady free cash flow generation from legacy hospitals in Ahmedabad supported a strong brand value.

Shalby Academy: Supporting the Healthcare Industry

How we are preparing a skilled workforce for the healthcare industry.

A lack of skilled medical professionals has always remained a hurdle in the Indian healthcare industry. Shalby Academy, our education wing, runs various paramedical, technical and management courses with an aim of building capacity and skill upgradation of both internal employees and external students. We have successfully collaborated with prominent educational institutes to hone fresh talent and prepare a skilled workforce. These collaborations have brought together the expertise of the empanelment of Shalby Hospitals and the academic infrastructure of prominent educational institutes to train the best talents. We impart practical knowledge and endeavour to make our students more employable.

New Tie-Ups

Shalby Academy & Ganpat University

(Ganpat University - Shalby Centre for Healthcare Management & Research)

Under this collaboration, Shalby will be launching 19 various certificate & diploma programs in Paramedics & Healthcare Management with a duration of six months to one year. These courses will be delivered via a Hands-on Training mode.

Shalby Academy & UPES University, Dehradun

(University of Petroleum Energy Studies)

Under this collaboration, Shalby will be launching online courses on Post Graduate Program in Healthcare & Hospital Management with a duration of 10 months.

We also have existing tie-ups with National Council of Paramedics, Delhi and IIPH University Gandhinagar.

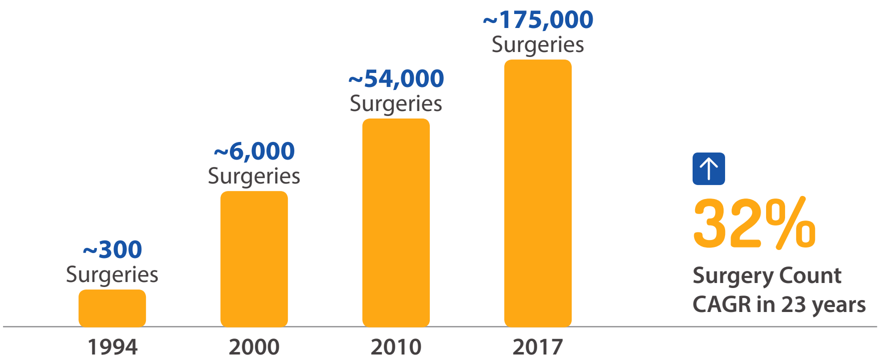
DEPARTMENT OF ORTHOPAEDICS

"Capitalising on our strength as a joint replacement expert to exploit opportunities."

Knee replacement surgery has become more affordable in the past few years as cost-to-patient for surgery has not increased significantly in last 25 years due to technology improvements. However, purchasing power of the Indian middle-class has increased substantially.

Total Knee Replacement – The next big opportunity

Total Knee Replacement is a surgical procedure to resurface a damaged knee due to arthritis.



Shalby's position

Shalby Hospitals is one of the largest and a world-renowned tertiary centre for Orthopaedics, including all types of joint replacement surgeries, trauma, revisions, scopy, deformity, spine & paediatric and onco-orthopaedics. We are a market leader in the joint replacement field with a dedicated and skilful team of doctors and best-in-class facilities. We have carried out 9,600 arthroplasty surgeries during the year. We continue to hold on to our market share of 15%, the highest among all private players in India. Arthroplasty remains our biggest strength with a contribution of 45% to our total revenue mix.

Government schemes

There are various government schemes that are expected to augur well for Shalby. Total knee replacement surgeries are to be conducted free of cost under the Mukhyamantri Amrutam Yojana and Ayushman Bharat scheme in Gujarat. About 20 million citizens are expected to benefit from this scheme. The government cap on knee implant prices has also increased the affordability of knee implant surgeries.

India statistics

Indians and Asians are 15% more susceptible to orthopaedic disorders compared to Americans.

0.80 million

Direct potential knee operations in India

40 million

Affected people need knee replacement surgery in India

Shalby statistics

9,600

Arthroplasty surgeries

15%

Market share in Arthroplasty which is highest among all private players in India

Source: *https://www.tribuneindia.com/news/archive/health/take-care-of-your-new-knees-818422*

DEPARTMENT OF CARDIAC SCIENCES

"Our all-inclusive approach is a result of our combined expertise in Cardiology, Cardiothoracic Vascular Surgery and Cardiac Rehabilitation."

India statistics

50%

of all heart attacks in Indians occur under 50 years of age and 25% of all heart attacks in Indians occur under 40 years of age according to the Indian Heart Association

Emerging trends

There has been an exponential growth in the number of cardiac surgeries in India in the last three decades.

Source: *https://www.dnaindia.com/jaipur/report-by-2030-deaths-due-to-heart-disease-likely-to-increase-by-23cr-doctor-2667520*

The Cardiac Growth Story In India

Wide procedure penetration – to Tier-2 and Tier-**3 cities**

1984	1994	2004	2014
~500 Surgeries	**~5,000** Surgeries	**~50,000** Surgeries	**~200,000** Surgeries & **~800,000** Angioplasties

29% **Surgery Count CAGR in 30 years & Currently growing @ 2-3%**

Shalby's approach

We use advanced technology and procedures so that our patients can avail of world-class treatment at affordable prices. Our knowledge-sharing agreement with Gleneagles Global Health City, Chennai for Heart and Lung Transplant Programme has enabled the benefits of quality care trickle down to Tier-2 and Tier-3 cities

37,626

No. of patients treated during FY 2019-20

Technology

Advanced Cardiac Cath Labs, Dedicated Cardiac Operation Theatres, Cardiac Electrophysiology for managing Cardiac Rhythm Abnormalities, Non-invasive Cardiology Programme with Stress Test, CT scan for CT Coronary Angiography and Nuclear Medicine department, Advanced Dual Source Cardiac CAT Scan and more.

Procedures

Interventional Cardiology, Congenital Heart Disease Clinic, Heart Failure Clinic, Coronary Angioplasty, Complex Interventions, Pacemaker, CRT & AICD implantation, EP Study and RF Ablation, Peripheral Interventions, Diagnostic tests - ECG (EKG), Cardiac Catheterisation Lab, 2D Echo etc.

DEPARTMENT OF CRITICAL CARE AND GENERAL MEDICINES

"Treating critically-ill patients with high-tech intensive care and critical care unit and offering non-surgical lines of treatment for a host of diseases by prevention and diagnosis."

India statistics

General medicine and critical care are two very significant components of the healthcare delivery system in India. Recent years have witnessed quantum leaps in the way; these services are delivered with more capacity, new ways of working, and service improvements. Despite that, the services still remain inaccessible and inadequate to a large number of people in the country.

One doctor

for every 1,445 Indians

80% and 60%

outpatient and inpatient care provided by private sector hospitals respectively

18.1%

ICU mortality rate in India

Source: *https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4859158/#:~:text=Our%20overall%20ICU%20mortality%20rate,ICUs%20from%2016%20Asian%20countries*

Source: *https://publicpolicy.wharton.upenn.edu/live/news/2907-healthcare-in-india-the-challenge-of-demography*

Shalby's Approach

Critical Care

Shalby is a multi-specialty hospital with well-equipped intensive care and critical care unit, integrated with multiple specialties and diverse technologies. Our latest technology ensures the optimum health and improved probability of survival for patients who are critically ill. We have been treating critical emergencies such as accidents, infections, and severe breathing problems with efficiency. Further, we provide timely treatment for neurology, trauma, cardiology, or poisoning and post-surgery conditions in our intensive and critical care unit. Our expert specialists from all departments like anaesthesiology, internal medicine; general surgery, neurosurgery, as well as Intensivists have been instrumental in saving precious lives.

Dedicated intensivist for critical care

We have a team of certified and experienced intensivists available round the clock, for the intensive care units. Case studies and research prove that an expert intensivist in the ICU enhances the chances of good treatment outcome.

General Medicine

The Department of General Medicines or Internal Medicine deals with non-surgical lines of treatment by prevention and diagnosis. Our General Physicians are recognised experts in diagnosis, prevention, and treatment of acute & chronic diseases. Our strong team handles a comprehensive range of adult illnesses following a patient-centric approach. Our internists are well trained and experienced to treat patients suffering from multiple diseases at the same time. Patient education for overall health, prevention and promotion of good health concept among all age groups and genders are a way of life at Shalby. We also sensitively offer consultation and treatment for women's health, substance abuse and mental health.

Technology in use

- Latest ventilator & Bipap machine
- 24x7 bedside and Central Haemodynamic monitoring
- Haemodialysis facility & CRRT machine in ICU
- IABP
- Cath lab in ICU
- Bedside X-ray/Sonography/Doppler/Echo

74,369

No. of patients treated during FY 2019-20

SHALBY CANCER AND RESEARCH INSTITUTE

"Maximising the benefits of collaboration and expertise by experts across facilities to deliver top-notch service to our patients."

India statistics

There are 1.16 million new cancer cases registered each year in India. It is the second leading cause of death in the country.

1 in 10

Indians likely to develop cancer

0.57 million

new cancer cases in men

0.59 million

new cancer cases in women

2.26 million

5-year prevalent cases

Shalby's Approach

We endeavour to make our oncology institute a state-of-the-art multi-functionary centre that is equipped to cater to both domestic and overseas patients. Our cancer experts evaluate and treat all types of cancer, from early stage lesion to advanced stage metastasis, and the rarest and challenging cases.

The Shalby Cancer Tumour Board discusses complex and challenging oncology cases via video conferencing. This multi-disciplinary approach enables us gain critical insight into our cases and promotes a spirit of clinical expertise among the team under the guidance of senior onco-super-specialist with 15+ years of exprience.

Modern radiosurgery facilities in use at Shalby

Varian Trilogy Linear Accelerator with FFF Technology & Brachytherapy unit

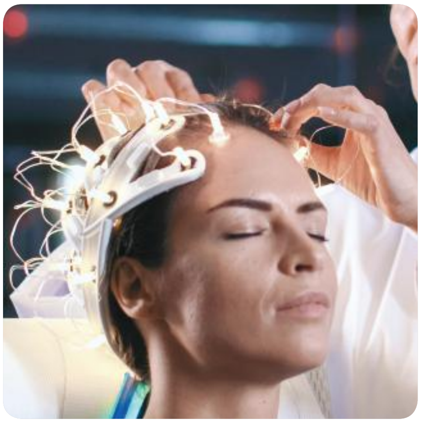
All types of Facilities available

- Oncology
- Onco surgery
- Radiation therapy
- Immunotherapy

2,931

No. of patients treated during FY 2019-20

Source: *https://www.msn.com/en-in/health/familyhealth/10percent-indians-to-develop-cancer-1-in-15-will-die-of-disease-who/ar-BBZC8YO*



DEPARTMENT OF NEUROSCIENCES

"Treating complex tumours with advanced medical equipment and microsurgery."

India statistics

The incidence of neurological disorders is increasing in India due to the following reasons:

- Increasing lifespans lead to a higher rate of age-related dementia
- A rise in the occurrence of strokes
- An increase in traumatic brain injuries due to road traffic accidents

30 million

Indians who suffer from neurological disorders

1 neurologist

per 0.5 million population

The prevalence rate of serious neurological disorders like brain stroke, dementia is 14 to 17 per 1,000 people compared with 5 to 8 per 1,000 people in developed countries. The low penetration of neurologists and the lack of adequate rehabilitation centres in rural areas provide ample opportunity for this segment to grow.

Shalby's Approach

We have cured chronic conditions like Trigeminal Neuralgia through Micro-Neurosurgery. We have also been successful in removing complex brain tumours without damaging the central nervous system. Elderly patients with complex tumours have also been treated by our expert medical team. We have a stroke clinic with a full team of neuro physicians and neurosurgeons.

The medical equipment available at Shalby

- High speed drill (Metronics technology)
- CUSA – Cavitron Ultrasonic Surgical Aspirator
- Neuro Endoscope
- IONM – Intra Operative Neuro Monitor(SSEP monitoring)

Rare cases treated at Shalby

- Intraventricular SOL Meningioma
- Large AVM L1 HP Grade IIIB (AVM –Anterivenous Malformation)
- Dumbell shaped Donsal (D4-D6) spinal tumour - Neurofibroma extending into thorax operated both components in single sitting with laminectomy and thorocotomy (T-shaped incision and approach)
- Atypical parasagittal meningioma
- Giant Left MCA aneurysm with Big ICH (young patient)

24,501

No. of patients treated during FY 2019-20

Source: *https://www.thehindu.com/news/national/telangana/shortage-of-neurologists-in-country/article29588579.ece*

NEPHROLOGY & UROLOGY: KIDNEY DISEASES AND KIDNEY TRANSPLANT CENTRE

"Delivering exceptional patient care usingsophisticated Holmium & Thulium Laser Technology."

India statistics

The prevalence of Chronic Kidney Disease (CKD) in the general population is about 10-15%. It is the eighth most common cause of mortality in India amongst non-communicable diseases. The growing prevalence of obesity, hypertension and diabetes in the Indian population are increasing the incidence of kidney disorders.

220,000

people require kidney transplantation in India

of which

7,500

Kidney transplantations are performed

Source: *https://www.newindianexpress.com/cities/kochi/2020/jan/28/organ-transplant-more-demand-less-supply-2095269.html*

Shalby's Approach

Our nephrology department has state-of-the-art facilities such as Haemodialysis: Dialysis unit with 9 beds (separate machines for HBsAg and HCV positive patients), Peritoneal Dialysis, CRRT Kidney transplant (Live Related / Cadaveric). We have installed a CRRT machine to treat patients suffering from acute kidney disorders and cardiac patients who cannot be dialysed on regular machines.

Our urology department utilises the futuristic Holmium & Thulium Laser Technology that is used to treat the following diseases:

- Benign prostatic hyperplasia (HoLEP)
- Laser Endopyelotomy
- Ureteric Stricture Disease
- Urethral Stricture Disease
- Tumours of bladder, ureter and kidneys
- Bladder Neck Incision
- Incision of posterior urethral valve
- Temporary and permanent dialysis catheter insertion
- Renal Biopsy
- Number of dialysis sessions

34,481

No. of patients treated during FY 2019-20

1,572

Total surgeries done by this department

DENTAL, IMPLANTOLOGY & COSMETIC SURGERY

"Treating a wide variety of periodontal diseases and using modern technology to achieve positive patient outcomes."

India statistics

Oral disorders have remained the most prevalent disease group in India over the past three decades. Poor nutrition patterns, consumption of tobacco and consideration of oral health as secondary to general health has compounded this problem.

India performs one of the most plastic surgeries worldwide but there is significant headroom for growth given its large population and the prevalence of medical tourism.

90%

Adult population is afflicted with periodontal disease

70%

School children suffer from dental caries

Shalby's Approach

17,132

No. of patients treated during FY 2019-20

Procedures Conducted

Prophylaxis, Sealant placement, Caries detection, Restorative dentistry, Periodontics, Dental implants, Immediate and partial dentures, Root Canal Treatment, Laser dentistry, Paediatric dentistry, Cosmetic dentistry, Teeth whitening, Dental crowns and bridges, Orthodontic treatment and Sedation dentistry.

A combination of procedures such as Cosmetic Surgery, Non-Surgical Cosmetic Treatment and Laser Treatment are carefully administered to patients so as to receive a positive result. Services offered: Liposuction, Abdominoplasty (tummy tuck), Arm lift, Surgical body contouring after drastic weight loss, Breast enlargement, Breast Lift, Breast Reduction, Chest Enlargement in men, Blepharoplasty (Eyelid lift), BOTO X, Fat injection of face, Acne scar reduction, Face lift, Dermafiller - soft tissue augmentation and laser hair removal. Intra-Gastric Balloon therapy is being used to treat morbid obesity.

Source: *https://www.livemint.com/news/india/dental-public-health-why-is-it-important-in-india-1563616880257.html*

Source: *https://www.investopedia.com/financial-edge/0712/plastic-surgery-worldwide-which-countries-nip-and-tuck-the-most.aspx*

DEPARTMENT OF GI, HEPATOBILIARY AND BARIATRIC SURGERY LIVER DISEASES AND LIVER TRANSPLANT CENTRE

"Proficient in both cadaveric and living donor liver transplants. Using minimally invasive techniques to minimise blood loss and pain during general surgeries."

India statistics

Increasing obesity rates due to sedentary lifestyles are on the rise in India. This has led to a spurt in the number of bariatric surgeries (weight-control method) performed in the nation.

135 million

affected by obesity in India

40,000 to 50,000

liver transplants required in a year

of which

1,700 to 1,800

happen each year

India performs the second-largest number of transplants in the world. However, there is a dismal 0.65 per million population (PMP) Organ Donation Rate due to low awareness, lack of training among doctors and cultural misapprehensions which has led to a huge gap between demand and supply. Liver transplants from a living donor currently account for 80% of liver transplants.

Shalby's Approach

The Shalby Centre for Liver Disease and Transplantation (SCLDT) is led by eminent and experienced doctors in the field. The liver transplant facility is fully operational at Shalby, Ahmedabad and Mohali.

Modern technologies such as Minimally Invasive Laparoscopic Techniques are utilised to reduce pain and blood loss for our patients. We have also launched Video Assisted Thoracic Surgery (VATS) to reduce the incidence of surgical complications.

26,690

No. of patients treated during FY 2019-20

1,040

General surgeries

Source: *https://www.ncbi.nlm.nih.gov/pubmed/30641719*

Source: *https://www.indiatoday.in/mail-today/story/india-s-organ-crisis-deepens-1634029-2020-01-05*

Investing in Human Capital and Technology

A balanced integration of digital technology and skilled human resources is a key factor towards sustaining in a dynamic business landscape.

HR Initiatives During FY 2019-20

Human Resource Management System (HRMS)

As part of its digitalisation initiatives, Shalby is replacing the existing HRMS with People Strong software - a Cloud-based Human Resource Management System (HRMS). Earlier, Shalby had conducted a motivation survey through its HRMS on converting to technological practices, which saw huge participation from employees. This has significantly eased the HR processes making it free from human errors and saving time.

E-Learning Initiatives

We, at Shalby, continue to focus on training and developing employees to improve soft skills, professional grooming and customer experience. This led to the launch of an E-learning initiative through a line of Video modules named Shalby's Life Lesson & Shalby's Management Lesson in order to give the employees flexible options to polish their skills.

Elite, Pan Shalby and Shalby Times

Employee communication is a key factor in giving them a sense of belongingness in the organisation. We have implemented different communication channels for the employees including the review meetings, town hall meetings and suggestion box.

Our Newsletter Elite contains engaging, fun and social content balanced with relevant news and insights. Elite is an important tool for keeping employees informed. It is also a thoughtful platform that allows employees to share the activities and news from one unit across the whole organisation.

We have created a central broadcast group Pan Shalby, for dissemination of information among employees. This open and collaborative platform creates a bridge between employer and the employees, where both parties can share potentially useful information. We also have a monthly online magazine called Shalby Times, which contains a wealth of informative articles by our domain experts.

Employee Engagement and Motivation

Considering the criticality and stress in healthcare jobs, we employ various employee engagement strategies to keep the employee energised and retained, like public appreciation and recreational initiatives. We undertake a quarterly performance review for line managers and departmental heads in order to align team's performance with the Company's core values and vision.

We continue to focus on resource optimisation by continuously monitoring resource cost and utilisation with the help of analytics tools. We aim to provide an excellent career experience and best in class HR system to the employees while undertaking the journey of organisational growth.

Technology

Healthcare service providers around the world are investing in R&D in order to optimise processes, improve efficiency, and most importantly, enhance patient experience. With the growing number of patients, it has become imperative for healthcare systems to implement streamlined processes to save time and money and increase efficiency. Advanced digital technologies such as Artificial Intelligence (AI), Robotic process automation (RPA) and Machine Learning (ML) are disrupting Healthcare technology arena, driving process efficiency and transformation towards Industry 4.0. Deployment of these technologies has been able to address some of the crucial improvement areas in healthcare industry.

Healthcare service demands a huge amount of time-consuming manual, repetitive, clerical and administrative tasks, which sometimes impact the quality of patient experience. This is where AI and Machine learning can offer tremendous help by automating a number of tasks in operations and administration and providing a better patient experience. The value of machine learning in healthcare lies in its ability to process huge datasets beyond the scope of human capability, analyse that data and convert it into clinical insights to aid physicians. This way, it can help in streamlining patient care and treatment processes; leading to better outcomes, lower costs and increased patient satisfaction. Simultaneously, Robotic Process Automation (RPA) technology can serve healthcare companies with a number of application areas mostly involving data transfer and clinical documentation. RPA can be instrumental in clinical data extraction, deploying self-service terminals for hospitals and processing healthcare credentials and payroll.

These are some of the disruptive technologies that we are aiming at implementing in the Shalby chain of hospitals in course of time. And this remains the core objective behind the IT transformation that we have initiated in our hospitals.

Technology@Shalby

Technology upgradation and deployment of information technology in the clinical and operational processes have been instrumental in positioning Shalby at a niche in specialties healthcare sector in India within a timespan of two decades. Dr. Vikram Shah, our CMD, realised the importance of information technology (IT) in the smooth functioning of the hospital at the time of inception in 1994. IT has been instrumental in providing accurate and prompt information for effective execution of various functions. Our aim is to deploy Information Technology in order to fuel future growth of Shalby both in quantitative and qualitative terms. We prepared a blueprint for IT transformation and embarked on a journey of Digital Transformation across all our hospitals since FY 2018-19. The process involved the implementation of a massive business transformation programme through strategic investment.

Patient-centricity, quality of care, tele-consultation, advanced analytics on complex health data and inter-operability remain at the centre of our digital transformation.

Key IT transformations from FY 2019-20

- New Hospital Information System (HIS) from SRIT for having electronic medical records
- Implementation of SAP ERP is in progress
- Revamping IT infrastructure to cater to the growing needs
- Conceptual framework for the digital transformation of hospitals
- Tele-radiology
- Tele-consultation
- Cloud solution for back office operation
- Implementation of control and processes

The IT transformation has also impacted the way the human resource department operates within the system. The changing dynamics of HR as a business and strategic partner, HR Buddy, change champion, employee advocate or Digital HR has brought about a change in our approach and execution. Our new HR Initiatives focus on improving both employee/user experience and organisational success by encouraging employee engagement, retention and skill development. We have focussed on process automation to enhance employee and business efficiency and create higher value for business and inculcated its elite values to the entire workforce of 4,000+ employees.

Patient Testimonials

Anubmon M.C.
Ahmedabad, Gujarat

Krishna Shalby stood by me when I met with an accident

"My name is Anubmon M.C. and I am 21-year-old. I met with an accident last month in my native town Ahmedabad and immediately I was shifted to Krishna Shalby Hospitals, Ghuma. I underwent a surgery at the hands of Dr. Hardik Dodiya, General and Plastic Surgeon, on December 16, 2019. At the time of admission, the possibility of regaining my ability to walk again was a great concern to me. But with the help of the surgery and the psychological support of the staff here, I am now confident of walking on my own and doing all my life activities as before."

Bibekananda Saha
Guwahati, Assam

I am thrilled to play football again with Knee Replacement at Shalby

"In the last six months, my knee pain got aggravated on both legs. One of our relatives who had underwent a Knee Replacement at Shalby, shared his experience with me. It was really amazing.

Following this, I visited Shalby, Ahmedabad and consulted Dr. Vikram Shah. After consulting him, I got motivated to undergo bilateral Knee replacement here. I got admitted on January 3, 2020 and the surgeries were performed on the same day. Post surgery, I am absolutely fine. Doctors and supporting staff here explain each and every step to be followed for speedy and safe recovery.

Football is my passion and I am thrilled to play it again. Thank you Shalby".

Llewellyn Leni Miranda
Dubai

I am satisfied with the Knee Replacement excellence at Shalby, India

"I had pain in my right knee for about 9 years now and my left knee also started giving me pain. Gradually both the knees got affected and sleep eluded me. I consulted many doctors in UAE but I lacked confidence in them.

Since then I have been searching for the best Surgeon for Knee Replacement on the net and came to know about Dr. Vikram Shah and Shalby Hospitals, India. I really got impressed with his surgical excellence. Also one of my close friends recommended Shalby to me. On consulting Dr. Vikram Shah, I got confidence that I am in the right hands and immediately decided for bilateral knee surgery at Shalby Hospitals.

After the surgeries, I feel wonderful and the pain has just gone! My sleep is quite comfortable now and I am really satisfied with the surgical excellence and patient care at Shalby India".

Manobendra Mukherjee
Ahmedabad

My Nasal Tumour was successfully operated at Shalby, Ahmedabad

"In the year 1967, at the age of 3, I was diagnosed with Retinoblastoma and got successfully operated at Calcutta; in fact it was the first successful surgery in India for such a disease. 53 years later, now I am diagnosed with a cancerous nasal tumour.

I am a music teacher by profession and some of my students are doctors too. They suggested me to consult Dr. Bhargav Maharaja, Cancer Surgeon at Shalby Hospitals, Ahmedabad. I got admitted on March 13, 2020 and underwent a surgery for the Cancer tumour on March 14, 2020. Dr. Bhargav did a great job and I've been successfully operated by him, here. Shalby has a superb team of efficient healthcare professionals and cancer specialists".

Miss Bushra Jahan
D/o. Mr. Mohammad Omar Faruque Dewan
Minister of Information, Bangladesh

Thank You Shalby for giving me a Pain-Free Knee!!

"A fall from the bed last year fractured my left leg. Since then I suffered a lot in my day-to-day life. Climbing stairs was not easy and maintaining the body balance while walking was also a serious issue.

We consulted a number of doctors in Bangladesh and they recommended for MRI and X-ray to understand the type of injury I suffered from the fall. After thorough investigations, I was recommended for a surgery for Patellar fracture (A patellar fracture is a break in the patella, or kneecap, the small bone that sits at the front of our knee).

My father Mr. Mohammad Omar Faruque Dewan (Minister of Information, Bangladesh), knew about the surgical excellence of Shalby Hospitals, India and we decided to consult here. After consultation, I underwent the surgery at Shalby, Ahmedabad and now I am relieved of the pain and discomfort. I really felt the warmth of compassionate care here. Thank you Shalby for giving me a pain-free knee and all the good care extended to me".

Sushrut Parikh
USA, New York

With my personal experience of bilateral TKR at Shalby, I vouch for it as the best institution for Joint Replacement

"For the last 10 years, life was not normal for me as both my knees were giving me severe pain. Day-by-day my condition was worsening along with bending of my leg. However, I was reluctant to swallowing painkillers. I consulted some doctors in the USA for my symptoms and discomfort but I didn't opt for knee replacement surgery, considering my early age (50+). I am an athlete and very passionate about Swimming, Martial Arts and Skiing.

I came to India in July 2019 and on the recommendations of my close relatives, consulted Dr. Vikram Shah of Shalby Hospitals, Ahmedabad. He advised me for some pre-operative procedures for a smoother knee replacement surgery. To ensure that I am following the right advice, I even sought second opinion from some doctors in New York and Mumbai. Ultimately, I got satisfied with the advice of Dr. Vikram Shah and decided to undergo the Knee Replacement Surgeries at Shalby, Ahmedabad after losing 12 kg weight and improving on my Vitamin-D deficiency.

I underwent bilateral knee replacement at Shalby on January 6, 2020 at the hands of Dr. Shah and team. Surprisingly, post operative, I am free from pain. In fact, Dr. Shah gave me a lot of confidence and his surgical magic made it possible for me to walk again pain-free and pursue my passion for athletics."

Employee Testimonials

"I have been with the company for almost five years now and it has been one of the most rewarding and best learning years of my career. It is very motivating to work in a company, early in its growth process. I joined Shalby Hospitals Indore as a medical professional working in ER Department. From being involved in patient care, my profile has evolved to working as transplant coordinator, handling compliances, to an administrative role to a managerial role. Shalby gave me a platform to get involved into multiple activities; here I have not only grown as an employee but as a person as well. Working in this corporate culture has made all the difference to my personal and professional development."

Dr. Narendra Patel
Manager-Clinical Applications-Indore Shalby Hospitals

"With Shalby, life has been a spectacular journey. I joined Shalby SG Hospital on July 2, 2007 as a Staff Nurse in OT Department. After more than 13 years in the organisation, I can categorically say that it has been truly an amazing learning curve for me. I learnt about various procedures, functionalities, and instruments, and gradually imbibed multi-tasking skills. I was passionate to work and learn in tandem with Dr. Vikram Sir's enthusiasm towards making Shalby the most preferred healthcare brand.

Shalby provides a whole bunch of opportunities to anyone in the organisation with a drive for growth. The most important thing that I would appreciate is the learning that comes with those opportunities. The good workplace culture has given me the chance to polish my skills and knowledge and today I work here as an OT manager. I am really grateful to work in a place which makes us grow to greater heights."

Bipin Mishra
OT Manager-SG Shalby Hospitals

"I joined Shalby Hospital, Jaipur in January 2019 as AGM-Corporate Development to be a part of the tremendous growth journey. We value each and every human life placed in our hands and constantly work towards meeting the expectations of our customers and stakeholders by raising the standards of our service deliveries, every time. Our chairman's vision of adopting patient-centric approach and building trust factor has led to Shalby's growth as a household brand.

The best things I love about Shalby are its young, energetic & disciplined team of enthusiastic professionals who believe in innovative strategies and out-of-the-box solutions. Shalby Hospital gave me a chance to put it into practice and implement my strategies for the growth of the organisation. I feel proud to be a part of this wonderful organisation."

Jitesh Rawat
Assistant General Manager-
Corporate Development-Jaipur Shalby Hospitals

"I have been associated with Shalby Hospitals from January 2015. With 20 years of working experience in India and abroad, I have been exposed to different work cultures. Jabalpur Shalby Hospital was my first flight to working in a Corporate Multispecialty Hospital in India and it gave me a huge career leap.

The good thing about working here is that management appreciates and acknowledges our hard work. We have wonderful employee engagement activities and training programs that guide us through our career process and provide opportunities to hone and develop our personal and professional skills. I get my motivation by making a difference in healthcare service and in our patient's life. My growth here from nursing in-charge to Assistant Nursing Superintendent of the unit speaks all about my memorable journey here and I am thankful to Shalby for everything it gave me."

Sandhya Rajesh Chandran Mol
Assistant Nursing Superintendent-
Nursing-Jabalpur Shalby Hospitals

Partner Testimonials

Vivek Kanade
Executive Director,
Siemens Healthineers, India

"Since the inception in Ahmedabad in 1994, to become one of India's best multi-specialty hospitals, with strong focus on Orthopaedics, Cardiology, Neurology, Oncology and General Medicine with 11 hospitals and a capacity of 2,000 beds, today; it has been a fantastic journey for Shalby Hospitals. We are proud to be a part of this journey throughout, as a valued partner. Our common goal of constantly innovating and achieving better outcome at affordable costs has been the backbone of this long-term partnership.

With our aim to enable healthcare providers to add value to their services, I am confident that this relationship will further strengthen in the ensuing years. I wish Shalby Hospitals all the best for the journey ahead."

Prabakar Sukumaran
Busniess Head, West,
Wipro GE Healthcare Pvt Ltd

"Shalby Hospital is one of the top Multi-specialty Hospital chains in India and the best hospital in Ahmedabad. The journey that started in 1994 from Ahmedabad has now spread its branches across India and OPD centres abroad. We, at Wipro GE Healthcare, are proud of our association with Shalby Multi-specialty Hospital in their constant endeavour to provide quality healthcare at the most affordable way.

While Shalby remains the torchbearer in the field of total knee replacement (TKR), it has come a long way with the expansion of Multi-specialty hospitals across India and emerged as the only hospital chain in Gujarat to have expanded outside the state. Even during the current pandemic situation, Shalby was among the first few to offer its facility for COVID-19 treatment. This shows how the value of human life is placed at the centre of everything that Shalby does. We wish Shalby Multi-specialty Hospital the best to flourish in the times to come. Hope it continues benchmarking healthcare delivery standards for which, it has been conferred the award for "Best Hospital for Patient Care (West)" in March 2020 by ET HealthWorld."

VINU R
Head – Implementation, SRIT India Private Limited

"Our association with Shalby Hospitals is built on mutual respect and transparency from the very first day of our business engagement. The professional approach shown by Shalby Management in participative decision-making and communication has helped our project in a big way. Collective working and adherence to processes has made the project execution a pleasurable experience for us. We are looking forward to a long and fruitful business association with them."

Anish Patel
Managing Director, AIMS Oxygen Private Limited

"As a vendor to Shalby Group of Hospitals for medical gases for over a decade, I feel privileged and honoured to work with a team of professionals which believes in planning, execution, relationship building and most importantly keeping the trust element alive. Looking forward to many more years!"

Giving Back to Society

We believe in being accountable to the community and the environment in which we operate and contribute towards its development and sustainability in order to create an overall positive impact.

For us, at Shalby, Corporate Social Responsibility is an extension of our goal of conducting our business responsibly, fairly and in the most transparent manner. We have been working towards giving back to the marginalised sections of society through integrated and sustainable development. Our accountability goes beyond maintaining highest standards of corporate behaviour towards our investors, stakeholders and employees to cover the society at large.

Major Focus Areas

- We aim to promote primary and preventive healthcare through awareness programmes, health check-ups, free or concessional medical camps, provision of medicine & treatment facilities, and providing pre-natal & post-natal healthcare facilities. We also work towards preventing of female foeticide through awareness campaigns. We also educate society about disease prevention and immunity building.
- We aspire to deliver facilities to various sections of the society in the form of primary healthcare support through diagnosis and treatments, promoting preventive healthcare, building awareness about sanitation and medical camps through various programmes.
- We undertake programmes aimed at improving the health and hygiene of socially or economically weaker sections, families below the poverty line (BPL). Such initiatives may cover free or subsidised medicine, clinical laboratory facilities, free or concessional treatments at hospitals, setting up of medical and diagnostic camps, poverty eradication programmes, nutrition support for women and children, pain and palliative care etc.
- Employment enhancing vocational skill development programmes and promotion of education among youth and women.
- We may undertake initiatives for the protection and care of elderly citizens by establishing or funding old-age homes and day care facilities and supporting through medical aid.

₹ 30 million

Spend on CSR activities during FY 2019-20

We spent the amount as an aid towards setting up a Vocational Training & Educational Institute in Gujarat's Bharuch district.

Basic health checkup Camp at Chamunda dream city

Cancer awareness Health talk at Hutamaki PPL Limited company Daman

Essel Propack Pvt Ltd

First Aid training and Laparoscopy health talk at Suvidhi Industries Ltd

Health talk at Hutamaki company Silvassa, topic was Diet and Nutrition Talk

Meril Endo surgery In-house Pre Employment Camp at Vapi Shalby

Board of Directors

Dr. Vikram Shah
Chairman and Managing Director

Dr. Vikram Shah, aged 57 years, is the Chairman and Managing Director of our Company with over 26 years of experience in the medical industry. He holds a Bachelor's degree in medicine and surgery as well as a Master's degree in orthopaedic surgery from B. J. Medical College, Ahmedabad. He is the pioneer of our Company who has been conferred with the 'Hercules Award for Innovation of 0 Technology in Knee Surgery' by the Gujarat Innovation Society in 2014 and the 'Pathbreaking Services in the Field of Joint Replacement and Orthopaedic Surgery Award' by Rotary International in 2009. He has been the recipient of the Double Helical National Health Award 2017 for his outstanding record in Knee replacement surgery with his innovative '0 Technique'. Recognised for his outstanding contribution in the field of orthopaedics on completion of 1,00,000 joint replacement surgeries, he received the 'Times Man of the Year' Award by Times of India Group in 2018. He has also been conferred with 'Luminary Award' by Divya Bhaskar Group for his contribution in the field of orthopaedics. Recently, he was conferred with the Honorary Doctorate Degree, D. Sc (Honoris Causa) by the IIS University, Jaipur.

CA Shyamal Joshi
Non-Executive Director

CA Shyamal Joshi, aged 71 years, is a Non-Executive and Non-Independent Director of our Company. He holds a Bachelor's degree in Commerce from Gujarat University. He is also a member of the Institute of Chartered Accountants of India. He has been associated with our Company since 2010. He has vast experience in various areas including corporate strategy and fund raising. Currently, he holds the position of Director in various other companies.

Dr. Ashok Bhatia (Ph.D.)
Non-Executive Director

Dr. Ashok Bhatia, aged 66 years, is a Non-Executive and Non-Independent Director of our Company. He holds a Bachelor's degree in Science from Punjab University, a Master's degree in Business Administration with a Specialisation in Marketing and Doctorate in Business Administration in Talent Management from the Adam Smith University, United States of America. He has more than 40 years of professional experience. In the past, he was associated with Cadila Healthcare Limited as President, Emerging Markets. Currently, he is an external consultant of McKinsey & Co and a visiting faculty at IIM Ahmedabad, IIM Rohtak and IIT Gandhinagar.

Mr. Tej Malhotra, aged 70 years, is an Independent Director of our Company. He holds a Bachelor's degree in Mechanical Engineering from Sambalpur University, Odisha. He has over four decades of experience in industries both in India and abroad. Previously, he held the positions of Senior Executive Director at GHCL Limited; Technical Director at Idea Soda Ash and Calcium Chloride Company of Saudi Arabia and Executive Engineer (Mechanical) at Hindustan Copper Limited. He has been awarded the 'Bhartiya Udyog Ratan' award by the Indian Economic Development and Research Association, the 'Bhartiya Gaurav' award by World Economic Progress Society and 'Darbari Seth Award 2009' by the Alkali Manufacturers of India for best managed soda-ash plant. Currently, he is working as President of RSPL Limited and heading a mega project of soda-ash in Dwarka (Gujarat).

Mr. Tej Malhotra
Independent Director

Dr. Umesh Menon, aged 49 years, is an Independent Director of our Company. He holds a Bachelor's degree in Commerce from Gujarat University, a Master's degree in Commerce from Gujarat University and a Master's degree in Business Administration with Specialisation in Finance from B. K. School of Business Management, Ahmedabad. He is also a Fellow member of the Institute of Cost Accountants of India. He has been conferred with the Doctorate (PhD) in Management degree from Calorx Teachers' University of Ahmedabad. He has rich experience in the areas of finance and cost accounting. He is currently on the Board of Directors of Varis Management Services Private Limited. He is a regular Visiting Faculty at Emirates Foundation and an International Expert & Trainer for United Nations Industrial Development Organisation.

Dr. Umesh Menon (Ph.D.)
Independent Director

CA Sujana Shah, aged 42 years, is a graduate in Commerce from Gujarat University and a member of the Institute of Chartered Accountants of India. She is a practicing Chartered Accountant and has vast experience of over 18 years in the fields of finance, accounts, audit, direct and indirect taxes, banking, treasury, etc. Presently, she is a partner of V. R. Shah & Associates. She has also been the statutory and internal auditor of some of the most reputed public banks of India.

CA Sujana Shah
Independent Director

STATUTORY REPORTS
and
FINANCIAL STATEMENTS

Management Discussion and Analysis

INDUSTRY OVERVIEW

Indian Healthcare Industry

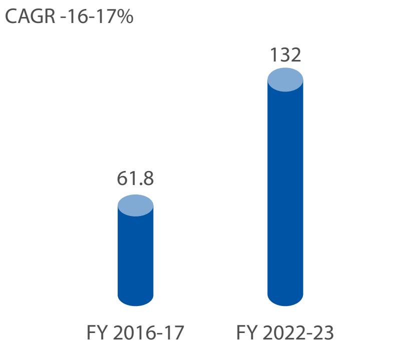
The Indian Healthcare Industry, one of the largest in terms of revenue and employment, is estimated to be USD 280 billion in size by 2020, according to Federation of Indian Chambers of Commerce & Industry (FICCI)-KPMG report "Healthcare: The Neglected GDP Driver". The industry is projected to grow at a CAGR of 22% during the period from FY 2016-22 to reach USD 372 billion in 2022 from USD 110 billion in 2016.

India is also ranked amongst the top healthcare markets in the world in terms of incremental growth. The growth of the middle-class, fuelled by rising incomes, combined with greater health awareness, an ageing population, increasing lifestyle diseases and availability of medical insurance are some of the factors that contribute to the growth. Strengthening coverage and services, growing medical tourism and government schemes and increasing public and private investment are also driving the growth of the industry.

The healthcare industry in India comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The hospital industry in India, which accounts for 80% of the total healthcare industry, is attracting a huge demand from global as well as domestic investors. The hospital industry is expected to reach USD 132 billion by FY 2022-23 from USD 61.8 billion in FY 2016-17; growing at a CAGR of 16-17%.

Hospital Industry growth

Hospital Sector (in USD Bn)



The sector is also one of the key employment generators in India, being the fourth-largest employer among the non-farm sectors. According to the last updated Quarterly Employment Survey (QES) from Ministry of Labour and Employment, there were a total of 1.17 million employees in the health sector. Out of that 1.17 million, 0.97 million (82.88%) were regular, 0.16 million (13.88%) contractual and 0.04 million (3.24%) were casual employees. The sector is expected to generate more employment in the coming fiscals due to the growing demand and expansion of the private sector.

Source: Ministry of Labour and Employment, https://www.investindia.gov.in/sector/healthcare, KPMG Report

SWOT Analysis for the sector

S

- Amongst the top healthcare markets globally in terms of incremental growth
- Improving medical science and technology
- Low-cost, quality healthcare
- Growing number of medical colleges
- Growing private investments
- Availability of highly qualified doctors

W

- Rural urban service imbalance
- 70% of India's healthcare infrastructure is limited to the top 20 cities
- Lower public expenditure on health equating to just 1.28% of the GDP
- Lack of capital investment
- Lower accessibility
- Lack of skilled professionals

O

- Government schemes
- Growing life expectancy
- Growing medical tourism
- Growing middle class income
- Growing lifestyle diseases
- Availability of health insurance
- 100% FDI

T

- Regulatory headwinds
- Threat from spread of national and international pandemic
- Capital intensive industry
- Imbalance in cost expectation and service
- Threat to doctors from mob lynching

Source:
http://www.cbhidghs.nic.in/showfile.php?lid=1147, https://data.worldbank.org/indicator/sp.rur.totl.zs

Government Initiatives

The government pledged to invest 2.5% of its GDP into healthcare by 2025 to speed up the infrastructure. The sector has the scope to develop as a key employer, foreign exchange generator, booster for innovation, skill and investment and hence is an important GDP driver for India. A number of schemes have been initiated by government to boost growth in the healthcare sector.

The National Health Mission (NHM) 2012-2020

The National Health Mission (NHM) 2012-2020 encompasses its two sub-missions, the National Rural Health Mission (NRHM) and the National Urban Health Mission (NUHM). It is the world's largest government-funded healthcare programme, started in India to provide accessible, affordable and quality healthcare to people. The programme, which was originally planned till 2017, was extended till March 2020 to complete the scheme implementations.

Other Health Schemes

The Government launched Mission Indradhanush with the aim of enhancing immunisation coverage in the country. Ayushman Bharat was another programme launched under National Health Policy 2017, to achieve the vision of Universal Health Coverage (UHC). Ayushman Bharat was aimed at delivering a comprehensive need-based free health care service at the secondary and tertiary level to the 40% of population at the bottom level, who are poor and vulnerable. The scheme comprises two components:

- Health and Wellness Centres (HWCs)
- Pradhan Mantri Jan Arogya Yojana (PMJAY)

PMJAY provides a cover of ₹ 0.5 million per family annually to about 107 million underprivileged families. As of April 2020, 20,609 hospitals have been empanelled under the scheme and 124.47 million E-cards have been issued. Rashtriya Swasthya Bima Yojana and National Nutrition Mission (NNM) are two other schemes targeted at improving the healthcare sector in India.

Increased Budget Allocations

The Union Budget 2020-21 allocated ₹ 671,120 million for the Ministry of Health and Family Welfare, up 3.9% over the revised estimates of FY 2019-20 (₹ 646,090 million). The Department of Health and Family Welfare accounted for 97% of the Ministry's budget allocation, equating to ₹ 650,120 million. Health research sector received an allocation of ₹ 21,000 million.

- NHM was allocated ₹ 334,000 million, out of which, NRHM received ₹ 270,390 million, the biggest component of the health budget. Experts sought more funds for primary healthcare for rural population under NRHM.

- Allocation for Pradhan Mantri Jan Arogya Yojana (PMJAY) under Ayushman Bharat shot up 100% to ₹ 64,000 million over the revised estimates of ₹ 32,000 million.

- Allocation for Pradhan Mantri Swasthya Suraksha Yojana increased 27% to ₹ 60,200 million. The scheme focusses on correcting regional imbalances in healthcare services.

Source:
https://www.prsindia.org/parliamenttrack/budgets/demand-grants-2020-21-analysis-health-and-family-welfare#_edn3

Public-Private Partnership

Finance minister Nirmala Sitharaman approved a January 2020 Niti Aayog proposal to link district hospitals with private medical colleges as part of a public-private partnership (PPP) mode for infra development. The Budget proposed more than 20,000 new empanelled hospitals under PM Jan Arogya Yojana for poor people in Tier-2 and Tier-3 cities. It also proposed setting up hospitals in the PPP mode in Aspirational Districts, using Machine Learning and AI, under Ayushman Bharat scheme. The first phase will cover those Aspirational Districts, where presently there are no Ayushman empanelled hospitals. Aspirational Districts are those which are affected by poor socio-economic indicators and need overall improvement in human development.

Boosting Government Medical Services

While there are 15 operating All India Institute of Medical Sciences (AIIMS) in India in CY 2019, the government is planning to set up 10 new AIIMS in the near future. Eight of them are expected to start operation in 2025.

100% Foreign Direct Investment

The government allows 100% FDI under the automatic route for Greenfield projects and under the government route for Brownfield projects in the healthcare sector. The hospital and diagnostic centres attracted FDI worth USD 6.62 billion between April 2000 and December 2019, according to data from the Department of Industrial Policy and Promotion (DIPP). The share of healthcare FDI has been constantly rising since 2011, indicating the growing interest of foreign players in the sector.

Growing Private Participation

Rapid urbanisation, a quickly growing middle-class population, an increase in income, health insurance availability and customer preference for comfortable and quality healthcare have driven more private participation in the healthcare sector in India. According to a report by the World Economic Forum, by 2030, India will add about 140 million middle-income and 21 million high-income households, increasing the total share of these segments to 51%. This indicates the potential demand for a well-equipped healthcare sector in India. While the government has taken significant measures to improve healthcare services, private players have emerged and grown significantly due to the growing healthcare demands and with the growing inflow of both domestic and foreign investments.

The private sector forms the backbone of India's healthcare industry because of the investment it has been doing in the sector. Compared to 1.28% of public expenditure, the private sector spends approximately 3% of the GDP (an average of ₹ 3,675 per capita) per annum on healthcare and accounts for 70% of India's total healthcare expenditure. Private players have significantly penetrated in Tier-2 and Tier-3 cities as well as rural areas with their high quality facilities and services. About 72% of rural population and 79% of urban population use private healthcare services. According to the KPMG report, the private sector today caters to 70% of out-patient and 60% of in-patient services. Private healthcare now contributes a significant portion (around 65%) to the primary healthcare system of the country and accounts for more than 40% of the total hospitals in the country.

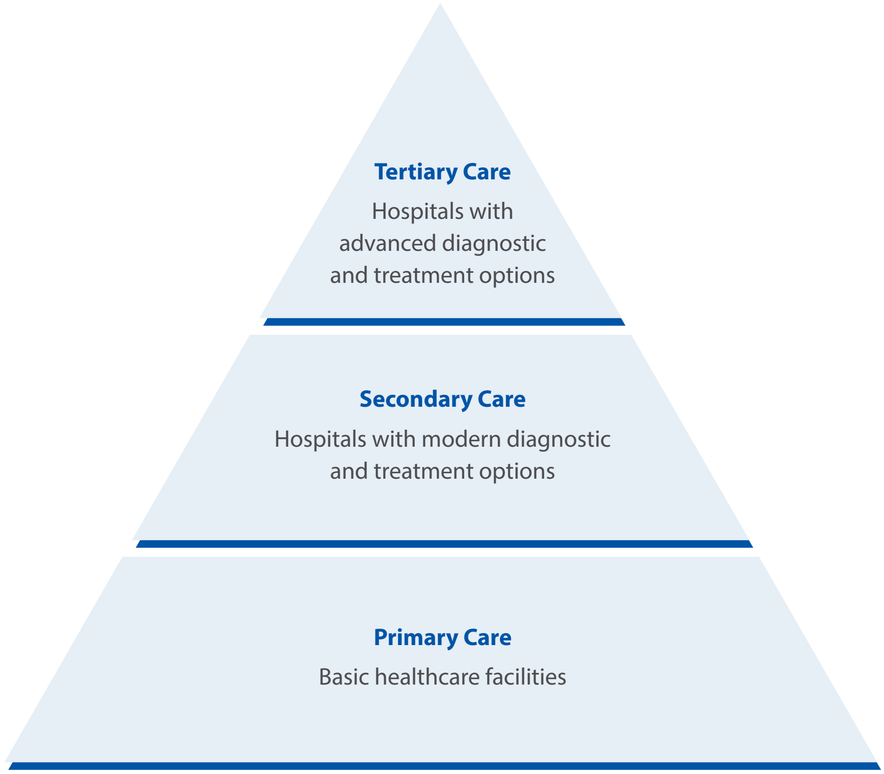
The healthcare sector has been an attractive investment target for Private Equity (PE) and Venture Capital (VC) firms. The PE investments have more than quadrupled during the period from CY 2011 to CY 2019. The hospitals and diagnostic sector has seen close to 100 domestic and inbound M&A deals, with an average deal size of USD 30 million. With the Government opting for PPP mode for healthcare sector development, there is going to be a huge opportunity for private players to invest and grow in the healthcare sector.

Sources: KPMG reports: https://assets.kpmg/content/dam/kpmg/in/pdf/2016/09/AHPI-Healthcare-India.pdf, https://assets.kpmg/content/dam/kpmg/pdf/2016/03/Healthcare-the-neglected-GDP-driver-2015.pdf, IBEF, https://www.investindia.gov.in/sector/healthcare, http://www3.weforum.org/docs/WEF_Future_of_Consumption_Fast-Growth_Consumers_markets_India_report_2019.pdf

Healthcare Delivery in India

Healthcare Delivery system comprises institutions, organisations and persons that operate within the healthcare system, and are responsible for the promotion of health, prevention of illness, detection and treatment of disease and rehabilitation. Healthcare Delivery infrastructure in India has been lagging behind when compared with many countries that are poorer than India in other economic parameters. India's public expenditure is too low to facilitate a strong healthcare delivery system. A lack of expenditure and India's huge population remain the main roadblocks in the healthcare delivery sector.

Healthcare Delivery in India is segregated under three broad categories of Primary, Secondary and Tertiary. The three categories are in urgent need to work in tandem to bring about a positive change in the system.



The primary care segment remains one of the major healthcare challenges in India. The segment suffers because of limited care services, staff and infrastructure. Secondary healthcare offers the most of diagnosis and treatment facilities to a large part of the population. Both public and private sector secondary care hospitals face their share of challenges related to staff, technology availability and operations. However, it is the tertiary care segment which has been witnessing a fast growth because of the participation of the private sector. However, this is not accessible to the poor section of the population because of rising costs and a shortage of infrastructure in the public sector.

India is still lagging behind in the number of hospital beds and doctors in relation to World Health Organisation's (WHO) recommended numbers. According to a government statement, there is one doctor for every 1,445 Indians as per the country's current population estimate of 1,350 million, which is lower than the WHO's prescribed norm of one doctor for 1,000 people. India currently has around one million hospital beds and has a bed-population ratio of nearly 1:1,000 against the World Health Organisation's (WHO) recommendation of 3.5 beds per 1,000 people. The statistics portray the existing gap in the health delivery infrastructure and the coronavirus outbreak has highlighted the criticality more clearly. Considering the growth potential and the significance of healthcare system in Gross Domestic Product, the Government needs to improve the infrastructure in the national, state and district level, while maintaining quality and cost.

COVID-19 Impact

The healthcare industry cannot be analysed in isolation from the worldwide outbreak of the coronavirus pandemic with more than 16 million positive cases and growing further. The pandemic has jeopardised the global and Indian healthcare system along with all other economic activities. India, with a population of 1.3 billion, is reeling under pressure to deal with such a huge outbreak infecting more than 1.5 million people, because of its inadequate healthcare infrastructure. Considering the fact that European countries have failed to contain the epidemic notwithstanding their state-of-the-art healthcare system, India is focussing on upgrading its healthcare delivery system to survive the crisis and contain the spread. So, the government decided on a twin strategy – a nationwide lockdown to break the chain of infection and a quick ramp-up of its healthcare facilities to face the pandemic during March to May 2020.

As an umbrella support to the economy battling with the pandemic outbreak and lockdown, the government announced a ₹ 20 Trillion stimulus package called "Atmanirbhar Bharat". To slowly pull out the economy from the lockdown impact, the government has laid out a roadmap for a phased reopening of the economy, starting with Unlock 1.0. The industries and organisations have started reopening with strict SOPs, directed by the government.

During the coronavirus emergency and lockdown, normal hospital procedures were on a partial halt and most of the hospitals had to convert portions of their capacity to isolation wards, increasing the number of lifesaving ventilators, bed and intensive care units to fight the virus outbreak. As the country is fighting with fiscal and liquidity stress, job and production loss, falling investment and consumer demand, the healthcare industry is also focussing on surviving the present crisis. A normalcy for the sector can only be projected depending on the extent of the virus trajectory and the country's ability to contain the spread. However, there is also an opportunity to convert the challenge into opportunities. Considering the massive industrial base and growing healthcare demand, ramping up the spending on health infrastructure and healthcare R&D with a focus on healthcare equipment and services is needed to support India's economic recovery and to protect the well-being of its citizens by providing access to high-quality and affordable healthcare.

Health Insurance Industry

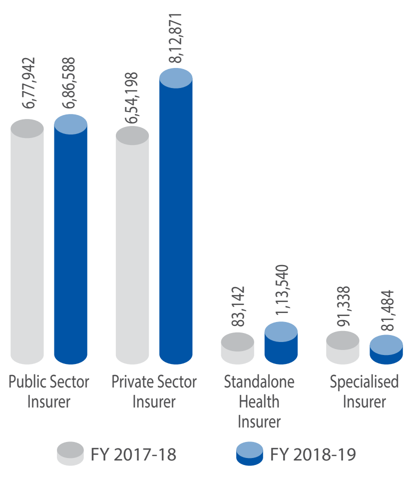
Health insurance is a significant component of the healthcare delivery system in India. Considering escalating healthcare costs, need of preventive healthcare, increasing life span, growing lifestyle diseases and inaccessible quality healthcare for the poor, health insurance is emerging as an alternative mechanism for healthcare financing. The current challenges in India's health financing scene are:

- Increase in healthcare costs
- High financial burden on the poor, eroding their income
- Need for long-term nursing care for senior citizens because of nuclear family system
- Increasing burden of new diseases and health risks
- Neglected preventive and primary care and public health functions

With the growing number of private and standalone health insurance providers, the awareness and penetration of health insurance has been on an upward trend. According to the Insurance Regulatory and Development Authority of India (IRDA), market share of public sector insurers declined from 45% in FY 2017-18 to 40.5% during FY 2018-19. On the other hand, the share of private sector and standalone health insurers grew by 4% and 1%, respectively, during the same year. Overall, premium income for private insurers increased substantially by 24%.

Gross direct premium income (with market share) in India: general and health insurers (In ₹ million and %)

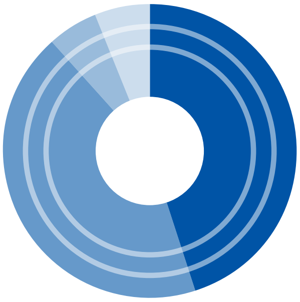
Total Premium (In ₹ million)



(Source: IRDA Annual Report FY 2018-19)

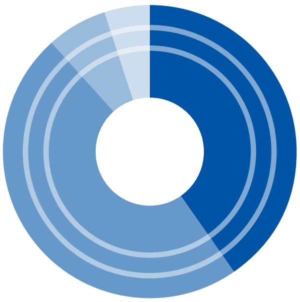
Market Share (%)

FY 2017-18



Public Sector Insurer - 45% | Private Sector Insurer - 43.42% | Standalone Health Insurer - 5.52% | Specialised Insurer - 6.06%

FY 2018-19



Public Sector Insurer - 40.52% | Private Sector Insurer - 47.97% | Standalone Health Insurer - 6.70% | Specialised Insurer - 4.81%

(Source: IRDA Annual Report FY 2018-19)

Private health insurance players are attracting Indian consumers with innovative solutions and products. They are also moving beyond mere hospitalisation coverage to more comprehensive policies that can incentivise wellness, promote preventive care and cover critical care.

COMPANY OVERVIEW

Shalby Hospitals ('Shalby' or 'the Company') was started by Dr. Vikram I. Shah, the specialist orthopaedic surgeon in 1994 in Ahmedabad, Gujarat. Shalby now operates a chain of 11 multispecialty tertiary hospitals across India with an aggregate bed capacity of over 2,000. From its chain of hospitals, four are located in Ahmedabad and one each at Vapi, Surat, Indore, Jabalpur, Mohali, Jaipur and Mumbai. It also has 50 outpatient clinics across 43 cities in India. A pioneer in the field of joint replacements in India, it is also one of the leading providers of quality and affordable healthcare services. Shalby operates outpatient clinics in Sudan, Addis Ababa, Rwanda, Nairobi and Dar es Salaam in the African continent. Shalby Hospitals are equipped with state-of-the-art facilities, advanced technology and a highly-skilled team of healthcare specialists, doctors and nurses.

2,012
Total bed capacity

32,000+
Patients per month

1,600+
Surgeries per month

4,000+
Human resource (doctor + staff)

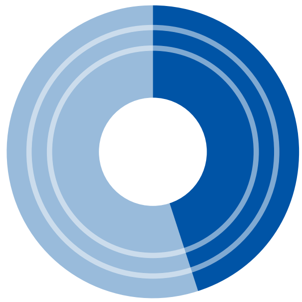
50
Outpatient Clinics across India

Revenue Break-up (%)

FY 2018-19

Arthroplasty Specialties - 45% | Other Specialties - 55%

FY 2019-20



Arthroplasty Specialties - 45% | Other Specialties - 55%

Key Competitive Strengths:

- Leadership in joint replacement surgery

  Shalby is one of the top hospitals in joint replacement surgery in India with 15% market share in private hospitals offering joint replacement and 5% overall market share. It is also the number one player worldwide for knee replacement surgery. The Hospital is capitalising on this niche and working on an asset-light model around India. Shalby continued its journey as a leader in the segment and performed 9,600 Arthroplasty surgeries during FY 2019-20.

- Brand Value

  Shalby has created brand equity for itself as a trusted and preferred name in the healthcare sector, with special reference to orthopaedic surgery. The brand name was earned based on its modern technologies, best-in-class infrastructure, quality healthcare services and successful surgeries performed on patients of all age groups and across diversified locations. In FY 2019-20, Shalby provided healthcare services to 388,354 patients.

- Unique Business Model:
  The Company has a unique business model, which is based on optimising Capex and Opex in order to achieve higher return ratios than industry peers, while offering the best-in-class services. The Company's key focusses are:
  - Optimal use of space for the building and interior layout
  - Judicious purchase of quality and cost-effective equipment
  - Centralised procurement process for cost savings
  - Higher OT to bed ratio with effective space optimisation for OT rooms

  A competent in-house planning team looks after all these factors while strategising a new facility and operations. Additionally, the Company operates on either fully owned or Operation and Maintenance (O&M) on revenue sharing model. This does not require any fixed rent or security deposit.

- Dedicated Medical Team:
  Shalby has a 4,000 plus in-house team of skilled doctors, surgeons and support staff with relevant industry experience and in-depth domain expertise, who have been leading the Company's growth.

- Outpatient Clinics (OPD)
  Shalby operates OPD in India and abroad, where patients can visit and get specialised consultation. The Company analyses patient trends and decides on expansion plans. They train local doctors for conducting OPDs in and around Ahmedabad. Shalby has been operating such OPD clinics for 15 years now, building a strong brand value. This way, when the Company decides to expand its hospital facilities, it benefits from high brand recall without incurring high branding cost.

- Strong Balance Sheet
  Shalby's net cash position balance sheet remains a unique strength and gives it a competitive edge among the peers that are on expansion mode. Notwithstanding the continuous expansion in the past decade, the Company has remained debt-free by virtue of its asset-light model approach and steady free cash flow generation from legacy hospitals in Ahmedabad supported strongly by their brand value.

REVIEW OF FINANCIAL PERFORMANCE

During FY 2019-20, the Company's consolidated revenue stood at ₹ 5,042.23 million, registering a growth of 6.9% from ₹ 4,715.15 million in FY 2018-19. Profit before Tax (PBT) stood at ₹ 567.27 million compared to ₹ 503.88 million in FY 2018-19. The Company's PAT declined to ₹ 275.86 million from ₹ 316.54 million in the previous year, which is mainly due to decrease in deferred tax assets. During the year, the Company repaid ₹ 93.27 million worth loans and the outstanding balance stood at ₹ 622.17 million.

OPERATIONAL HIGHLIGHTS

Particulars	FY 2019-20	FY 2018-19
Bed capacity (Nos.)	2,012	2,012
Operational beds	1,200	1,102
Average Length of Stay	2.61#	2.69
Occupancy (Beds)	450	413
In-patient Count (Nos.)	62,758	55,985
Out-patient Count (Nos.)	325,596	296,197

4.22 days without day-care procedures

Key Financial Ratios

Sr. No.	Ratio Analysis	2020	2019	Difference	Explanation to significant change
1	Debtors turnover ratio	0.19	0.17	9%	No significant change
2	Interest coverage ratio	12.09	8.29	46%	Improvement in ratio is owing to better EBIT margins coupled with fall in interest payments
3	Current ratio	2.81	2.26	24%	No significant change
4	Debt equity ratio	0.21	0.20	3%	No significant change
5	Operating profit ratio	13%	12%	1%	No significant change

Lifestyle diseases on the rise

Growing lifestyle diseases catapult demand for quality healthcare services and serve as a growth driver for the industry as well as hospitals. Rapid urbanisation, pollution, stressful work life, and consumerist lifestyle have driven a few negative trends like lack of physical activity, junk food addition, growing tobacco and alcohol consumption and nutritional deficiency. Such factors are giving rise to alarming levels of non-communicable diseases (NCDs) such as cardiovascular diseases, cancer, high blood pressure, diabetes etc. As per WHO World Health Statistics 2019, NCDs collectively caused 41 million deaths worldwide in 2016, equivalent to 71% of all deaths. The WHO report also says that 63% of deaths in India were caused by NCDs in the year 2016, and out of that, cardiovascular and chronic respiratory diseases accounted for 38% and cancer, diabetes and other NCDs accounted for 25%. This indicates the growing demand for quality healthcare in India. However, growing income and insurance support has helped people afford quality healthcare services for such diseases.

Source: https://www.who.int/nmh/countries/ind_en.pdf

Orthopaedics – an evolving market

Growing incidence of obesity, osteoarthritis and osteoporosis has driven an increase in orthopaedic problems in Indians. About 22%-39% of Indians get affected by osteoarthritis. They are 15 times more prone to get arthritis than the Western population. Greater life expectancy, lack of exercise as well as altered lifestyles are some factors causing osteoarthritis amongst Indians. This has accelerated the demand for joint replacement surgeries, arthroscopy as well as paediatric orthopaedics. The growing number of orthopaedic patients of all ages and the rising number of surgeries are estimated to boost the knee replacement market in India. Recent technological innovations in implantations, minimal invasive surgeries and computer-operated processes have also augmented the segment.

Rising urbanisation

According to UN World Urbanisation Prospect, the urban/rural ratio of the Indian population is expected to stand at 35% and 65% respectively by FY 2020-21. Private healthcare players as well as tertiary hospitals are well placed to benefit from rising urbanisation and growing affluence levels.

Rising ageing population

Average life expectancy for Indian men has increased to 68 years and for women, it has increased to 70 years. According to the United Nations Population Fund, India's 60 plus population is estimated to reach 300 million by 2050. This leads to an increase in number of degenerative diseases and thereby driving an elevated demand for healthcare services in India.

Medical tourism

Growing medical tourism is a key growth driver for India's healthcare market. India offers quality and cost-effective healthcare in world-class hospitals with highly qualified medical professionals. With an ability to do successful crucial surgeries at 20% of the cost in developed countries, the country is well positioned to skyrocket its share in the global medical tourism market. Quick adoption of advanced medical technology and a high success rate makes India an attractive and leading destination for medical patients, especially for developing nations.

According to a report from the Federation of Indian Chambers of Commerce and Industry (FICCI) and Ernst & Young, India's market for medical tourism is expected to touch the USD 9 billion mark by CY 2020. The report also considers India as one of the preferred destinations for Medical Value Travel (MVT), augmented by its fifth position in the Medical Tourism Index Overall ranking, 2016. The worldwide outbreak of coronavirus may negatively impact the outlook. However, India is projected to be a medical tourism hub not only for the cost-effective allopathic treatment but also for traditional practices such as Yoga and Ayurveda. To boost medical tourism, the e-tourist visa regime has now been expanded to include medical visits as well.

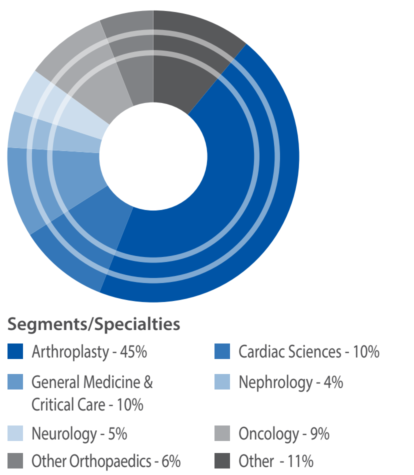
Growth of private health insurance

Growth of private health insurance and insurance coverage by corporate and government entities are another growth driver for the healthcare industry, as it increases affordability for advanced healthcare services.

SEGMENT PERFORMANCE

Contribution to Total Revenue (%)

FY 2019-20



FY 2018-19

Segments/Specialties

- Arthroplasty - 45%
- Cardiac Sciences - 11%
- General Medicine & Critical Care - 11%
- Nephrology - 4%
- Neurology - 4%
- Oncology - 8%
- Other Orthopaedics - 7%
- Other - 10%

RISKS AND CHALLENGES

Shalby has listed some of the key risks for the Company and its strategies to mitigate them:

1. **Regulatory Risks**

   The healthcare industry is exposed to the risk of changing regulatory and legal procedures. Currently, the primary challenge is that of compliance, adherence to procedures and meeting patient expectations on costs and treatment. Hospitals are also subjected to regulatory headwinds such as price caps on knee implants and stents, demonetisation impact and higher GST rates. Such escalating regulatory interventions create financial pressure and call for change in business plans.

   Risk Mitigation: The Company is constantly focussed on cost optimisation and enhancing operational efficiencies to insulate itself from the policy and regulatory changes.

2. **Lack of Skilled Professionals**

   Quality healthcare service requires skilled and qualified professionals. Despite being one of the largest job generators in India, the healthcare sector still suffers from a lack of adequately trained and competent specialists, doctors, nurses and paramedics. An urban rural imbalance in the availability of skilled medical professional is another issue here. Such shortages impact the growth prospects of the industry and the Company.

   Risk Mitigation: The 'Shalby Academy' offers outstanding educational programmes for paramedical students and other healthcare professionals under industry experts. The Academy trains them for efficiency in healthcare delivery and on how to tackle complex surgeries. The Company often absorbs these experts in its own hospitals. As a result, none of Shalby's hospitals face talent crunch in India.

3. **High Capex**

   The hospital business is highly capital intensive because of the mounting costs of land and building, construction costs, as well as licenses and approval costs. Additionally, procurement and maintenance of medical equipment and technology and hiring efficient medical practitioners are also cost intensive. All these factors lift up the basic cost and lower the returns on investment.

   Risk Mitigation: The Company's unique business model and strategy enables it to reach its break-even faster than its peers and helps it stay profitable. Optimal utilisation of real estate, in-house architects and designers for construction and brilliant utilities planning has led to a huge cost advantage for Shalby. The Company focusses on systematic sourcing of medical equipment at competitive rates to cut down operational costs.

4. **Concentration Risk**

   About 6 of the total of 11 hospitals owned by Shalby are located in the state of Gujarat, which limits its presence to one geographical area and poses a concentration risk.

   Risk Mitigation: To mitigate this risk, the Company has been expanding its presence in other states in India. To broaden its reach, Shalby has set up 6 new hospitals across diverse locations in India in the past years, with an aggregate capacity of 1,368 beds. Three new hospitals are coming up in Maharashtra in order to increase market reach and share.

STRATEGY

A unique, strong business model, cost management and targeted expansion strategy of the Company have been key driving forces behind its success.

Emphasis on specialised, asset-light growth

Shalby focusses on studying patient trends and creating a market for its services before venturing into a particular geography. With a well-planned chain of outpatient clinics across India, Shalby creates a brand for itself while those clinics support as a feeder and offer pre-operative consultation as well as post-operative care. This gives the Company a broad sense of viability of opening a multi-specialty hospital in any given region. With strong brand recall coming from the OPDs, it sets up a multi-specialty hospital in an already established market. This expansion model has enabled the Company to scale up its operations with minimum or no branding costs.

Expanding to new geographies

The Company plans to leverage its brand name, orthopaedic expertise and existing infrastructure and create presence in towns and geographies where they are currently not present. The Company is coming up with three new hospitals – two in Mumbai with a total bed number of 275 and one in Nashik, with a bed number of 113. The foray into new geographies is expected to be an additional revenue generator for the Company. Under this model, Shalby also plans to send their in-house doctors for performing orthopaedic surgeries in other cities and countries. While earning revenue for the Company, they will be helping to build the orthopaedic practices there. The Company is working towards such collaboration.

The Hospital has also strategised a franchisee model as a way of business expansion without any capex. The Hospital is coming up with a franchisee model for orthopedics and for joint replacement in various cities with a goal of augmenting our topline and bottom line revenue.

Cost Optimisation

Maximising the operating efficiency and profitability has been a key component of the Company's growth strategy. A combination of various initiatives such as prudent utilisation of real estate, customised building construction, intelligent use of floor space and optimising procurement costs have resulted in significant cost savings and an increase in the number of beds. Compared to ₹ 7.5 million to ₹ 15 million capex incurred per bed for other private hospitals, Shalby has managed to achieve an impressive capex of ₹ 3.5 million per bed with the help of its unique strategy.

Specialties expansion

The Company continues to gain traction within Oncology and Neurology, Cardiac Science and Critical Care for better coverage. The Company is enhancing focus on quaternary treatments like organ transplants for liver, heart, lungs and kidney. The Company is also exploring Homecare segment for service diversification. All these are expected to create opportunities for organic growth.

Shalby Care Card

During the COVID-19 outbreak, Shalby has launched an innovative product 'Shalby Care Card', with a cost of ₹ 2,500 for silver and ₹ 5,000 for Gold card. This provision is intended to offer patients without medical insurance affordable treatment with discounted service and increase hospital occupancy at the same time.

Shalby Homecare

Through Shalby's "Homecare" service, the Company intends to bring an "invisible hospital" to the comfort of one's own home. The initiative, which is aimed at changing the face of primary home healthcare services in India, is designed to provide expert healthcare services for fast recovery of patients from illness and disabilities at the convenience of home. The Company reported a total of 8,271 Homecare cases and 43,327 Homecare visits.

Mars Medical Devices Limited

Shalby has come up with a 100% subsidiary of Shalby Limited, which is called Mars Medical Devices Limited and will manufacture medical devices leveraging the government's 'Make in India' schemes. This company will facilitate backward integration in order to secure our supply chain for medical devices.

OUTLOOK

Shalby focusses on expanding to new geographies and expanding its service range. The Company is aiming at expanding its footprints in Tier-1 and Tier-2 cities where the demand for specialties is more than quality service availability. The capacity and estimated Capex details of its upcoming units in Maharashtra are as below:

- Mumbai (Ghatkopar) – 100 beds – Capex : Nil
- Mumbai (Santacruz) – 175 beds – Capex: ₹ 1,600 million
- Nashik – 113 beds – Capex: ₹ 310 million

Shalby has managed to continue its growth in the year under review, despite the challenges coming from the coronavirus outbreak in the last quarter of the financial year. The Company is confident of its service capabilities and domain expertise that has created a niche in the healthcare market. It is committed to outperform the industry average growth in the coming fiscal year backed by its unique business model and service edge.

Shareholding Pattern as on March 31, 2020

S. No.	Description	Cases	Shares	% Equity
1	Promoter and Promoter Group	7	8,58,05,654	79.44
2	Resident Individuals	51,424	92,90,704	8.60
3	Bodies Corporates	310	58,24,032	5.39
4	Foreign Portfolio - Corp	6	39,72,269	3.68
5	Employee Trusts	1	10,00,250	0.93
6	H U F	2,329	7,23,216	0.67
7	Alternative Investment Fund	1	6,21,446	0.58
8	Non Resident Indian	391	3,44,915	0.32
9	Clearing Members	69	1,70,297	0.16
10	Non Resident Indians Non Repatriable	155	1,65,901	0.15
11	Banks	1	82,648	0.08
12	Directors	4	8,061	0.01
13	Trusts	1	255	0.00
14	Foreign Nationals	2	122	0.00
	Total	**54,701**	**10,80,09,770**	**100**

REGULATIONS AND SAFETY

Safety is intrinsic to the entire healthcare sector and the medical fraternity in India is moving towards having the best-in-class safety and regulatory standards. As a Company operating in the healthcare sector, Shalby aims to comply with the dynamic rules and regulations, which are much more stringent than earlier, and respond to the changing industry demands. The Company continues to focus on maintaining sustainability and reducing environmental impact of its operations while exceeding patient's expectations from services. It takes up initiatives to reduce waste generation and segregate recyclable waste at hospitals, and maintain quality standards. The Company follows strict procedures and regular monitoring to ensure compliance with legal and safety requirements. Considering the risks involved, the Company also emphasises following radiation surveillance procedures and maintenance of all records for legal references. The Company also insists on sourcing the right kind of equipment and devices from the right vendors with all regulatory approval certifications. Shalby's strong corporate governance practices and regulatory compliances are instrumental in earning the global accreditations from the National Accreditation Board for Testing and Calibration Laboratories (NABL).

INTERNAL CONTROL

The Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and it has been operating effectively during FY 2019-20, based on, "the internal control 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 management is committed to ensuring the effectiveness of the internal control system, which provides reasonable assurance on compliance with applicable laws and regulations, safeguarding of assets, reliability and accuracy of financial reporting and prevention of fraud and errors. Its accounting policies ensure that the transactions are recorded in accordance with the Indian Accounting Standard (Ind-AS). The Internal Audit Team periodically reviews the key findings and provides strategic guidance.

HUMAN RESOURCES

A balanced integration of digital technology and skilled human resource is a key factor in sustaining a dynamic business landscape. The changing dynamics of HR in recent times focusses on improving employee engagement and retention, and augmenting the success of an organisation through digital transformation. Shalby has focussed on automation to enhance employee and business efficiency and create higher value for business and inculcated its elite values to entire workforce of 4,000+ employees.

HR Initiatives from FY 2019-20

Digital Employee Motivation Survey

Shalby conducted a motivation survey through its HRMS, on converting to technological practices, which saw huge participation from employees. This has helped the Company improve the user experience without the tedious process of data gathering personally.

Shalby Academy

Shalby Academy is an Initiative of Shalby HR, which runs various paramedical, technical and management courses in collaboration with premium organisations, with a focus towards capacity building and skill upgradation of both internal employees and external students. It has helped in training fresh talents as well as ensured qualitative workforce supply.

E-Learning Initiatives

Shalby continues to focus on training and development of employees in order to improve soft skills, professional grooming and customer experience. Considering the busy daily routine of the employees, it launched an E-learning initiative through video modules. A series of videos named Shalby's Life Lesson & Shalby's Management Lesson shifted the focus from classroom sessions to virtual training giving the employees flexible option to polish their skills.

Cloud-based Human Resource Management System (HRMS)

As part of its digitalisation initiatives, Shalby is replacing the existing HRMS with People Strong software - a Cloud-based Human Resource Management System (HRMS). The new system takes a data-driven, collaborative, iterative approach to HR services and processes. It is likely to enhance user experience with regards to various HR process like recruitment onboarding, training etc.

Employee Communication

Shalby has implemented different communication channels for the employees. Senior HR Management conducts periodic town halls meetings to address the employees and share important updates and feedback. They are supported by daily departmental review meetings. Further, Shalby has the culture of an employee suggestion box where they can provide feedback anonymously. It also has initiatives like night visits and workstation briefings inspired by the Japanese Concept of Gemba Walk. To keep the employees engaged further, the Company has a Newsletter Elite and a Central broadcast group Pan Shalby, with engaging, fun and social content balanced with relevant organisational news and insights.

Employee Engagement Interventions

Considering the criticality and stress in healthcare jobs, Shalby deploys various employee engagement strategies to keep the employee energised and retained, like reward and recognition programmes, public appreciation and employee engagement recreational initiatives.

Interim Performance Review

Shalby undertakes a quarterly performance review for line managers and departmental heads. This exercise helps in aligning the team's performance with the Company's core values and vision.

Resource Optimisation Strategies

Shalby continues to focus on resource optimisation by continuously monitoring resource cost and ensuring optimum utilisation, with the help of analytics tools.

Employees remain the key strength for Shalby. It aims to provide an excellent career experience and best-in-class HR system to the employees while undertaking the journey of organisational growth.

INFORMATION TECHNOLOGY

As India moves towards Industry 4.0 with the implementation of information technology (IT), automation and artificial intelligence, digital transformation is also bringing about large-scale disruption in the healthcare sector. At Shalby, IT remains a key focus area to ensure smooth functioning of its hospitals. Having embarked upon its journey of 'Digital Transformation' across hospitals in FY 2018-19, Shalby's prime objective is to implement the massive business transformation programme and capitalise on the growing opportunity.

The key focus of the Company in IT transformation goes beyond digitalising its hospitals, or even executing ChatBots, IVR-based call centres, use of smart phones or tablets, managing online appointments, and developing Apps and Facebook or LinkedIn pages. Even though these elements do form a part of the process, its IT transformation is all about ushering in a continuous and multi-dimensional process linked to social, economic and technological factors beyond the hospital walls. With smart deployment of IT, its key target is to inculcate a definitive change in mindset with regards to hospital processes and patient care.

Holistic IT transformation: Key focus areas

- Patient-centricity
- Technology focus to handle crisis
- Quality of care
- Advanced analytics on complex health data
- Tele-consultation
- Inter-operability
- Automation of back-office operations

Effective and efficient patient care remains the key objective of this journey of digital transformation. During the process, the Company has facilitated safe communication and confidentiality in patient-doctor information exchange. Its entire IT infrastructure, including servers, networking, storage, and power supply and client machines, are undergoing a total revamp, as part of the transformation process.

The Board aims to leverage IT to scale the Company higher qualitatively and also in terms of revenue growth.

IT systems implemented:

- New Hospital Information System (HIS) for electronic medical records
- Ongoing implementation of SAP ERP
- Revamping IT infrastructure to cater to growing needs
- Conceptual framework for digital transformation of hospitals
- Tele-radiology
- Tele-consultation
- Cloud solutions for back-office operations
- Implementation of control and processes

Directors' Report

Dear Members,

Your Directors are pleased to present the Sixteenth Annual Report on business and operations of the Company along with audited financial statements for the financial year ended March 31, 2020.

FINANCIAL PERFORMANCE SUMMARY

The summarized financial highlights are depicted below:

[₹ in million]

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	4,838.86	4,624.11	4,868.50	4,622.56
Other Income	177.42	93.68	173.71	92.59
Total Expenditure (Except Finance cost & Depreciation/ Amortization)	4,023.80	3,799.82	4,051.17	3,798.76
Profit before Interest Depreciation and Tax	**992.48**	**917.97**	**991.05**	**916.39**
Finance Cost	63.58	80.68	63.58	80.78
Depreciation/Amortization	358.61	330.04	360.20	331.73
Profit Before Tax	**570.29**	**507.25**	**567.27**	**503.88**
Provision for Taxation (Inclusive of provision for deferred tax)	290.57	186.23	291.41	187.34
Profit After Tax	**279.72**	**321.01**	**275.86**	**316.54**
Other comprehensive income	0.17	0.73	0.17	0.74
Total Comprehensive Income	**279.89**	**321.74**	**276.03**	**317.28**
Opening Balance In Retained Earnings	2,364.78	2,042.64	2,213.19	1,895.84
Add: Profit for the year including OCI	279.89	322.14	276.03	317.35
Less: Dividend including DDT	65.10	-	65.10	-
Amount available for appropriation	2,579.56	2,364.78	2,424.12	2,213.19

PERFORMANCE OF THE COMPANY

During the year under review, the revenue from operations of the Company increased to ₹ 4,838.86 million as compared to ₹ 4,624.11 million in the previous year, registering a growth of 4.64%. The EBITDA for the year under review increased to ₹ 992.48 million against previous year of ₹ 917.97 million registering growth of 8.12%. Your Company has earned profit after tax of ₹ 279.72 million as against ₹ 321.01 million in the previous year.

During the year under review, the consolidated revenue from operations increased to ₹ 4,868.50 million as compared to ₹ 4,622.56 million in the previous year, registering a growth of 5.32%. The consolidated EBITDA exhibited a growth of 8.15% in Fiscal 2020 rising to ₹ 991.05 million from ₹ 916.39 million in the previous financial year.

Consolidated Profit Margins:

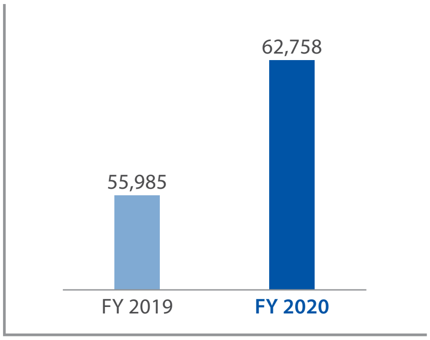
Profit before tax (PBT) for Fiscal 2020 increased to ₹ 567.27 million as compared to ₹ 503.88 million in the previous year registering a growth of 12.58%. Profit after tax (PAT) was reduced to ₹ 275.86 million against ₹ 316.54 million in the previous year, which was mainly due to a decrease in deferred tax assets.

Consolidated Earnings per Share:

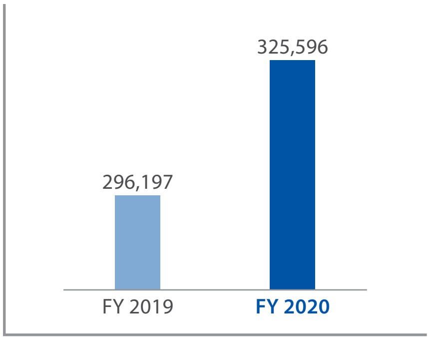
The Earnings per Share (EPS) of the Company decreased to ₹ 2.55 compared to previous year of ₹ 2.93 which can mainly be attributed to reduced earnings followed by the deferred tax treatment mentioned hereinabove.

OPERATIONAL PERFORMANCE

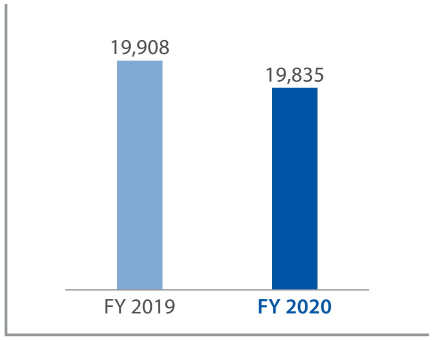
In-patient count



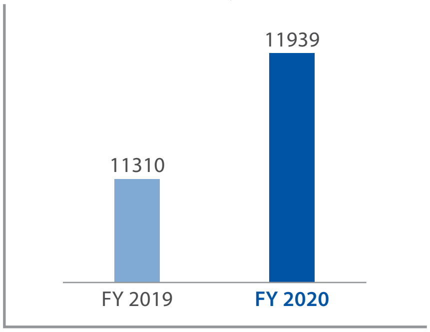
Out -patient count



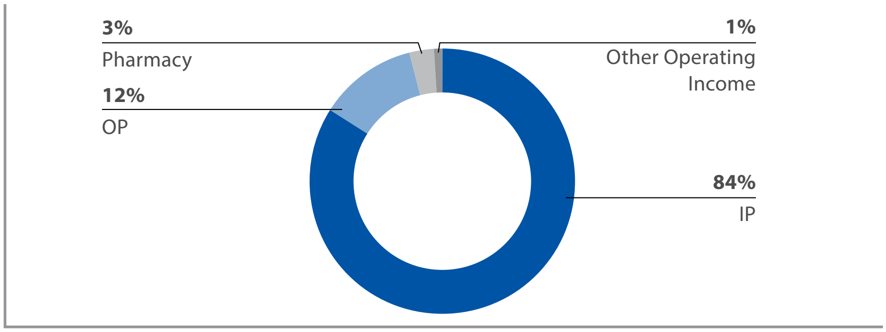
Surgery Count



Orthopedic Surgery Count



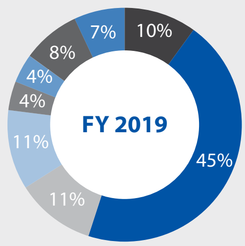
Break-up of operating income FY 20

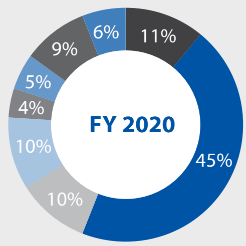


REVENUE MIX - FY 2019 VS FY 2020

SPECIALITY MIX (Revenue)

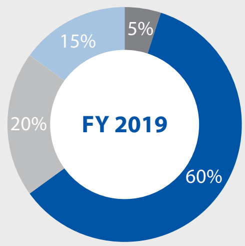
- Arthoplasty
- Cardiac Science
- Critical Care & General Medicine
- Nephrology
- Neurology
- Oncology
- Other Ortho
- Others

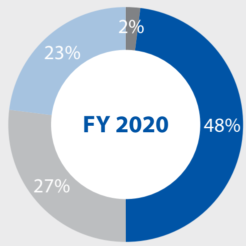




PAYER MIX (Revenue)

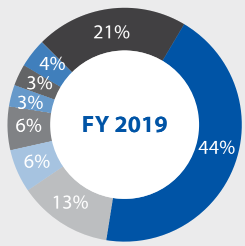
- Self Pay
- Corporate Government
- TPA
- Corporate Private

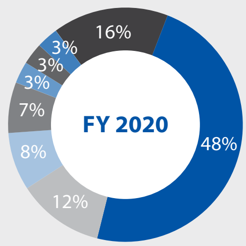




SURGERY MIX (Nos)

- Arthoplasty
- Orthopaedic
- Nephrology
- General Surgery
- Cosmetic & Plastic Surgery
- Oncology
- Cardiac Science
- Others





DIVIDEND

The Board of Directors has recommended a dividend of ₹ 0.50 per equity share (5% on the face value of ₹ 10 each) on the paid up share capital of the Company for financial year ended on March 31, 2020 amounting to ₹ 54 million, which if declared at the ensuing Annual General Meeting scheduled on September 14, 2020, will be paid to those shareholders whose names appear in the Register of Members as at closing hours of business on September 7, 2020 ('Cut-off date'). In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by both depositories, NSDL and CDSL for this purpose.

The Register of Members and Share Transfer Books will remain closed from Tuesday, September 8, 2020 to Monday, September 14, 2020 (both days inclusive).

INITIATIVES AT SHALBY IN RESPONSE TO COVID-19 PANDEMIC

The CoVID-19 pandemic has led to unprecedented disruption not only to the global economy but also to the lives of people across the globe and it has impacted all the businesses with different magnitude. During the lockdown declared by Ministry of Home Affairs (GOI), all our Hospital units in India remained open for treatment of medical emergency or other medications as healthcare falls under essential services. We have taken, inter alia, the following steps to safeguard our patients and minimize the infection at our hospital units:

- Joined hands with the government in a tough time and started treatment of CoVID-19 patients at four hospitals in addition to non CoVID patients
- Instigated tele-consultation for the benefit of the patients, which enabled patients to consult the doctors for any medication needs
- Homecare services were also available to our patients and the public at large for supply of medicine, nursing services at home etc.
- All our doctors and concerned staff have been provided Personal Protective Equipment Kits for safety purpose
- Abundant precautions are being followed at every unit to handle CoVID and non CoVID patients
- All our hospital units are being being sanitized frequently, strictly following the protocols for handling the protocols for handling CoVID-19 positive and negative patients without disrupting the business operation
- Maintaining social distancing norms and also framed work from home policy for our employees during the lockdown period
- Worked with limited number of employees and required doctors during the lock down period for safeguarding the interest of all
- Conducted many webcasts through social media to address common query of patients and general public at large with immense response
- Conducted many webcasts to create general awareness about CoVID-19 pandemic and precautions needed to protect from CoVID-19 pandemic

BUSINESS AND STRATEGY

Nashik Project: The Company had entered into a definitive agreement (O & M Agreement) with Samruddhi Hospital P. Ltd in the year 2014 to operate and manage the hospital for a period of 30 years. Under this arrangement, Samruddhi will construct the hospital building and hand over to your Company ready to use building to manage the hospital and your Company will invest estimated capex of ₹ 310 million thereto. The project has been delayed due to the novel CoVID-19 pandemic spread across the globe. It is estimated that your Company may receive possession of constructed building in Fiscal 2022 and it is anticipated to start the operation of the 113 bedded hospital in Fiscal 2023.

Mumbai Project: Your Company is in the process of setting up a 175 bedded hospital in the heart of Mumbai, Santacruz, to be equipped with state of the art equipment and technology. The existing structure in place is a building over 60 years old, which needs to be demolished completely and your Company together with counterpart are in the process of demolishing the existing structure to commence construction of new building. It is anticipated that necessary permission for demolition of existing structure and approval of proposed building will be received in current Fiscal 2021, thereafter your Company will start the construction and complete the new hospital building after investing estimated capex of ₹ 1,600 million. It is also estimated that the delay in this project will be more than six months due to consequential impact of on-going novel CoVID-19 pandemic spread across the Globe and it is expected to start the operations in later part of Fiscal 2024.

Information Technology Infrastructure

With the increase in demand of digital transformation in healthcare sector, Shalby embarked its journey of digital transformation across its all hospitals from 2018-19. Shalby's technology focus is not only about computerizing hospitals, making Apps, making it easier for patients to make an appointment online, ChatBots, IVR Based call centres, etc. but also about looking for a continuous and multidimensional process that is linked to social, economic and technological factors that go beyond the hospital walls and about a change of mind-set with regard to hospital processes. During this journey of digital transformation, Shalby as an organization is looking at the patient and organizing its process to give efficient and effective care, both from Clinical and the technical perspectives and has facilitated patient-physician exchange of information through safe communication and doctor-patient confidentiality. Members are requested to refer to Management Discussion and Analysis section for detailed information on enhancement of information technology infrastructure in the Company.

CREDIT RATING

During the year under review, IICRA Limited has reaffirmed the long term credit ratings as ICRA A on term loans and fund based facilities availed by the Company and the outlook on the long term rating as "Positive". This rating indicates an adequate degree of safety regarding timely servicing of financial obligations and low credit risk.

UTILIZATION OF IPO PROCEEDS & LISTING

During the Fiscal 2018, the Company had completed its initial public offering of 20,354,838 equity shares of ₹ 10 each at price of ₹ 248 per equity share (including premium of ₹ 238 per share) comprising of fresh issue of 19,354,838 equity shares amounting to ₹ 4,800 million and offer for sale of 1,000,000 equity shares amounting to ₹ 248 million aggregating to ₹ 5,048 million. The said equity shares got listed on National Stock Exchange Limited and BSE Limited effective from December 15, 2017. Out of the IPO proceeds of ₹ 4,800 million, your Company has utilized ₹ 4,196.39 million as per objects of the offer and the Company has varied in terms of the objects of initial public offering to the extent of ₹ 603.61 million after receiving shareholders' approval by passing special resolution in the 15th Annual General Meeting held on August 26, 2019. During the year under review, your Company has fully utilized the said amount of ₹ 603.61 million as per revised objects and in the manner as approved by the shareholders as mentioned herein above. There was no amount of issue proceeds pending to be utilized at end of March, 2020. Your Company had appointed HDFC Bank Limited as the monitoring agency in terms of regulation 16 of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended, to monitor the utilization of IPO proceeds and Company has obtained monitoring reports from the Monitoring agency upto the third quarter of the year under review and filed the same with both exchanges where equity shares of the Company are listed. The said reports issued by the monitoring agency together with statement of utilization of issue proceeds prepared pursuant to regulation 32 of SEBI (LODR) Regulation, 2015 are available at https://www.shalby.org/investors under Statement of Utilization / Deviation or Variation – IPO Proceeds.

SHARE CAPITAL

During the year under review, there is no change in the share capital of the Company. The authorized share capital of the Company stands at ₹ 1,177.50 million divided into 117,750,000 equity shares of ₹ 10 each. The issued, subscribed & paid up share capital of the Company stands at ₹ 1,080.10 million divided into 108,009,770 equity shares of ₹ 10 each.

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT ON PERFORMANCE OF SUBSIDIRIES

During the year under review, your Company has five subsidiaries viz. Vrundavan Shalby Hospitals Limited, Shalby (Kenya) Limited, Shalby International Limited, Yogeshwar Healthcare Limited, Griffin Mediquip LLP. During the current FY 2020-21, your Company has incorporated a new wholly owned subsidiary Company under the name and style 'Mars Medical Devices Limited' on April 3, 2020 with authorized share capital of ₹ 1,500,000 divided into 150,000 equity share of ₹ 10 each and paid up share capital of ₹ 500,000 divided into 50,000 equity share of ₹ 10 each. The said subsidiary Company is yet to commence its operation as of now.

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements form part of this Annual Report which shall also be laid before the ensuing Annual General Meeting of the Company.

The Standalone and Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. A report on the performance and financial position of each of the subsidiaries and LLP as per the Companies Act, 2013 is provided as Annexure - A which forms part of this Report. In accordance with Section 136 of the Companies Act, 2013, the audited Financial statements, including consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available at Annual Reports section at https://www.shalby.org/investors. The financial statements of the Company and subsidiary companies shall be available for e-inspection. Members may refer note no 22 annexed to the notice of AGM for e-inspection.

AWARDS & RECOGNITIONS

During the financial year 2019-20, your Company has been awarded with the "Best Brand Evolution Award" in the category of Healthcare Excellence Awards, 2019, by Indian Express Group, "Dare to Dream Zee Business Awards-Company of the year" by Zee Business, "Gujarat Healthcare Leadership Award" and "Madhya Pradesh Healthcare Leadership Award", by World Health and Wellness Congress & Awards, "Medical Value Travel Specialist Hospital Award" in the Orthopedics category (Joint Replacement) instituted by Department of Commerce, Ministry of Commerce & Industry, Government of India and FICCI.

ANNUAL RETURN (MGT-7)

The Annual return of the Company for FY 2018-19 has been placed on the website of the Company at https://www.shalby.org/investors/ in Annual Return section. The Company will also place annual return for FY 2019-20 after completion of ensuing

Annual General Meeting of shareholders of the Company. The extract of Annual Return–MGT-9 as on March 31, 2020 is enclosed as Annexure – B herewith.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013

Particulars of loans given, investments made, guarantees given and securities provided in the notes to the standalone financial statements forming part of this annual report.

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTY U/S 188 OF THE COMPANIES ACT, 2013

The transactions entered into with related parties during the year were generally on arm's length basis. Pursuant to Regulation 23 of the Listing Regulations, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for their review and approval.

During the year under review, there were no material transactions with related parties in terms of regulation 23 of SEBI Listing Regulations. The details of the related party transactions are provided in the Annexure- C (AOC - 2) pursuant to Section 134(3)(h) of the Act read with rule 8 (2) of the Companies (Accounts) Rules, 2014. Your Directors draw the attention of members to the notes to the financial statements which set out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTMENT AND RESIGNATION

There is no change in Directors or Key Managerial Personnel during the year under review. As on March 31, 2020, Dr. Vikram Shah, Chairman & Managing Director, Mr. Prahlad Rai Inani, Chief Financial Officer and Mr. Jayesh Patel, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013.

DIRECTORS RETIRING BY ROTATION

In terms of section 152 of the Companies Act, 2013, Mr. Shyamal Joshi (DIN: 00005766), being the longest in the office shall retire at the ensuing Annual General Meeting and being eligible for reappointment, offers himself for re-appointment.

A brief resume of Director being re-appointed along with the nature of his expertise, his shareholding in the Company and other details as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on general meeting (SS-2) is appended as an annexure to the Notice of the ensuing Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and they have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair their ability to discharge their duties with an objective independent judgment and without any external influence.

BOARD MEETINGS

The Board met four times during the year under review, on May 25, 2019, July 29, 2019, November 11, 2019 and February 3, 2020. The numbers of meetings and its attendance have been provided in the Report on Corporate Governance which forms part of Annual Report.

COMMITTEES

The Company has various committees which have been formed in compliance of provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are in compliance with the provisions of relevant statutes.

The Board has constituted following committees.

i. Audit and Risk Management Committee

ii. Stakeholder Relationship Committee

iii. Nomination and Remuneration Committee

iv. Corporate Social Responsibility Committee

v. Management Committee

The terms of reference of Audit & Risk Management Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee have been amended in order to incorporate amendment made in SEBI(LODR) Regulations, 2015. The details with respect to the compositions, powers, roles, terms of reference, numbers of Committees along with their attendance etc. of respective Committees are provided in detail in the 'Report on Corporate Governance' which forms part of this Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (SS1 and SS2) issued by the Institute of Companies Secretaries of India relating to Meetings of the Board, its Committees and meeting of shareholders which are made mandatory.

POLICY ON APPOINTMENT AND REMUNERATION TO DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 have been disclosed briefly in the Corporate Governance Report, which forms part of this Report. Your Company's Policy in this regard includes, inter alia, criteria for determining qualifications, positive attributes, independence of a director and other matters as required under sub-section (3) of Section 178 of the Companies Act, 2013. The said policy is available at https://www.shalby.org/wp-content/uploads/2018/01/Nomination-Remueration-Policy_final.pdf

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company upholds the standards of governance and is compliant with the provisions of Corporate Governance as stipulated under SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015. The Report on Corporate Governance for FY 2019-20, as per Regulation 34(3) read with Schedule V of the SEBI (LODR), Regulations, 2015 forms a part of this Annual Report. The Certificate from Practicing Company Secretary confirming the compliance with the conditions of corporate governance as stipulated by Regulation 34(3) of SEBI (LODR), Regulations, 2015 is annexed to this Report.

In compliance with Corporate Governance requirements as per the SEBI Listing Regulations, your Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto and the same is available at https://www.shalby.org/wp-content/uploads/2017/10/Code-of-Conduct-for-Directors-Senior-Management.pdf

In terms of regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report on the Company's financial and operational performance, industry trends, business outlook and Initiatives and other material changes with respect to the Company and its subsidiaries, wherever applicable are presented in a separate section which forms part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT

In terms of regulation 34 of the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environment, social and governance perspective in the format specified by SEBI is presented in a separate section which forms part of the Annual Report.

PERFORMANCE EVALUATION OF BOARD AND ITS COMMITTEE

The criteria for performance evaluation and the statement indicating the manner in which formal annual evaluation has been made by the Board are given in the 'Report on Corporate Governance', which forms part of this Annual Report.

Pursuant to provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, Board committees and Individual Directors in the manner prescribed in Performance Evaluation Policy, which is available at https://www.shalby.org/wp-content/uploads/2017/10/Performance-Evaluation-Policy-for-BOD.pdf

DEPOSITS

During the year, the Company has not accepted any fixed deposits from the public as per provisions of section 73 to 76 of the Companies Act, 2013 and Rules made there under. Hence, the disclosures as required under Rule 8 (5) (v) & (vi) of the Companies (Accounts) Rules, 2014, are not applicable to your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134 (5) of the Companies Act, 2013, your Directors hereby confirm that:

a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirement set out under Schedule III to the Act have been followed and there are no material departures from the same;

b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) they 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) they had prepared the annual accounts on a going concern basis;

e) they 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) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 is set out below

(A) Conservation of Energy:

The operations of the Company are not energy-intensive. However, the following significant measures are being taken to reduce energy consumption by using energy efficient equipment.

- Phasing out of CFL lamps to LED lights
- Occupancy sensors installation in toilets to avoid permanent illumination and save electrical consumption
- Proper thermal insulation to increase efficiency of HVAC system and thereby reducing energy consumption
- Use windows and doors to provide good levels of natural ventilation in some areas within a hospital, allowing mechanical ventilation to be switched off or turned down to save energy
- Provide infrared controllers in water taps as they provide water only when required, switch off automatically and can save between 5 to 15% of water per tap per year
- Introduction of timer based operation of air handling units to reduce power consumption
- Energy optimization practices implemented in transformer operation
- VFD installation for AHU motor in a phased manner
- All lifts and OT AHUs are operated with VFD panels
- For recently commissioned units, building orientation has been designed to maximize use of daylight and to reduce heat gain in order to reduce energy consumption
- For recently commissioned units, the building is being constructed by using structural steel to reduce embedded energy and also to reduce the impact of construction activities to the neighborhood and environment and with STP and recycled water is being used for flushing and plant watering to reduce water usage
- The glass used for facade in a number of facilities is double glazed and is energy efficient low emissivity type which helps in reducing solar heat gain coefficient while improving the visibility
- Rain water harvesting system installed at our Greenfield recently completed projects to conserve natural resources
- HVAC temperature is being adjusted based on the seasonal temperature and particular clinical requirements, to reduce the power consumption
- Discipline wise SOP is being followed for routine maintenance on daily, weekly, monthly, and yearly basis, as required to keep the system installed in check and reduce consumptions of water and electricity
- In case of modification or renovation, we maximize the usage of existing materials to conserve the natural resources

There would not be a material financial implication of said measures as energy costs comprise a very small portion of your Company's total expenses.

(B) Technology absorption:

I. The effort made towards technology absorption:

Over the years, your Company has brought into the country the best technology available in healthcare to serve the patients better and to bring healthcare of international standard within the reach of every individual.

In order to promote indigenous technology absorption, the following equipment, inter alia, has been installed at our various units;

a) Anesthesia workstation;

b) Tripple Dome OT lights;

c) Electric OT table with 10 functions for renal transplant;

d) Single door auto clave machine;

e) Fabrilator Machine;

f) Biosafety Cabinet for Chemotherapy;

g) Anesthesia Trolley;

h) Baby Cradle with infant Bed;

i) Blood bank equipment including Deep freezer, Blood bank refrigerator, Platelet agitator/ incubator, Blood collection monitor and tube sealer, Donor couch compofuge;

j) X-ray system;

k) Dialysis machine;

l) Ventilator;

m) CT scanning machines;

n) MRI scanning machines;

o) Ultrasound systems; and

p) Linac systems.

During the year, the Company has installed indigenous medical technology to the tune of ₹ 7 million. The benefit accrued due to this is primarily cost reduction from import substitution considering the impact of exchange rate fluctuation and revision of customs duty tariffs. The performance and quality of this equipment have been found to be quite satisfactory

II. The Company has imported the latest and state of the art equipment to the tune of over ₹ 9.6 million to have latest technology in the hospital and the details of latest key medical equipment/machinery imported and installed at various units of Shalby are set out below:

Technology absorption, adaption and innovation	Benefits	Imported technology from
Oxygen Concentrator	An oxygen concentrator is a device that concentrates the oxygen from a gas supply (typically ambient air) by selectively removing nitrogen to supply an oxygen-enriched product gas stream.	USA
Haemodialysis Machine	To achieve the extracorporeal removal of waste products such as creatinine and urea and free water from the blood when the kidneys are in a state of kidney failure.	Germany
Defibrilator BI Phasic	To survive patient from cardiac arrest by DC shock treatment. a biphasic defibrillator delivers current that travels through the heart in two directions. The first phase is the same as in conventional defibrillation. In the second phase, the current reverses direction, flowing through the heart again and back to the first electrode.	Japan
Zimmer Tourniquet	It is used in TKR & other Orthopedic surgeries in order to reduce blood loss during surgery. A tourniquet is a constricting or compressing device used to control venous and arterial circulation to an extremity for a period of time. Pressure is applied circumferentially to the skin and underlying tissues a limb; this pressure is transferred to the vessel wall causing a temporary occlusion.	USA
Laser System (Karl Storz,- Model : Calculase	Being used for Ablation of the Prostate & Urology surgeries	Germany
Hopkins Telescope 6 Degree 18 FT - 27294AA	For visualization of the surgical site during diagnostic and therapeutic endoscopic procedures	Germany
Central Monitoring System- 16 Beds	Central Monitor system to be connected with all patient's standlone monitors in order to monitor parameters in doctor's surveillance to be used in ICCU having back up capacity - 10 to 15 days.	Japan
Flexible Uretero Reno Scope	flexible ureteroscopes permits complete maneuverability within the intrarenal collecting system. This scope allows both up and down deflection in a single plane.	Germany
Digital Radiography Detector Panel	It is dynamic flat-panel detector being used for digital fluoroscopy and angiography	Germany
Drill Unit System	For precision cutting of bones and drilling at high speed and perfection for properly affixing the implant in TKR & THR surgeries	USA

Apart from above, various other small equipment imported and are installed at various units of Shalby.

III. The expenditure incurred on Research and Development

NIL

(C) Foreign exchange earnings and expenditure:

[₹ in million]

Particulars	2019-2020	2018-2019
Earnings in Foreign Currency	81.93	111.57
CIF Value of Imports	-	-
Expenses in Foreign Currency	10.68	9.06

PARTICULARS OF EMPLOYEES & REMUNERATION

The details regarding ratio of remuneration of each Director to the median employee's remuneration and other details as required in section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended herewith as Annexure - D.

The statement containing information as per provision of Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in separate annexure forming part of this report. However, Annual Report is being sent without said annexure. In terms of provisions of section 136 of the Companies Act, 2013, the said annexure is open for e-inspection. Members may refer to note number 22 annexed to the notice of AGM for e-inspection. Any member interested in obtaining the copy of the same may write to the Company Secretary at the Registered Office of the Company.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has adopted policies and procedures 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 disclosures. The Company has in place adequate internal financial controls in order to ensure that the financial statements of the Company depict a true and fair position of the business of the Company. The Company continuously monitors and looks for possible gaps in its processes and it devices and adopts improved controls wherever necessary.

RISK MANAGEMENT

The risks are measured, estimated and controlled with the objective to mitigate adverse impact. Your Company's fundamental approach to risk management includes anticipating, identifying and measuring the risk. Your Company has in place a mechanism to monitor and mitigate various risks associated with the business. The Company has adopted a Risk Management Policy which inter alia, sets out our approach towards risk assessment, risk management and risk monitoring, which is periodically reviewed by the Board. The Risk Management Policy is available at https://www.shalby.org/wp-content/uploads/2018/12/Risk-Management-Policy_Final.pdf

VIGIL MECHANISM

The Company has established a vigil mechanism and accordingly framed a Whistleblower Policy. The policy enables the employees to report genuine concerns to the management regarding instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or mismanagement, if any. Further, the mechanism adopted by the Company encourages the whistleblower to report genuine concerns or grievances and provide for strict confidentiality, adequate safeguards against victimization of whistleblower who avails of such mechanism and also provides for direct access to the Chairman of the Audit and Risk Management Committee, in appropriate cases. The functioning of vigil mechanism is reviewed by the Audit and Risk Management Committee from time to time. None of the whistleblowers has been denied access to the Audit and Risk Management Committee of the Board pertaining to Whistleblower Policy. The said Vigil Mechanism and Whistleblower Policy is available at https://www.shalby.org/wp-content/uploads/2018/01/Vigil-Mechanism-and-Whistle-blower_policy-1.pdf

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of the Act, your Company has constituted a CSR Committee, which comprises Mrs. Sujana Shah, Chairperson (w.e.f. November 11, 2019), Mr. Umesh Menon, Member (Chairman upto November 10, 2019) Mr. Shyamal Joshi as its members as on March 31, 2020. The Company has also framed a CSR Policy in compliance with the provisions of the Act which is available at https://www.shalby.org/wp-content/uploads/2018/12/Corporate-Social-Responsibility-CSR-Policy.pdf. The Annual Report on CSR activities outlining geographical areas for CSR activities, composition of CSR committee, amount of CSR fund expended etc is annexed herewith as Annexure - E.

OTHER DISCLOSURES AND INFORMATION

1. **Anti-sexual Harassment of Women at workplace**

   Your Company has adopted a policy for prevention, prohibition and redressal of sexual harassment at workplace under the provisions of Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act 2013 and rules framed thereunder. The Company has anti Sexual harassment Committee to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there was one complaint received which was investigated and resolved and there were no complaints pending at March 31, 2020.

2. **Significant or Material Orders passed by the Authority**
   No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company and its future operations.

3. **Material changes and commitments affecting financial position**
   The outbreak of Coronavirus (CoVID-19) pandemic globally and In India is causing significant disturbance and slowdown of economic activity. The Company is providing healthcare services, being "essential services" there has been no suspension of operation and the Company has taken further steps for smooth functioning of its operations during the pandemic. The management has also evaluated impact of this pandemic on its business operations and based on its review and current Indicators of future economic conditions, no material impact is anticipated on the financials of the Company in the long run. Due to the temporary suspension of services of elective surgeries and travel restrictions of overseas patients, business operations of the Company are expected to be lower in the short term, though the same is not likely to have a continuing impact on the business of the Company in the long run. Further, the Management believes that in the long term, there may not be material impact of CoVID-19 pandemic on the financial position and performance of the Company. However, the impact assessment of CoVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of this report. The Company will continue to monitor any material changes to future economic conditions.

AUDITORS

Statutory auditor & auditors' report

Pursuant to Section 139 of the Companies Act, 2013, M/s. T. R. Chadha & Co., LLP, Chartered Accountants has been appointed as Statutory Auditors of the Company, for a period of 5 consecutive years who holds the office from the conclusion of 14th AGM which was held in 2018 till the conclusion of 19th AGM.

The said Statutory auditors have confirmed that they have not incurred any of the disqualification as mentioned in section 141(3) of the Companies Act, 2013 and the Rules framed thereunder.

During the year, the Auditors had not reported any matter under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3) (ca) of the Act.

The Statutory Auditor's comment on your Company's account for the year ended March 31, 2020 are self-explanatory in nature and do not require any explanation. The Auditors Report does not contain any qualification or adverse remarks.

Internal auditor

M/s. Price Water House Coopers Pvt. Ltd. is the Internal Auditors to conduct internal audit as per agreed scope of works pursuant to the provision of section 138 of Companies Act, 2013 read with Companies (Accounts) Rules, 2014. They were re-appointed as Internal Auditor for FY 2020-21 to conduct internal audit of the functional activities of the Company.

Cost auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, M/s. Borad Sanjay B & Associates has been appointed as Cost Auditors by the Board of Directors on the recommendation of Audit Committee, for audit of cost records for the year ended on March 31, 2020 and their remuneration was ratified by members at the 15th Annual General Meeting of the Company.

Your Company has received consent along with confirmation from M/s. Borad Sanjay B & Associates that the appointment is in accordance with the applicable provisions of the Act and Rules framed thereunder and they do not hold any disqualification under section 139, 148 and 141 of the Companies Act, 2013 for their appointment for FY 2020-21. The Board of Directors of the Company re-appointed M/s. Borad Sanjay B & Associates for audit of cost records for the year ended on March 31, 2021 at a remuneration of ₹ 1,00.000/- plus applicable taxes and reimbursement of out of pocket expenses incurred, if any, in connection with the cost audit. The Board of Directors of the Company recommended the members for their ratification.

The Company has maintained cost account and records as specified by Central Government under Section 148(1) of the Act, read with Rule 8 of Companies (Accounts) Rule, 2014.

Secretarial auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Mr. Shambhu J. Bhikadia, Practicing Company Secretary (PCS Registration no. 3894) to conduct the Secretarial Audit of the Company for the year ended March 31, 2020. The

Secretarial Audit Report for the FY 2019-20 does not contain any qualification, reservation, or adverse remarks and is annexed to this Report as Annexure - F. Your Company has also obtained certificate from the secretarial auditor certifying that none of the directors of our Company has been debarred or disqualified from being continuing as directors of the Company by SEBI, Ministry of Corporate Affairs or such similar statutory authority.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the whole hearted support and contribution made by all Doctors, nursing/para medics especially in the ongoing CoVID-19 pandemic, bankers, Government Authorities, auditors and shareholders during the year under review. Your Directors express their deep sense of appreciation and extend their sincere thanks to every employee at all level for their dedicated services and look forward their continued support.

CAUTIONARY STATEMENT

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

For and on behalf of the Board of Directors

Dr. Vikram I. Shah

Place : Ahmedabad — Chairman & Managing Director

Date : June 15, 2020 — DIN : 00011653

Annexure A

FORM AOC-I

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in million)

Sr. No.	Particulars	Vrundavan Shalby Hospitals Limited	Shalby (Kenya) Limited	Shalby International Limited	Yogeshwar Healthcare Limited	Griffin Mediquip LLP
1	Date from which it became subsidiary	August 12, 2011	June 9, 2011	September 5, 2012	October 11, 2012	July 23, 2012
2	Financial year ended	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
3	Country	India	Kenya	India	India	India
4	i) Reporting currency	INR	KHS	INR	INR	INR
	ii) Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1.00	0.72	1.00	1.00	1.00
5	Share Capital/partner capital	18.00	0.07	0.50	7.35	43.71
6	Reserves & Surplus	48.81	(4.20)	(0.43)	0.57	-
7	Total Assets	67.49	2.05	0.15	7.96	206.08
8	Total Liabilities	0.69	6.18	0.08	0.04	162.37
9	Investment	-	-	-	-	-
10	Turnover including other Income	0.44	0.40	-	1.27	445.06
11	Profit/(Loss) before Taxation	(1.10)	(1.78)	(0.04)	(0.41)	3.93
12	Provision for Taxation	-	(0.42)	-	-	1.27
13	Profit/(Loss) after Taxation and write back	(1.10)	(1.36)	(0.04)	(0.41)	2.66
14	Other Comprehenssive income		-	-	-	-
15	Total Comprehensive Income net of tax	(1.10)	(1.36)	(0.04)	(0.41)	2.66
16	Proposed Dividend (including Dividend Distribution Tax thereon)	-		-	-	-
17	% of shreholding	100.00	100.00	100.00	94.68	95.00

Note

(a) Mars Medical Devices Limited which was incorporated as wholly owned subsidary of the Company on April 3, 2020, is yet to commence its operations.

(b) There are no subsidiaies which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures : NIL

Note

(a) There are no associates/joint ventures which are yet to commence operations.

(b) There are no associates/joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board of Directors

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
Date: June 15, 2020

Annexure B

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3)of the Companies Act, 2013 and rule 12(1)of the Companies (Management and Administration) Rules,2014]

I. REGISTRATION AND OTHER DETAILS

1	CIN	L85110GJ2004PLC044667
2	Registration Date	August 30, 2004
3	Name of the Company	Shalby Limited
4	Category/ Sub-Category of the Company	Company Limited by shares Indian Non-Government Company
5	Address of the Registered office and Contact Details	Shalby Multi-Specialty Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad – 380 015 Tel No: +91 79 40203000 Email : companysecretary@shalby.in
6	Whether listed Company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Kfin Technologies Private Limited "Selenium" Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500032, Telangana Tel No: +91 40 67162222 Email : einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turn over of the company shall be stated:-

Sr.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Healthcare Services	86	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Yogeshwar Healthcare Ltd. 319, Green City, Ghuma, Ahmedabad 380058	U85110GJ1997PLC032486	Subsidiary	94.68	2(87)(ii)
2	Vrundavan Shalby Hospitals Ltd. Vrundavan Shalby Hospitals, Karaswada, Mapusa Goa 403507	U85110GA1995PLC001851	Subsidiary	100.00	2(87)(ii)
3	Shalby International Ltd. Shalby Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015	U85100GJ2012PLC071824	Subsidiary	100.00	2(87)(ii)
4	Shalby (Kenya) Ltd. Plot No. 1870/1/210, The Pride Rock No. 6, Donyo Sabuk Avenue, Off General Mathenge Drive, Nairobi.	CPR/2011/4958900	Subsidiary	100.00	2(87)(ii)
5	Griffin Mediquip LLP Address : 319, Green City, Ghuma, Ahmedabad- 380058.	LLPIN: AAB-0326	Subsidiary	95%	2(87)(ii)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (April 01, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters/ Promoter Group									
1. Indian									
a) Individual/ HUF	54,227,900	-	54,227,900	50.21	54,260,206	-	54,260,206	50.24	0.03
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	31,545,448	-	31,545,448	29.20	31,545,448	-	31,545,448	29.20	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any others	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	**85,773,348**	**-**	**85,773,348**	**79.41**	**85,805,654**	**-**	**85,805,654**	**79.44**	**0.03**
2. Foreign									
a) NRI / Individual	-	-	-	-	-	-	-	-	-
b) Other Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FII	-	-	-	-	-	-	-	-	-
e) Any others	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	**85,773,348**	**-**	**85,773,348**	**79.41**	**85,805,654**	**-**	**85,805,654**	**79.44**	**0.03**
B. Public Shareholding									
1. Institutions									
a) Mutual Fund	322,244	-	322,244	0.30	-	-	-	-	(0.30)
b) Financial Institution / Banks	56,706	-	56,706	0.05	82,648	-	82,648	0.07	0.02
c) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital Fund	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
f) Foreign Institutional Investors	5,985,112	-	5,985,112	5.54	3,972,269	-	3,972,269	3.68	(1.86)
g) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i) Any other		-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**6,364,062**	**-**	**6,364,062**	**5.89**	**4,054,917**	**-**	**4,054,917**	**3.75**	**(2.14)**

Category of Shareholders	No. of Shares held at the beginning of the year (April 01, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non- Institution									
a) Bodies Corporate	5,243,318		5,243,318	4.85	5,824,032	-	5,824,032	5.39	0.54
b) Individuals Shareholders holding nominal share capital									
i. upto ₹1 lakh	6,103,337	603	6,103,940	5.65	6,633,771	110	6,633,881	6.14	0.49
ii. in excess of ₹1 lakh	2,046,077	-	2,046,077	1.89	3,380,039	-	3,380,039	3.13	1.24
c) Any other									
- Alternative Investment Fund	979,787	-	979,787	0.91	621,446	-	621,446	0.58	(0.33)
- Clearing Members	16,383	-	16,383	0.02	170,297	-	170,297	0.16	0.14
- Directors	8,061	-	8,061	0.01	8,061	-	8,061	0.01	-
- Foreign Nationals	72	-	72	0.00	122	-	122	0.00	0.00
- NBFCs	550	-	550	0.00	-	-	-	-	(0.00)
- Non Resident Indians	314,113	21,643	335,756	0.31	323,272	21,643	344,915	0.32	0.01
- NRI Non-Repatriation	127,911	-	127,911	0.12	165,901	-	165,901	0.15	0.04
- Trust	255	-	255	0.00	255	-	255	0.00	0.00
- Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	**14,839,864**	**22,246**	**14,862,110**	**13.76**	**17,127,196**	**21,753**	**17,148,949**	**15.88**	**2.12**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**21,203,926**	**22,246**	**21,226,172**	**19.65**	**21,182,113**	**21,753**	**21,203,866**	**19.63**	**(0.02)**
C1. Custodian for GDRs & ADRs									
C2. Non Promoter non public shareholding*	1,010,250	-	1,010,250	0.94	1,000,250	-	1,000,250	0.93	(0.01)
Grand Total (A+B+C)	**107,987,524**	**22,246**	**108,009,770**	**100.00**	**107,988,017**	**21,753**	**108,009,770**	**100.00**	**-**

*Shares held by Shalby Medicos Trust through Mr. Viral Shah, trustee, which was constituted for the benefit of doctors of the Company.

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (April 1, 2019)			Share holding at the end of the year (March 31, 2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Dr. Vikram Shah*	51,062,625	47.28	-	51,062,625	47.28	-	-
2	Dr. Darshini Shah	3,012,500	2.79	-	3,012,500	2.79	-	-
3	Mr. Shanay shah	137,525	0.13	-	137,525	0.13	-	-
4	M/s Zodiac Mediquip Limited	31,545,448	29.21	-	31,545,448	29.21	-	-
5	Kairav Kirit Shah	15,000	0.01	-	47,306	0.04	-	0.03
6	KiritChimanlal Shah	250	0.00	-	250	0.00	-	-
	Total	**85,773,348**	**79.41**	**-**	**85,805,654**	**79.44**	**-**	**-**

* Dr. Vikram Shah is holding 43,327,132 equity shares as a Trustee of Shah Family Trust and balance 7,735,493 equity shares in his individual capacity as at March 31, 2020

iii. Change in Promoters' and Promoter Group Shareholding

Sr.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2019)		Transactions during the year			Cumulative shareholding during the year (April 01, 2019 to March 31, 2020)	
		No. of shares	% to total paid up equity capital	Date	Increase / (decrease) in share-holding	Reason	No. of shares held	% to total paid up equity capital
1	Kairav Kirit Shah	15,000	0.01	28/05/2019	7,400	Purchase	22,400	0.02
				29/05/2019	4,501	Purchase	26,901	0.02
				30/05/2019	12,199	Purchase	39,100	0.04
				24/02/2020	8,206	Purchase	47,306	0.04
				31/03/2020	-	Closing	47,306	0.04

iv. Shareholding Pattern of top ten Shareholders(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2019)		Transactions during the year			Cumulative shareholding during the year (April 01, 2019 to March 31, 2020)	
		No. of shares	% to total paid up equity capital	Date	Increase / (decrease) in share-holding	Reason	No. of shares held	% to total paid up equity capital
1	Goldman Sachs India Limited	3,376,366	3.13	01/04/2019			3,376,366	3.13
	Category: FPC			13/12/2019	(25,739)	Sold	3,350,627	3.10
				20/12/2019	(84,233)	Sold	3,266,394	3.02
				27/12/2019	(18,858)	Sold	3,247,536	3.01
				28/02/2020	(17,936)	Sold	3,229,600	2.99
				06/03/2020	(555,084)	Sold	2,674,516	2.48
				13/03/2020	(75,000)	Sold	2,599,516	2.41
				20/03/2020	(50,943)	Sold	2,548,573	2.36
				27/03/2020	(17,037)	Sold	2,531,536	2.34
				31/03/2020			2,531,536	2.34
2	Kotak Funds - India Midcap Fund	1,247,628	1.16	01/04/2019			1,247,628	1.16
	Category: FPC			12/04/2019	(2,530)	Sold	1,245,098	1.15
				02/08/2019	(60,588)	Sold	1,184,510	1.10
				08/11/2019	(44,803)	Sold	1,139,707	1.06
				15/11/2019	(5,665)	Sold	1,134,042	1.05
				29/11/2019	(15,117)	Sold	1,118,925	1.04
				07/02/2020	(1,749)	Sold	1,117,176	1.03
				14/02/2020	(27,763)	Sold	1,089,413	1.01
				20/03/2020	(3,192)	Sold	1,086,221	1.01
				27/03/2020	(259,424)	Sold	826,797	0.77
				31/03/2020	(6,064)	Sold	820,733	0.76
				31/03/2020			820,733	0.76
3	Viral Shah*	1,010,250	0.94	01/04/2019			1,010,250	0.94
	Category: ETR			31/05/2019	(10,000)	Sold	1,000,250	0.93
				31/03/2020			1,000,250	0.93
4	Indgrowth Capital Fund I	979,787	0.91	01/04/2019			979,787	0.91
	Category: AIF			23/08/2019	(4,500)	Sold	975,287	0.90
				30/08/2019	(14,260)	Sold	961,027	0.89
				06/09/2019	(3,300)	Sold	957,727	0.89
				13/12/2019	(42,500)	Sold	915,227	0.85
				20/12/2019	(36,000)	Sold	879,227	0.81
				27/12/2019	(34,000)	Sold	845,227	0.78
				31/12/2019	(17,000)	Sold	828,227	0.77

Sr.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2019)		Transactions during the year			Cumulative shareholding during the year (April 01, 2019 to March 31, 2020)	
		No. of shares	% to total paid up equity capital	Date	Increase / (decrease) in share-holding	Reason	No. of shares held	% to total paid up equity capital
				03/01/2020	(25,500)	Sold	802,727	0.74
				10/01/2020	(25,500)	Sold	777,227	0.72
				17/01/2020	(2,359)	Sold	774,868	0.72
				20/03/2020	(153,422)	Sold	621,446	0.58
				31/03/2020			621,446	0.58
5	HSBC Global Investment Funds - Indian Equity	918,926	0.85	01/04/2019			918,926	0.85
	Category: FPC			29/11/2019	(98,949)	Sold	819,977	0.76
				06/12/2019	(11,766)	Sold	808,211	0.75
				20/12/2019	(79,980)	Sold	728,231	0.67
				27/12/2019	(1,848)	Sold	726,383	0.67
				31/12/2019	(14,992)	Sold	711,391	0.66
				03/01/2020	(135,124)	Sold	576,267	0.53
				10/01/2020	(576,267)	Sold	0	0.00
				31/03/2020			0	0.00
6	Edelweiss Custodial Services Limited	731,519	0.68	01/04/2019			731,519	0.68
	Category: CM			05/04/2019	206,381	Purchase	937,900	0.87
				05/04/2019	(212)	Sold	937,688	0.87
				12/04/2019	19	Purchase	937,707	0.87
				12/04/2019	(114)	Sold	937,593	0.87
				19/04/2019	96,629	Purchase	1,034,222	0.96
				19/04/2019	(97,233)	Sold	936,989	0.87
				26/04/2019	5,100	Purchase	942,089	0.87
				03/05/2019	(864)	Sold	941,225	0.87
				10/05/2019	(4,930)	Sold	936,295	0.87
				17/05/2019	811	Purchase	937,106	0.87
				24/05/2019	(190)	Sold	936,916	0.87
				31/05/2019	18,149	Purchase	955,065	0.88
				31/05/2019	(340)	Sold	954,725	0.88
				07/06/2019	5,255	Purchase	959,980	0.89
				14/06/2019	(200)	Sold	959,780	0.89
				21/06/2019	(56,184)	Sold	903,596	0.84
				28/06/2019	(6,656)	Sold	896,940	0.83
				05/07/2019	2,641	Purchase	899,581	0.83
				12/07/2019	935	Purchase	900,516	0.83
				12/07/2019	(148)	Sold	900,368	0.83
				19/07/2019	(1,302)	Sold	899,066	0.83
				26/07/2019	888	Purchase	899,954	0.83
				02/08/2019	(1,152)	Sold	898,802	0.83
				09/08/2019	2,296	Purchase	901,098	0.83
				16/08/2019	104	Purchase	901,202	0.83
				16/08/2019	(1,906)	Sold	899,296	0.83
				23/08/2019	(1,564)	Sold	897,732	0.83
				30/08/2019	944	Purchase	898,676	0.83
				06/09/2019	3,961	Purchase	902,637	0.84
				06/09/2019	(4,789)	Sold	897,848	0.83
				13/09/2019	(31)	Sold	897,817	0.83

Sr.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2019)		Transactions during the year			Cumulative shareholding during the year (April 01, 2019 to March 31, 2020)	
		No. of shares	% to total paid up equity capital	Date	Increase / (decrease) in share-holding	Reason	No. of shares held	% to total paid up equity capital
				20/09/2019	(1,220)	Sold	896,597	0.83
				27/09/2019	883,005	Purchase	1,779,602	1.65
				27/09/2019	(887,412)	Sold	892,190	0.83
				30/09/2019	(60)	Sold	892,130	0.83
				04/10/2019	253	Purchase	892,383	0.83
				11/10/2019	10,120	Purchase	902,503	0.84
				18/10/2019	(1,716)	Sold	900,787	0.83
				25/10/2019	(664)	Sold	900,123	0.83
				01/11/2019	1,589	Purchase	901,712	0.83
				08/11/2019	177	Purchase	901,889	0.84
				08/11/2019	(1,607)	Sold	900,282	0.83
				15/11/2019	(3,138)	Sold	897,144	0.83
				22/11/2019	162	Purchase	897,306	0.83
				29/11/2019	(1,266)	Sold	896,040	0.83
				06/12/2019	1,699	Purchase	897,739	0.83
				06/12/2019	(2,060)	Sold	895,679	0.83
				13/12/2019	(1,602)	Sold	894,077	0.83
				20/12/2019	115	Purchase	894,192	0.83
				27/12/2019	365	Purchase	894,557	0.83
				31/12/2019	(55)	Sold	894,502	0.83
				03/01/2020	2,576	Purchase	897,078	0.83
				03/01/2020	(2,576)	Sold	894,502	0.83
				10/01/2020	655	Purchase	895,157	0.83
				17/01/2020	1,045	Purchase	896,202	0.83
				24/01/2020	1,790	Purchase	897,992	0.83
				31/01/2020	(4,160)	Sold	893,832	0.83
				07/02/2020	5,833	Purchase	899,665	0.83
				07/02/2020	(16,142)	Sold	883,523	0.82
				14/02/2020	937	Purchase	884,460	0.82
				21/02/2020	(1,945)	Sold	882,515	0.82
				28/02/2020	(884)	Sold	881,631	0.82
				06/03/2020	5,471	Purchase	887,102	0.82
				06/03/2020	(8,527)	Sold	878,575	0.81
				13/03/2020	(433)	Sold	878,142	0.81
				20/03/2020	(280)	Sold	877,862	0.81
				31/03/2020	300,000	Purchase	1,177,862	1.09
				31/03/2020			1,177,862	1.09
7	Perpetual Enterprises LLP	518,000	0.48	01/04/2019			518,000	0.48
	Category: LTD			05/04/2019	72,653	Purchase	590,653	0.55
				24/01/2020	158,872	Purchase	749,525	0.69
				31/01/2020	23,379	Purchase	772,904	0.72
				07/02/2020	15,000	Purchase	787,904	0.73
				31/03/2020			787,904	0.73

Sr.	Shareholder's Name	Shareholding at the beginning of the year (April 01, 2019)		Transactions during the year			Cumulative shareholding during the year (April 01, 2019 to March 31, 2020)	
		No. of shares	% to total paid up equity capital	Date	Increase / (decrease) in share-holding	Reason	No. of shares held	% to total paid up equity capital
8	NKA Financial Services Private Limited	35,000	0.03	01/04/2019			35,000	0.03
	Category: LTD			10/01/2020	125,945	Purchase	160,945	0.15
				31/01/2020	299,413	Purchase	460,358	0.43
				07/02/2020	25,693	Purchase	486,051	0.45
				14/02/2020	23,295	Purchase	509,346	0.47
				21/02/2020	5,000	Purchase	514,346	0.48
				31/03/2020			514,346	0.48
9	Indresh Waghjibhai Shah	63,586	0.06	01/04/2019			63,586	0.06
	Category: PUB			26/04/2019	1,242	Purchase	64,828	0.06
				24/05/2019	600	Purchase	65,428	0.06
				31/05/2019	957	Purchase	66,385	0.06
				07/06/2019	(5,000)	Sold	61,385	0.06
				14/06/2019	5,416	Purchase	66,801	0.06
				21/06/2019	71,564	Purchase	138,365	0.13
				28/06/2019	200,112	Purchase	338,477	0.31
				05/07/2019	(6,000)	Sold	332,477	0.31
				12/07/2019	(6,000)	Sold	326,477	0.30
				19/07/2019	500	Purchase	326,977	0.30
				29/11/2019	2,503	Purchase	329,480	0.31
				13/12/2019	30,000	Purchase	359,480	0.33
				20/12/2019	38,894	Purchase	398,374	0.37
				06/03/2020	2,000	Purchase	400,374	0.37
				20/03/2020	26,000	Purchase	426,374	0.39
				31/03/2020	(29,134)	Sold	397,240	0.37
				31/03/2020			397,240	0.37
10	Aakarshan Tracom Private Limited	389,000	0.36	01/04/2019			389,000	0.36
	Category: LTD			31/03/2020			389,000	0.36
11	Aakarshan Tracom Private Limited	375,000	0.35	01/04/2019			375,000	0.35
	Category: LTD			07/02/2020	1,385	Purchase	376,385	0.35
				14/02/2020	8,615	Purchase	385,000	0.36
				31/03/2020			385,000	0.36
12	ICICI Prudential Pharma Healthcare And Diaganostic	322,244	0.30	01/04/2019			322,244	0.30
	Category : MUT			28/06/2019	(158,595)	Sold	163,649	0.15
				05/07/2019	(3,172)	Sold	160,477	0.15
				12/07/2019	(137)	Sold	160,340	0.15
				19/07/2019	(1,900)	Sold	158,440	0.15
				02/08/2019	(109,112)	Sold	49,328	0.05
				09/08/2019	(1,288)	Sold	48,040	0.04
				06/09/2019	(8,296)	Sold	39,744	0.04
				13/09/2019	(39,744)	Sold	0	0.00
				31/03/2020			0	0.00

* Shares held by Shalby Medicos Trust, through Mr. Viral Shah-Trustee, Constituted by Company for the benefit of doctors associated / to be associated with our Company through subsisting valid contract of consultation for their services rendered in connection with our Company's business

v. **Shareholding of Directors and Key Managerial Personnel:**

Sr.	For each of Directors and KMP	Shareholding at the beginning of the year (April 01, 2019)		Shareholding at the end of the year (March 31, 2020)	
		No. of equity shares	% of Shareholding	No. of equity shares	% of Shareholding
1	**Dr. Vikram Shah**				
	At the beginning of the year	7,735,493	7.16		
	Change during the year	-	-		
	At the end of the year			7,735,493	7.16
	Dr. Vikram I Shah, Trustee of Shah Family Trust				
	At the beginning of the year	43,327,132	40.11		
	Change during the year	-	-		
	At the end of the year			43,327,132	40.11
	Grand Total at the end of Year			51,062,625	47.28
2	**Mr. Shyamal Joshi**				
	At the beginning of the year	2,006	Negligible		
	Change during the year	-	-		
	At the end of the year			2,006	Negligible
3	**Mr. Umesh Menon**				
	At the beginning of the year	2,000	Negligible		
	Change during the year	-	-		
	At the end of the year			2,000	Negligible
4	**Mr. Tej Malhotra**				
	At the beginning of the year	1,755	Negligible		
	Change during the year	-	-		
	At the end of the year			1,755	Negligible
5	**Mr. Ashok Bhatia**				
	At the beginning of the year	2,300	Negligible		
	Change during the year	-			
	At the end of the year			2,300	Negligible
6	**Mrs. Sujana Shah**				
	At the beginning of the year	-	-		
	Change during the year	-	-		
	At the end of the year			-	-
7	**Mr. Prahlad Rai Inani**				
	At the beginning of the year	-	-		
	Change during the year	-	-		
	At the end of the year			-	-
8	**Mr. Jayesh Patel**				
	At the beginning of the year	6,928	0.01		
	Change during the year	-	-		
	At the end of the year			6,928	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In million)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1. Principal Amount	708.24	-	-	708.24
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	2.98	-	-	2.98
Total (1+2+3)	**711.22**	**-**	**-**	**711.22**
Change in Indebtedness during the financial year				
Addition	7.20	-	-	-
Reduction	93.49	-	-	431.34
Net Change	**(86.29)**	**-**	**-**	**(431.34)**
Indebtedness at the end of the financial year				
1. Principal Amount	622.17	-	-	622.17
2. Interest due but not paid	-	-	-	-
3. Interest accrued but not due	2.75	-	-	2.75
Total (1+2+3)	**624.93**	**-**	**-**	**624.93**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors: NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ In million)

	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1.	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	5.77	2.07	7.84
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-
5.	Others, please specify	-	-	-
	Total	**5.77**	**2.07**	**7.84**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA

Type		Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any
A.	**COMPANY**					
	Penalty			Nil		
	Punishment					
	Compounding					
B.	**Directors**					
	Penalty			Nil		
	Punishment					
	Compounding					
C.	**Directors**					
	Penalty			Nil		
	Punishment					
	Compounding					

For and on behalf of the Board of Directors

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 0011653

Place: Ahmedabad
Date: June 15, 2020

Annexure C

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of material contracts or arrangement or transactions not at arm's length basis for FY 2019-20 : Nil**
2. **Details of material contracts or arrangement or transactions at arm's length basis for FY 2019-20**

Sr.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the Ordinary resolution was passed in general meeting as required under first proviso to section 188
1	Dr. Vikram I Shah, Chairman & Managing Director of the Company	Lease Agreement	10 Years	The land on which SG Shalby situated is leased to the Company by Dr Vikram Shah for a period of ten years ending February 28, 2027 at a monthly lease rental of ₹ 5 lacs plus taxes etc.	As Shalby Limited is the flagship company of the group and largely responsible for the value attributed to the group, the Individual Promoter, Dr Vikram Shah, decided to extend the leasehold to the Company for a consideration that may be lower than the comparable leased properties.	20/12/2016	NA	06/02/2017
2	Shalby Orthopedic Hospital & Research Centre, Dr Vikram Shah is a partner of Shalby Orthopaedic Hospital and Research Centre, and is a director and key managerial person of the Company.	Lease Agreement	10 Years	Shalby Orthopaedic Hospital and Research Centre has leased the land and building to the Company for a period of ten years ending on February 28, 2027 at a monthly lease rental of ₹ 50,000 plus taxes etc.	As Shalby Limited is the flagship company of the group and largely responsible for the value attributed to the group, the Individual Promoters, being partners of Shalby Orthopaedic Hospital and Research Centre, decided to extend the leasehold to the Company for a consideration that may be lower than the comparable leased properties.	20/12/2016	NA	06/02/2017
3	Dr. Vikram I Shah, Chairman & Managing Director of the Company	Lease Agreement	30 Years	Higher of: (a) A guaranteed minimum monthly rental of ₹ 100,000; and (b) A revenue sharing of 2.5% of the gross revenue received and / or generated by Shalby Naroda, and booked on the credit side of profit and loss accounts, in the books of accounts of the Company.	Dr Vikram Shah and Mr Uday Bhatt have leased the land on which Shalby Naroda is situated to the Company for a period of thirty years.	20/12/2016	NA	06/02/2017

Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the Contracts or arrangements or transactions including value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Date on which Ordinary resolution was passed in general meeting u/s 188(1)
Professional fees							
1	Dr. Vikram I Shah, KMP	Professional Fees	10 Years w.e.f. 05/02/2014	Profeesional fee reduced w.e.f 01/04/2018 for a limited period of 3 years and payable 1) Arthroplasty: 5% of IPD collection (Surgery fees) net off discount and 20% of Ward fees; 80% OPD fees Collected 2) Other than Arthroplasty: 20% of the PF posting amount and ward fees 20% of fees. During FY2020, ₹ 19.39 million paid under this arrangement. Professional fees w.e.f. 01/04/2021 will be paid as per Supplementary Agreement dated 28/01/2016 to Original agreement dated 05/02/2014 for remaining period of tenure.	07/05/2018	NA	NA
2	Dr. Darshini V. Shah, Relative of KMP	Professional Fees	10 Years w.e.f. 05/02/2014	Professional fee reduced w.e.f. 01/04/2018 for remaining period of tenure and payable 1) For SG Shalby 50% of total dental Income & 2) For Vijay and Krishna Shalby unit:s 30% of dental income. During FY2020, ₹ 14.04 million paid under this arrangement.	07/05/2018	NA	NA
Commission							
1	Zodiac Mediquip Limited, Promoter Company	Commission	2 years upto 31/03/2020	The Company has hired premises from ZML to run its OPD against consideration of 50% OPD income genereated under this arrangement. During FY2020, ₹ 0.20 Mn paid under this arrangement.	07/05/2018	NA	NA
Rent Expenses/Income							
1	Zodiac Mediquip Limited, Promoter Company	Guest House expenses	2 years upto 31/03/2020	The Company has hired a guest house from ZML for stay of patients/their relatives against consideration of ₹ 1500 per day per guest. During FY 2020, ₹ 3.50 mn paid under this arrangement.	09/01/2018	NA	NA
2	Yogeshwar Healthcare Limited, Subsidiary Company	Rent / Deposit	5 Years upto 31/03/2024	The Company has hired cathlab from YHL against monthly rent of ₹ 83,500 with deposit of ₹ 1.2 Mn. During FY2020, ₹ 1 Mn paid under this arrangement.	28/01/2019	NA	NA
3	Griffin Mediquip LLP, Subsidiary	Rent Income	11 Months with auto renewal	The Company has given space to GML to store implants/ consumables. During FY 2020, ₹ 0.08 Mn was received from GML under this arrangement.	09/01/2018	NA	NA
4	Slaney Healthcare Private Limited, Group Company	Rent Income	5 Years upto 04/12/2023	The Company has given space to SHPL to store medicines/ consumables with monthly rent ₹ 54,000 During FY 2020, ₹ 0.76 Mn was received from GML under this arrangement.	09/01/2018	NA	NA
Purchase or sale of Medical, Material and Consumables							
1	Griffin Mediquip LLP, Subsidiary	Sole sourcing arrangement	5 Years upto 30/06/2021	Purchase of medical material and consumables value is ₹ 451.68 mn	01/05/2016	NA	NA
Appointent to any office or place of profit							
1	Mr. Shanay Shah, Relative of KMP	Appointment to the office/place of profit	5 years upto 04/10/2024	Appointment as Director (Designated) - International Business for 5 years wef October 5, 2019 on a monthly remuneration of ₹ 0.4 Mn. He further re-designated as President.	25/05/2019	NA	26/8/2019

For and on behalf of the Board of Directors

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Place : Ahmedabad
Date : June 15, 2020

Annexure D

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr.	Particulars	Details
1.	Median Remuneration of employees for FY 2019-20	₹ 1.40 lakhs (₹ 1.37 lakhs for FY 2018-19)
2.	Ratio of remuneration of each director to the median remuneration of employees of the company for FY 2019-20	Ratio
	a. Dr. Vikram Shah	N.A., since not drawing remuneration
	b. Mr. Shyamal Joshi	N.A., since not drawing remuneration
	c. Mr. Ashok Bhatia	N.A., since not drawing remuneration
	d. Mr. Umesh Menon	N.A., since not drawing remuneration
	e. Mr. Tej Malhotra	N.A., since not drawing remuneration
	f. Mrs. Sujana Shah	N.A., since not drawing remuneration
3.	Percentage increase in remuneration of each director, CFO, CEO & CS in financial year 2019-20	
	Directors	
	a. Dr. Vikram Shah	N.A.
	b. Dr. Darshini Shah	N.A.
	c. Mr. Shyamal Joshi	N.A.
	d. Mr. Umesh Menon	N.A.
	e. Mr. Tej Malhotra	N.A.
	f. Mr. Ashok Bhatia	N.A.
	Key Managerial Personnel	
	a. Mr. Prahlad Inani, CFO	7.2%
	b. Mr. Jayesh Patel, CS	11.74%
4	Percentage increase in median remuneration of employees in the financial year	1.84%
5.	Number of permanent employees on roll of the company as on 31-03-2020	2421
6.	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 point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2019-20 was 5.85%. None of the directors received remuneration during FY 2019-20, except sitting fees
7.	It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.	

For and on behalf of Board of Directors

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Place : Ahmedabad
Date : June 15, 2020

Annexure E

CSR Annual Report for financial year 2019-20

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   The CSR activities we pursue will be in line with our stated Vision and Mission, focused not just around units, but also in other geographies based on the needs of the communities / societies. The CSR Policy prepared in compliance with the companies Act, 2013 in available at https://www.shalby.org/wp-content/uploads/2018/12/Corporate-Social-Responsibility-CSR-Policy.pdf

   The major focus areas where special Community Development programs would be run are:

   - Promoting Health care including Preventive Health care through awareness programs, health check-ups, free or concessional Medical Camps, provision of medicine & treatment facilities, providing pre natal & post natal healthcare facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity
   - Healthcare we aspire to deliver facilities to communities and other sections of the society in the form of primary health care support through diagnosis and treatments, promoting preventive healthcare, building awareness about sanitation and medical camps, creating awareness through various programs, etc
   - The company may undertake projects or programs or activities aimed at improving the health and hygiene of the socially or economically weaker sections, families in the below poverty line (BPL) by providing free or subsidized medicine, clinical laboratory facilities, free or concessional treatments at hospitals, setting up of medical and diagnostic camps, projects or programs aimed at eradicating poverty or malnutrition of women and children, pain and palliative care etc.
   - Employment enhancing vocational skill development programs and promoting education
   - Company may undertake projects or programs or activities for the protection of elderly citizens by establishing, funding or otherwise supporting old age homes and day care facilities including medical aid

2. **The composition of the CSR committee:**

   The composition of the members of the Corporate Social Responsibility Committee is as follows:

   1. Mrs. Sujana Shah, Chairman (w.e.f. 11/11/2019)
   2. Mr. Shyamal Joshi, Member
   3. Mr. Umesh Menon, Member (Chairman upto 10/11/2019)

3. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** ₹ 545.07 million

4. **Prescribed CSR Expenditure** (2% of ₹ 545.07 million) ₹ 10.90 million

5. **Details of CSR spent during the financial year:**

   a) Total amount to be spent for the financial year: ₹ 10.90 million

   b) Amount unspent: ₹ Nil

   c) Manner in which the amount spent during the financial year:

(₹in million)

1	2	3	4	5	6	7	8
Sr. No.	**CSR Project or Activity Identified**	**Sector in which the project is covered**	**Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads**	**Cumulative expenditure upto to the reporting period.**	**Amount spent: Direct or through implementing agency**
1	Promoting Education	Education	Aid to educational institute to set up vocational training & educational institute in Bharuch in Gujarat	10.90	30.00*	30.00	Direct
	Total			10.90	30.00*	30.00	

*The Company has spent ₹ 30 million on CSR project during the year under review and out of that, ₹ 19.10 million towards opening obligation.

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:**
The Company has spent ₹ 30.00 million as mentioned above during the financial year 2019-20, out of that ₹ 10. 90 million towards obligation for the year under review and ₹ 19.10 million towards obligation of earlier years. The opening obligation of CSR is ₹ 24.41 million.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:**
We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

For and on behalf of the CSR Committee and the Board

Sujana Shah
Chairman of CSR Committee
DIN:08100410

Dr. Vikram I. Shah
Chairman & Managing Director
DIN:00011653

Place : Ahmedabad
Date : June 15, 2020

Annexure F

FORM NO. MR-3

Secretarial Audit Report

(For the financial year ended 31st March, 2020)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
Members

SHALBY LIMITED
Opp: Karnawati Club,
Sarkhej Gandhinagar Highway,
Nr. Prahladnagar Garden
Ahmedabad-380015

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHALBY LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("Audit Period") 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions as applicable to the Company during the period of audit:

I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. 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;

V. 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the company during the Audit Period);**

(e) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period);**

(f) 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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the company during the Audit Period);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the company during the Audit Period)**

VI. Other Laws those are applicable specifically to the Company:

1. INDUSTRY SPECIFIC REGULATIONS

(i) Indian Medical Council Act, 1956 ("IMC Act").

(ii) Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 ("IMC Regulations")

(iii) Drugs and Cosmetic Act, 1940.

(iv) Narcotic Drugs and Psychotropic Substances Act, 1985

(v) Pharmacy Act, 1948

(vi) Clinical Establishments (Registration & Regulation) Act, 2010

(vii) Ethical Guidelines for Biomedical Research on Human participants, 2006

(viii) Transplantation of Human Organs Act, 1994

(ix) Atomic Energy Act, 1962

(x) Atomic Energy (Radiation Protection) Rules, 2004

(xi) Safety Code for Medical Diagnostic X-Ray Equipment and Installation, 2001

(xii) Radiation Surveillance Procedures for Medical Application of Radiation 1989

(xiii) Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994

(xiv) Medical Termination of Pregnancy Act, 1971

(xv) Consumer Protection Act, 1986

(xvi) Madhya Pradesh Upcharyagriha Tatha Rujopchar Sambandhi Sthapanaye (Registrikarantatha Anugyapan) Adhiniyam, 1973 ("MP Nursing Home Act")

(xvii) The Gujarat emergency Medical Services Act. 2007

2. FOOD SAFETY REGULATIONS

(i) Food Safety and Standards Act, 2006

3. ENVIRONMENT REGULATIONS

(i) Environment (Protection) Act, 1986

(ii) Water (Prevention and Control of Pollution) Act, 1974

(iii) Water (Prevention and Control of Pollution) Cess Act, 1977

(iv) Air (Prevention and Control of Pollution) Act, 1981

(v) Biomedical Waste Management Rules, 2016

(vi) Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016

I have also examined compliance with the applicable Clauses of the Following:

1. Secretarial Standard issued by The Institute of Company Secretaries of India;

2. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered in to by the Company with Stock exchange(s).

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

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 of the Board, as the case may be.

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

I further report that during the Audit period there were following Specific events/actions having a major bearing on company's affairs in pursuance of the above referred Laws, Rules, regulations, guidelines, Standards, etc. which is:

a) The Company has passed Special Resolution for variation in terms of objects of initial Public offering (issue) under section 13 and 27 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 and the Companies (Prospectus and Allotment of securities) Rules, 2014 (Including any statutory modifications or re-enactments thereof) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 in 15th Annual General Meeting held on Monday, August 26, 2019.

(Shambhu J. Bhikadia)
ACS No.8024
C P No.:3894
UDIN: A008024B000342831

Place: Ahmadabad
Date: June 15, 2020

This Report is to be read with our letter of even date which is annexed as Appendix A and Forms an integral part of this report.

APPENDIX- A

To,
The Members
SHALBY LIMITED
Opp: Karnawati Club,
Sarkhej Gandhinagar Highway,
Nr. Prahladnagar Garden
Ahmedabad-380015

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and process 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I 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 the management. My examination was limited to the verification of procedure 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.

(Shambhu J. Bhikadia)
ACS No.8024
C P No.:3894
UDIN : A008024B000342831

Place: Ahmadabad
Date: June 15, 2020

Corporate Governance Report

Shalby's Philosophy on Corporate Governance

Shalby Limited is committed to good corporate governance which promotes long-term interest of various stakeholders, strengthens the Board, enhances the accountability and helps to build public trust in the Company.

A good governance process provides transparency of corporate policies and decision making processes and also strengthens internal systems and helps in building a relationship with all stakeholders. We at Shalby believe in being transparent and we commit to adhere to good governance practices at all times, as it generates goodwill among our clients and shareholders and helps the Company to grow.

A report on Corporate Governance, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as applicable is outlined below.

A. BOARD OF DIRECTORS

I. Composition of the Board

The Company has a balanced and diverse Board of Directors ('the Board'). The Board comprises of an appropriate mix of Executive, Non-Executive and Independent Directors as required under Companies Act, 2013 ('the Act') and Listing Regulations to maintain the independence of the Board and to maintain an optimal mix of professionalism, knowledge and experience to enable it to discharge its responsibilities. As on March 31, 2020, the Board of Directors comprises of six directors, out of which five are Non-Executive Directors and one is Executive Director (Promoter Director). Out of five Non-Executive Directors, three are Independent Directors including one woman independent director. The Board is headed by Dr. Vikram Shah, Chairman and Managing Director, who is also promoter of the Company. The Board does not have any nominee directors as on March 31, 2020. The Board structure is in compliance with Regulation 17 of Listing Regulations.

During the under review, there was no change in the Board of Directors, except the term of appointment of Dr. Vikram Shah (DIN : 00011653) as Chairman and Managing Director expired on March 26, 2020 and the Board has re-appointed him as Chairman and Managing Director of the Company for a period of 5 years w.e.f. March 27, 2020, subject to approval of shareholders. In this regard, required resolution(s) recommending the members for their approval and the details as required under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and Listing Regulations form an integral part of the notice convening 16th Annual General Meeting ("AGM") of the Company.

All the independent directors have confirmed that they meet with the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013.

As on March 31, 2020, our Company's Non-Executive Director, Mr. Shyamal Joshi is an independent director in Nila Infrastructure Ltd, a listed Company apart from our Company. None of our other directors are Director in any other listed Companies. Further none of the Directors of the Company is acting as a Whole Time Director / Managing Director of any listed Company. None of the directors of the Company is an independent director in more than 7 listed companies.

None of the Directors of Company is a Member of more than 10 Committees and no Director is the Chairperson of more than 5 committees across all the public companies in which (s)he is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors. For the purpose of determination of limit, Chairmanship and Membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered. The details of directorship and other details as on March 31, 2020 are set out below;

Sr.	Name & DIN	Category	Age in years	Date of Initial appointment	No. of Directorships including this listed entity^	No. of Membership and Chairmanship of committees including this listed entity*		No. of equity shares held
						Membership	Chairmanship	
1	Dr. Vikram Shah DIN: 00011653	Executive Chairman & Managing Director (Promoter)	57	30/08/2004	2	1	0	51,062,625&
2	Mr. Shyamal Joshi DIN: 00005766	Non-Executive (Non-Promoter)	70	01/06/2010	5	4	2	2,006
3	Mr. Umesh Menon DIN: 00086971	Non-Executive Independent	49	20/12/2016	3	1	1	2,000

Sr.	Name & DIN	Category	Age in years	Date of Initial appointment	No. of Directorships including this listed entity^	No. of Membership and Chairmanship of committees including this listed entity*		No. of equity shares held
						Membership	Chairmanship	
4	Mr. Tej Malhotra DIN: 00122419	Non-Executive Independent	69	23/02/2017	1	1	0	1,755
5	Mr. Ashok Bhatia DIN: 02090239	Non-Executive	66	23/10/2017	4	0	0	2,300
6	Mrs. Sujana Shah DIN: 08100410	Non-Executive Independent	42	07/05/2018	1	1	0	Nil

^ including private and foreign companies

* Represents Chairmanship / Membership of Audit Committee and Stakeholder Relationship Committees of public companies only

& Dr. Vikram Shah is holding 43,327,132 equity shares constituting 40.11% of the paid up capital of the Company on behalf of Shah Family Trust and balance 7,735,493 equity shares constituting 7.16% in his individual capacity

There is no inter-se relationship between the Board members. The terms of appointment of independent directors are not due for re-appointment.

The Board of Directors confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations, 2015 and are independent of the management.

Disclosure of skill-sets of Board

The diverse skill-sets of Board members are important in today's dynamic and complex world. A group of directors with varied skill-sets and experience is critical for providing comprehensive guidance and direction to the Company. In terms of Schedule V of SEBI(LODR) Regulations, 2015, the details of skill-sets or competence identified by the Board of Directors as required to run its business effectively and efficiently are set out below;

Skill-sets/competence required	Name of Directors who possess such skill-sets
Industry knowledge & experience	Dr. Vikram Shah & Mr. Ashok Bhatia
Project effective management	Mr. Tej Malhotra & Dr. Vikram Shah
Marketing, Strategy & patient satisfaction	Mr. Ashok Bhatia & Dr. Vikram Shah
Cost analysis	Mr. Umesh Menon & Dr. Vikram Shah
Account & Finance	Mr. Shyamal Joshi & Mrs. Sujana Shah
Information technology	Dr. Vikram Shah & Mr. Tej Malhotra
Talent management & Leadership	Dr. Vikram Shah & Mr. Ashok Bhatia
Compliance & risk	Mr. Shyamal Joshi & Dr. Vikram Shah

II. Meetings of Board of Directors

During the year, four meetings of the Board of Directors were held on May 25, 2019, July 29, 2019, November 11, 2019 and February 3, 2020 and the maximum gap between any two consecutive Board meetings was less than one hundred and twenty days. The required quorum was present for each of the meetings. The agenda papers along with the notes thereon, other supporting documents and all information as required under Regulation 17(7) of Listing Regulations were circulated in advance to the Board Members, except unpublished price sensitive information which may be provided at a shorter notice.

Details of Directors' attendance in Board Meetings held during the financial year 2019-20 and last Annual General Meeting are set out below;

Name of Director	Attendance				
	BM				AGM
	25.05.19	29.07.19	11.11.19	03.02.20	26.08.19
Dr. Vikram Shah	√	√	√	√	√
Mr. Shyamal Joshi	X	√	√	√	√
Mr. Umesh Menon	√	√	X	√	X
Mr. Tej Malhotra	√	√	√	√	X
Mr. Ashok Bhatia	√	X	√	√	√
Mrs. Sujana Shah	√	√	√	√	√

III. Separate Meeting of Independent Directors

As required under Regulation 25(3) of the Listing Regulations read with Schedule IV of the Companies Act, 2013, all the Independent Directors of the Company, met once during the year on February 3, 2020 without the attendance of Non-Independent Directors and members of the management.

The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the performance of Chairman of the Company based on the views of Executive Directors and Non-Executive Directors. The Board of Directors also discussed the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

IV. Familiarization Program to Independent Directors

The Company has a familiarization program for the Independent Directors with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The policy on familiarization program for Independent Directors and details of familiarization program imparted during FY 2019-20 are available on the Company's website at https://www.shalby.org/wp-content/uploads/2018/12/Director-Familiarisation-Policy.pdf and https://www.shalby.org/wp-content/uploads/2018/01/Details-of-Familiarization-Program-imparted-to-IDs.pdf respectively.

V. Review of Compliance Report by the Board

The Board regularly reviews the Compliance Report pertaining to all laws and licenses applicable to the Company for smooth functioning and also to assess the steps taken by the Company to rectify instances of non-compliances.

VI. Selection and appointment of Directors and their Remuneration

The Company has adopted Nomination and Remuneration & Board Diversity Policy which, inter alia, deals with the manner of selection of Board of Directors, payment of remuneration to Directors, Senior Managerial personnel, KMPs and other employees.

VII. Confirmation as to directors being debarred or disqualified by statutory authority

The Board of Directors of the Company confirmed that none of our directors has been debarred or disqualified by Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or such statutory authority from being appointed or continuing as directors of the Company and the Company has obtained a certificate from Practicing Company Secretary certifying that none of the directors of our Company has been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI/MCA or such statutory authority.

VIII. Remuneration of Directors & Service Contract, Notice period and Severance Fees

I. Remuneration

The details of remuneration, perquisites and sitting fees paid to the Directors for the financial year 2019-20 are as below.

(₹ in million)

Name of Director	Category	Salary	Perquisites	Sitting fees^	Total
Dr. Vikram Shah	Executive Chairman & Managing Director	Nil*	Nil	Nil	Nil
Mr. Shyamal Joshi	Non-Executive	Nil	Nil	0.13	0.13
Mr. Umesh Menon	Non-Executive & Independent Director	Nil	Nil	0.24	0.24
Mr. Tej Malhotra	Non-Executive & Independent Director	Nil	Nil	0.21	0.21
Mr. Ashok Bhatia	Non-Executive	Nil	Nil	0.09	0.09
Mrs. Sujana Shah	Non-Executive & Independent Director	Nil	Nil	0.26	0.26
Total		**Nil**	**Nil**	**0.92**	**0.92**

^ Sitting fees includes payment for Board-level committee meetings. The sitting fees have been reduced for Board and Committee meetings w.e.f. November 11. 2019.

* Dr. Vikram Shah does not draw remuneration in his capacity as Managing Director. However, as per consultancy agreement entered into with him by the Company, he is entitled for Professional Fees and he was paid the professional fees ₹ 19.39 mn. during financial year 2019-20.

II. Criteria for payment to Non-Executive / Independent Directors

The criteria of making payment to the Non-Executive Directors is based on the varied roles played by them towards the Company. It is not just restricted to corporate governance or outlook of the Company but they also bring along with them significant professional expertise and rich experience across a wide spectrum of functional areas such as technology, corporate strategy, finance and other corporate functions. The Company seeks their expert advice on various matters in general management, strategy, business planning, finance, science, technology or intellectual property. Non-Executive Director and Independent Directors are being paid sitting fees of ₹ 20,000/- for attending each meeting of the Board and ₹ 5,000/- for attending each meeting of Audit & Risk Management Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee, CSR Committee and Independent Directors.

III. Service Contracts, notice period, severance fees

The terms of appointment of Dr. Vikram Shah (DIN: 00011653) ended on March 26, 2020 and the Board of Directors in their meeting held on February 3, 2020 re-appointed him as the Managing Director of the Company for a period of five years w.e.f. March 27, 2020. He does not draw any remuneration as Managing Director, however, the Company has executed an agreement with him on February 5, 2014 for availing his professional services for a period of 10 years with lock-in period of 5 years and the professional fees payable under this agreement has been reduced effective from April 1, 2018 for a period of 3 years ending on March 31, 2021 and he will be paid thereafter as per original agreement.

There is no other pecuniary relationship or transactions of non-executive directors vis-à-vis the Company. The Company does not have a stock option scheme.

No severance fees are payable to any director of the Company.

B. AUDIT & RISK MANAGEMENT COMMITTEE

I. Composition and its attendance

The Audit and Risk Management Committee comprises of four members with three Independent Directors and one Non-Executive Director as on March 31, 2020.

The Committee met four times during the year i.e. on May 25, 2019, July 29, 2019, November 11, 2019 and February 3, 2020. The Composition of the Committee as on March 31, 2020 and its attendance for meetings held during the year is set out below:

Name of member	Attendance			
	25.05.19	29.07.19	11.11.19	03.02.20
Mr. Umesh Menon, Chairman Independent Director	√	√	X	√
Mr. Shyamal Joshi, Member Non-Executive Director	X	√	√	√
Mr. Tej Malhotra, Member Independent Director	√	√	√	√
Mrs. Sujana Shah, Member Independent Director	√	√	√	√

Mrs. Sujana Shah, member of the Committee, who was authorized by the Chairman of the Committee, attended the Annual General Meeting of the Company held on August 26, 2019 to answer shareholder queries.

II. Invitees to the Committee

The Statutory Auditors, Internal Auditor and CFO are regular invitees to the Committee meetings. The Committee also invites other officials / executives, where it considers appropriate, to attend meetings. The Company Secretary is the Secretary to the Committee.

The Committee has reviewed management discussion and analysis of financial condition and results of operations, statement of significant related party transactions as submitted by the management and other information as mentioned in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

III. Terms of Reference

The Audit and Risk Management Committee reviews the matter falling in its terms of reference and addresses larger issues that could be vital concerns to the Company. The Committee constituted by the Board in terms of Section 177 of the Act, meets the requirement of provisions of Companies Act, 2013 as well as of the Listing Regulations. The powers, role and terms of reference of Committee include the matters as specified under the Act and Listing Regulations. The terms of reference of the Committee broadly include matters pertaining to the review of financial reporting process, review of financial results and related information, approval and disclosures of related party transaction, adequacy of internal control systems, appointment and remuneration of Auditors, adequacy of disclosures, review of changes, if any, in accounting policies & practices, compliance with listing and other legal requirements relating to financial statements, review of utilization of loans and/or advances from/investment in its subsidiaries exceeding ₹ 100 crore or 10% of the asset size of subsidiary, implementing & monitoring system and process for compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, reviewing adequacy of the functioning of system and processes for internal control w.r.t. SEBI PIT Regulations, reviewing the compliances with the provisions of SEBI PIT Regulations at least once in a financial year, Risk Management framework and other relevant matters.

C. NOMINATION AND REMUNERATION COMMITTEE

I. Composition and its attendance

The Nomination and Remuneration Committee comprises of three members with two Independent Directors and one Non-Executive Director as on March 31, 2020.

The Committee met two times on May 25, 2019 and February 3, 2020 during the year. The Composition of Committee as on March 31, 2020 and its attendance for committee meetings held during the year is set out below:

Name of member	Attendance	
	25.05.19	03.02.20
Mr. Umesh Menon, Chairman Independent Director	√	√
Mr. Shyamal Joshi, Member Non-Executive Director	X	√
Mrs. Sujana Shah, Member Independent Director	√	√

II. Terms of Reference

The powers, role and terms of reference of Nomination and Remuneration Committee include the matters as specified under the Act and Listing Regulations. The broad terms of reference of the Committee include formulation of 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, formulation of criteria for evaluation of independent director, identification and assessing the persons who are qualified to become directors, recommending remuneration payable to Senior Management, monitoring and reviewing various human resource and compensation matters.

III. Performance Evaluation

The Company policy provides for the manner, mode and unique questionnaires to evaluate performance of the Board, Committees, Independent Directors and Non-Independent Directors. The criterion for the performance evaluation of the Directors include (a) Attendance of each Director (b) Participation in meaningful discussion (c) Effectiveness of the decision taken based on deliberations (d) Preparedness of each Director (e) Conduct and behavior of each Director etc. The evaluation process includes review, discussion and feedback from the Directors in reference to set criteria and questions.

Evaluation of Performance of the Board, its Committees, every Independent Director and Non-Independent Directors, for the Financial Year 2019-20, has been carried out in the manner and process as per the policy in this respect. The Directors are satisfied with the performance and evaluation.

D. STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee oversees various aspects of the interest of security holders and inter alia, looks into expeditious redressal of shareholders' grievance such as issues involving transfer and transmission of shares, issue of duplicate certificates, recording dematerialization/rematerialization, non-receipt of refund, annual report etc.

I. Composition and its attendance of members

The Committee comprises of three directors as on March 31, 2020, out of which Chairman is Non-Executive Director. The committee has met on June 15, 2020 in accordance with relaxation given by SEBI vide its circular no SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 for the year under review. The composition of the Committee and its attendance is set out below:

Name of member	Category	Status	15.06.20
Mr. Shyamal Joshi	Non-Executive Director	Chairman	√
Mr. Umesh Menon	Non-Executive & Independent Director	Member	√
Dr. Vikram Shah	Executive Director	Member	√

II. Particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year

M/s. Kfin Technologies Pvt. Ltd. (earlier known as Karvy Fintech Private Limited and Karvy Computershare Pvt.

Ltd.), Hyderabad is acting as the Share Transfer Agent of the Company to carry out share transfer and other related work. Mr. Jayesh Patel, Company Secretary of the Company is the Compliance Officer in terms of Regulation 6 of the Listing Regulations. The Share Transfer Agent has timely resolved/attended all the complaints and no complaint or grievance remained unattended/ unresolved at the end of the year. Details of the complaints received and resolved during the year ended March 31, 2020 are set out below;

Particulars	No. of complaints
Opening as on April 1, 2019	0
Received during the year	13
Resolved during the year	13
Pending as at March 31, 2020	0

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

As required under Section 135 of the Companies Act 2013, the Company has constituted CSR Committee of Directors inter alia to formulate Corporate Social Responsibility (CSR) Policy, to recommend the amount of expenditure to be incurred on the activities in line with objectives given in CSR policy, monitor the CSR policy and other matters as may be referred by the Board of Directors.

I. Composition and its attendance

The Committee comprises of three directors as on March 31, 2020 out of which Chairman is Non-Executive and Independent Director. The committee was reconstituted on November 11, 2019 by making Mrs. Sujana Shah the Chairperson of the Committee and Mr. Umesh Menon as the Member of the Committee. The Committee met on May 25, 2019 during the year under review. The composition of the committee and its attendance is set out below;

Name of member	Category	Status	25.5.19
Mrs. Sujana Shah*	Non-Executive & Independent Director	Chairperson	√
Mr. Shyamal Joshi	Non-Executive	Member	X
Mr. Umesh Menon	Non-Executive & Independent Director	Member	√

*Mrs. Sujana Shah has been appointed as Chairperson w.e.f. November 11, 2019 in place of Mr. Umesh Menon, who is now member of the Committee

F. OTHER COMMITTEES

In addition to the above referred committees, the Board has also constituted management committee of Directors to look into various routine business matters.

G. GENERAL BODY MEETINGS

i. Annual General Meeting

The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

Year ended	Date& time	Special resolutions passed
31/03/2019	26/08/2019 at 10:00 a.m.	Variation in terms of Objects of Initial Public Offering.
31/03/2018	17/09/2018 at 9:30 a.m.	None
31/03/2017	28/08/2017 at 4:00 p.m.	None

ii. Details of Special Resolution passed through postal ballot:

No special resolution was passed through postal ballot during the Financial Year ended March 31, 2020. No special resolution is proposed to be passed in the ensuing Annual General meeting.

H. DISCLOSURES

i. Management Discussion Analysis

The Annual Report contains detailed report on Management Discussion and Analysis.

ii. Related Party Transactions

The transactions entered into with related parties during the year under review were generally on arm's length basis. Pursuant to Regulation 23 of the Listing Regulations, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for their review and approval.

During the year under review, there were no material transactions with related parties in terms of regulation 23 of SEBI Listing Regulations. The details of the related party transactions are provided in the Annexure - C (AOC -2) to the Directors' Report.

The Company has formulated a policy for determining 'material' subsidiaries and a policy on dealing with Related Party Transactions. These policies are hosted on the Company's website at https://www.shalby.org/wp-content/uploads/2018/01/Material-Subsidiary-Policy.pdf and https://www.shalby.org/wp-content/uploads/2017/10/Related-Party-Transaction-Policy-v3.pdf. The Company does not have any Material Subsidiary Company.

iii. Accounting Treatment

The Company has followed accounting treatment as prescribed in Indian Accounting Standard applicable to the Company.

iv. Compliance by the Company

The Company has complied with all the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and other SEBI Regulations wherever applicable. No penalties have been imposed or stricture issued by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during any time in the past.

v. Whistleblower Policy / Vigil Mechanism

The Company has a Whistleblower Policy for establishing a vigil mechanism to report genuine concerns regarding unethical behavior and mismanagement, if any. No employee of the Company was denied access to the Audit Committee. Details relating to vigil mechanism are also mentioned in the Board's Report. The Whistleblower Policy is available on the website of the Company at https://www.shalby.org/wp-content/uploads/2018/01/Vigil-Mechanism-and-Whistle-blower_policy-1.pdf

vi. Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to foreign exchange risk to some extent as a portion of the revenue of the Company is generated from international operations in Middle East and Africa. Furthermore, the Company also purchased some of its medical equipment from foreign manufacturers. To mitigate the foreign exchange risk, the Company has entered into Cross currency Interest Rate SWAP agreement with the bank. The Company does not enter into any derivative instruments for trading or speculative purposes.

vii. Compliance with Mandatory and Discretionary requirements

The Company has complied with the mandatory requirements of the Corporate Governance of the Listing Regulations and also followed non-mandatory requirements relating to financial statements with unmodified audit opinion / without qualification and direct reporting by internal auditor to Audit Committee etc.

viii. Utilization of proceeds from public issue, rights issue, preferential issue etc.

The Company has raised an amount aggregating to ₹ 4,800 million through Initial Public Offering ("IPO") in December 2017 vide its Prospectus dated December 11, 2017. As required under Reg. 16 of SEBI (Issue and Capital Disclosure Requirements), Regulations 2009, the Company has appointed HDFC Bank Limited as Monitoring Agency for monitoring of utilization of net proceeds of the Public offer.

The Company has varied the terms of the objects of initial public offering to the extent of ₹ 603.61 million after receiving shareholders' approval by passing special resolution in the 15th AGM held on August 26, 2019 and accordingly, the Company has utilized the outstanding unutilized amount of the net proceeds of IPO.

The Company has fully utilized the unutilized amount during the year under review and there is no amount pending for utilization as on March 31, 2020.

The details of utilization of the issue proceeds are available in the investor section on website of the Company.

ix. Dividend pay, Unclaimed Dividends and Unclaimed Shares

Financial Year	Date of declaration of dividend	Dividend per share ₹	Due date for transfer to IEPF	Unclaimed Amount as on March 31, 2020
2018-19	August 26, 2019	0.50	Nov 01, 2026	46,722.50

During the year under review, no amount of dividend, which remained unclaimed, is due for transfer to the Investor Education and Protection Fund administered by the Central Government pursuant to Section 124 and 125 of Companies Act, 2013.

The Company does not have any unclaimed shares as on March 31, 2020 and hence Company is not required to transfer unclaimed shares pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Rules, 2016 as notified from time to time.

x. CMD & CFO Certification

The CMD and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting as required under regulation 17(8) of the SEBI Listing Regulations for the financial year ended March 31, 2020.

xi. Amount of fees paid to Statutory auditors

During the year under review, your Company has paid total fees of ₹ 2.06 million for all services rendered by statutory auditors of the Company. The subsidiaries of your Company have paid fees of ₹ 0.45 million to statutory auditors.

xii. Anti Sexual Harassment policy at workplace

Your Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at work place under the provisions of Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act 2013 and rules framed thereunder. The Company has anti Sexual harassment Committee in place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there was one complaint received which was investigated and resolved and there were no complaints pending as on March 31, 2020.

xiii. Credit Ratings

Your directors are pleased to inform you that during the year under review, the long term credit rating of the Company has been reaffirmed as "ICRA A" and the outlook on the long term rating has been reaffirmed as "Positive" by ICRA Limited.

The rating of A indicates an adequate degree of safety regarding timely servicing of financial obligations and low credit risk.

xiv. Legal Entity Identified Code

The Reserve Bank of India (RBI) has mandated vide its circular dated November 2, 2017 existing large corporate borrower having total exposure of ₹ 500 million and above to obtain Legal Entity Identifier Code (LEI). The borrower, who fails to obtain LEI code as applicable, will not be granted renewal or enhancement of credit facilities by banks. Your company has renewed the LEI code in accordance with the said RBI circular.

I. Means of Communication

a. **Newspapers:** The extracts of quarterly and annual financial results of the Company are generally published in leading daily newspaper in India viz. Financial Express and Economic Times (English and Gujarati editions).

b. **Disclosure to Stock Exchanges:** The Company also timely disseminates on the website of Stock Exchanges, all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.

c. **Website of the Company:** The Company's website www.shalby.org contains a separate dedicated section "Investors" where information for shareholders is available. Quarterly and Annual Financial results, disclosures and filing with the stock exchanges, official press releases, presentations to analysts and institutional investors and other general information about the Company are available.

d. **Annual Report:** Annual Report containing, inter alia, Board's Report, Auditors' Report, Audited Financial Statements and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Business Responsibility Report form part of the Annual Report. The Annual Report of the Company and its subsidiaries is also available on the website of the Company.

J. General Information for Shareholders

a) **Annual General Meeting and Book Closure:**

Date, time and venue of AGM: Monday, September 14, 2020 at 3:30 p.m. through video conferencing facility

Book Closure Period: September 8, 2020 to September 14, 2020 (both days inclusive)

b) **Financial Year:** April 1 to March 31

c) **Financial Results:**

First Quarter Results: by August 14

Half Year Results: by November 14

Third Quarter Results: by February 14

Annual Results: by May 30

d) **Listing** on Stock Exchanges: The Company's equity shares are listed on the following Stock Exchanges.

Listed at	Scrip code
National Stock Exchange of India Limited (NSE)	SHALBY
BSE Limited (BSE)	540797
ISIN : INE597J01018	
Company Identification Number (CIN) : L85110GJ2004PLC044667	

e) **Payment of Listing Fees:** The Company has paid annual listing fee for the financial year 2020 -21 to the BSE and NSE within the stipulated time.

f) **Market Price data:** The monthly high and low market price of equity shares traded on NSE and BSE during FY 2019-20 is set out below:

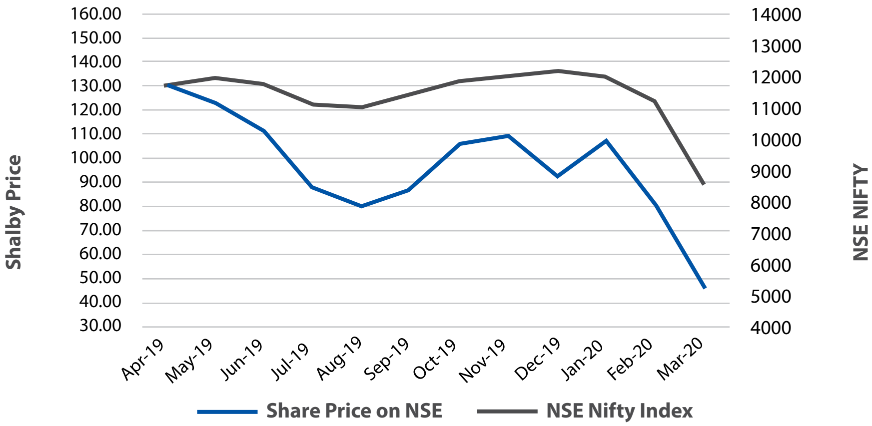
Month	NSE				BSE			
	Share Price		Nifty Index		Share Price		BSE Sensex	
	High ₹	Low ₹	High	Low	High ₹	Low ₹	High	Low
Apr-19	148.10	129.00	11856.15	11549.10	148.55	129.00	39487.45	38460.25
May-19	133.90	123.00	12041.15	11108.30	138.95	123.05	40124.96	36956.10
Jun-19	126.80	108.00	12103.05	11625.10	129.80	109.55	40312.07	38870.96
Jul-19	112.50	79.10	11981.75	10999.40	112.20	79.85	40032.41	37128.26
Aug-19	89.45	75.25	11181.45	10637.15	89.30	76.00	37807.55	36102.35
Sep-19	97.80	78.00	11694.85	10670.25	96.35	78.55	39441.12	35987.80
Oct-19	112.00	81.45	11945.00	11090.15	112.00	80.00	40392.22	37415.83
Nov-19	123.00	94.50	12158.80	11802.65	123.05	95.30	41163.79	40014.23
Dec-19	109.65	92.15	12293.90	11832.30	108.45	92.30	41809.96	40135.37
Jan-20	120.80	85.25	12430.50	11929.60	120.60	86.00	42273.87	40476.55
Feb-20	116.20	77.70	12246.70	11175.05	116.35	80.35	41709.30	38219.97
Mar-20	84.50	40.10	11433.00	7511.10	84.80	40.05	39083.17	25638.90

[source: www.nseindia.com & www.bseindia.com]

Share price chart vs. NSE Nifty Index and BSE sensex

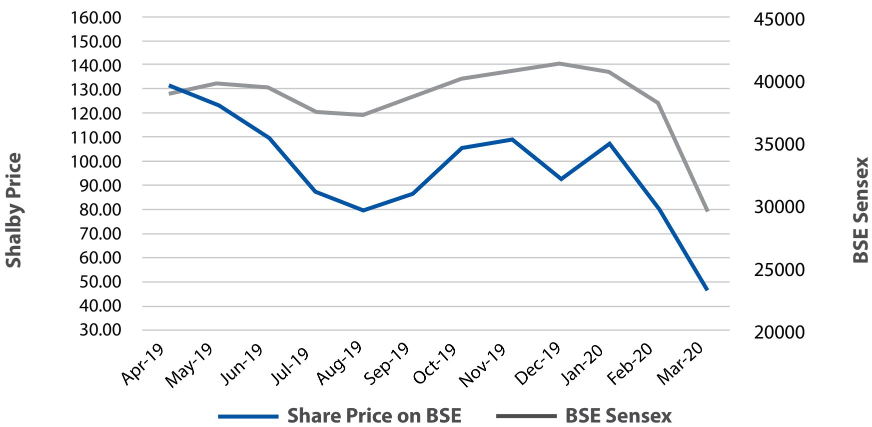
Monthly High price of Shalby vs. Nifty Index

NSE Share Price vs. NSE Nifty Index



Monthly High price of Shalby vs. BSE Sensex

BSE Share Price vs. BSE Sensex



g) Distribution of equity holding as on March 31, 2020

No. of shares each of the face value of ₹ 10/- each	Shareholders		Equity Shares	
	No of Shareholders	% of total shareholders	No of Shares	% of total shares
Upto 500	52,561	96.70	4,096,213	3.93
501 – 1,000	835	1.54	672,409	0.62
1,001 – 2,000	401	0.74	605,694	0.56
2,001 – 3,000	169	0.31	437,991	0.41
3,001 – 4,000	65	0.12	231,374	0.21
4,001 – 5,000	85	0.16	406,174	0.38
5,001 – 10,000	101	0.19	748,083	0.69
Above 10,000	136	0.25	100,811,832	93.34
Total	54,353	100.00	108,009,770	100.00

h) Shareholding Pattern as on March 31, 2020

Sr.	Category	No. of shares held	% of shares held
I	**Promoter and Promoter Group Shareholding**		
	Indian	85,805,654	79.44%
II	**Public Shareholding**		
	Institutional		
	Alternative Investment Fund	621,446	0.58%
	Foreign Portfolio Investor	3,972,269	3.68%
	Financial Institution / Banks	82,648	0.08%
	Others	122	0.00%
	Non-Institutional		
	Individual and HUFs	10,013,920	9.27%
	Directors & Directors Relatives	8,061	0.01%
	Bodies Corporate	5,824,032	5.39%
	NRIs	510,816	0.47%
	Clearing Members	170,297	0.16%
	Trusts	255	0.00%
III	**Non-Public Non-Promoter Shareholding***	1,000,250	0.93%
	Total	**108,009,770**	**100.00**

* Shares are held by Shalby Medicos Trust, through Mr. Viral Shah-Trustee, Constituted by the Company for the benefit of doctors associated / to be associated with our Company through subsisting valid contract of consultation for their services rendered in connection with our Company's business.

i) Lock-in of Equity Shares

As on March 31, 2020, the following equity shares held pre-IPO by promoters were under lock-in as per SEBI (ICDR) Regulation 2018.

No. of equity shares	Lock-in Period
21,601,954	December 13, 2017 to December 16, 2020

j) **Share Transfer system:** The Company has very negligible shares in physical mode. The Company has appointed M/s. Kfin Technologies Private Ltd (earlier known as Karvy Fintech Pvt. Ltd.) as its Registrar & Transfer Agent. The shares received for transfer are processed within the prescribed time limit.

a) Dematerialization of Shares & Liquidity

The requests for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of the same is provided to respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis, subject to receipt of completed documents in all respects.

As on March 31, 2020, a total of 99.98% shares were held in dematerialized form. The shares of the Company are frequently traded on both the stock exchanges and hence the shares of the Company are liquid.

b) Reconciliation of Share Capital Audit

During the year under review, the Reconciliation of Share Capital Audit under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, were carried out by a Practicing Company Secretary for each quarter, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total paid-up, issued and listed capital.

The Reconciliation of Share Capital Audit Reports (the Audit report) confirm that the total issued, subscribed and paid-up capital is in agreement with the total number of shares in physical form and dematerialized form held with the depositories. The said Audit Reports for each quarter during financial year 2019-20 have been filed with Stock Exchanges within statutory timeline and these reports are available in the investor section of our website under Announcement tab.

c) Details of Outstanding securities or any convertible instruments:

The Company has no GDRs, ADRs, Warrants, Options or any convertible instrument outstanding as on March 31, 2020.

d) Equity shares under suspense account:

The Company has no equity shares under Suspense Account and hence disclosure relating to the same is not applicable.

e) Our presence

State	Unit	Address
Gujarat	SG Shalby	Shalby Multy-Specialty Hospitals, Opposite Karnavati Club, SG Highway, Ahmedabad-380015
	Krishna Shalby	Krishna Shalby Multy-Specialty Hospitals, 319, Green City, Ghuma, Via Bopal, Ahmedabad-380058
	Vijay Shalby	Vijay Shalby Hospital, Vijay Cross Road, Near Fire Station, Navrangpura, Ahmedabad-380009
	Shalby Naroda	Shalby Multy-Specialty Hospitals, Near Haridarshan Cross Road, Naroda, Ahmedabad-382325
	Shalby Vapi	Shalby Multy-Specialty Hospitals, Near Cinepark, Vapi Silvassa Road, Vapi, District Valsad
	Shalby Surat	Shalby Multy-Specialty Hospitals, TP No.12 (Adajan), FP No.29, Near Navgun College, Rander Road, Surat-395009
Madhya Pradesh	Shalby Indore	Shalby Multy-Specialty Hospitals, Race Course Road, RS Bhandari Marg, Zanjeerwala Square, Indore
	Shalby Jabalpur	Shalby Multy-Specialty Hospitals, Plot B, Scheme No.5, Ahinsa Chowk, Kanchnar City Road, Vijay Nagar Colony, Jabalpur-482002
Punjab	Shalby Mohali	Shalby Multy-Specialty Hospitals, Phase-IX, Sector-63, SAS Nagar, Mohali
Rajasthan	Shalby Jaipur	Shalby Multy-Specialty Hospitals, Gandhipath Road, Sector - 3, F Block, Chitrakoot Scheme, Jaipur, Rajasthan 302021
Maharashtra	Zynova Shalby	Trimurti Arcade, Nr. Sarvodaya Trust, L.B.S. Marg, Ghatkopar(west), Mumbai-400 086

f) Address for communication

Registered & Corporate Office: Shalby Multy-Specialty Hospitals, Opp. Karnavati Club, S. G. Highway, Ahmedabad – 380015. Gujarat, India. Tel. No. +91 79 40203000, Fax: +91 79 40203120, E-mail: companysecretary@shalby.in

Registrar & Transfer Agent : Kfin Technologies Private Limited (earlier known as Karvy Fintech Private Limited), Selenium, Tower B, Plot 31 –32, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana, India, Tel: +91 40 6716 2222, Fax: +91 40 2343 1551, E-mail: einward.ris@kfintech.com

K. Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has devised the Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company. The Company Secretary is the Compliance Officer for the purpose of this code.

L. Code of Conduct

The Board has laid down the Code of Conduct for all Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at www.shalby.org. All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the year ended on March 31, 2020 and a declaration to this effect duly signed by Chairman and Managing Director of the Company has been obtained and is reproduced below.

Declaration

All the Board Members and Senior Management Personnel have affirmed the compliance with Code of Conduct for the year ended March 31, 2020, as laid down by the Board of Directors pursuant to Regulation 17(5) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

For **Shalby Limited**

Dr. Vikram I. Shah
Chairman & Managing Director
DIN : 00011653

Place : Ahmedabad
Date : June 15, 2020

M. MOBILE APPLICATION FOR SHAREHOLDERS :

Members are requested to note that our Registrar and Share Transfer Agent, Kfin Technologies Private Limited, has launched a new mobile application - KPRISM and website https://kprism.karvy.com for online service to shareholders.

Members can download the mobile application, register yourself (onetime) for availing host of services viz., consolidated portfolio view serviced by Kfintech, Dividends status and send requests for change of address, change / update Bank Mandate. Through the Mobile app, members can download Annual Reports, standard forms and keep track of upcoming General Meetings, IPO allotment status and dividend disbursements. The mobile application is available for download from Android Play Store or scan the below QR code.

Logo : KPRISM QR Code : Link : https://kprism.karvy.com/app/

Alternatively visit the link https://kprism.karvy.com/app/ to download the mobile application.

N Company's Recommendations to the Shareholders

The Company has the following recommendations to members to mitigate/ avoid risks while dealing with shares and related matters:

1. Demat your shares

Members are requested to demat their physical shares through any of the Depository Participants (DPs) to avoid the problems involved in the physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in shares. Holding shares in demat form helps members to immediate transfer them. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

2. **Register your National Electronic Clearing Service (NECS) Mandate**

   Members are encouraged to register an NECS mandate to the Company or Registrar and Share Transfer Agent in case of shares held in physical form and ensure that the correct and updated particulars of their bank accounts are registered with the DPs in case of shares held in demat form. This would facilitate in receiving direct credits of dividends etc. from Company and avoiding postal delays and loss in transit.

3. **Encash your Dividends on time**

   Members who have not registered their bank details with Company or DP are requested to encash their dividend warrants promptly to avoid problems of revalidation/losing your right of claim due to transfer of unclaimed dividends to Investor Education and Protection Fund.

4. **Nominate your shares**

   Members can avail the nomination facility in respect of shares held by them in physical form pursuant to Section 72 of the Act read with relevant rules. Members desiring to avail this facility may send their nomination in the prescribed Form SH. 13 duly filled in, signed and send to the Company or RTA.

For and on behalf of the Board of Directors

Dr. Vikram I. Shah
Chairman & Managing Director
DIN : 00011653

Place : Ahmedabad
Date : June 15, 2020

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To
The Members,
SHALBY LIMITED,

I have examined the compliance of conditions of Corporate Governance by SHALBY LIMITED for the year ended 31st March, 2020, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations')

The Compliance of Conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me,I certify that the Company has complied with the condition of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

I state that such Compliance is neither as 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.

Shambhu J. Bhikadia
Practicing Company Secretary
ACS No.:8024
CP No.:3894

Place: Ahmedabad
Date : June 15, 2020
UDIN: A008024B000342710

CERTIFICATE AS TO DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTOR OF THE COMPANY AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To
The Board of Directors
Shalby Limited
Opp. Karnavati Club
S. G. Road
Ahmedabad 380015

Sub: Certificate with regard to directors debarred or disqualified

I, Shambhu J Bhikadia, Practicing Company Secretary, do hereby certify that none of the directors on the Board of Shalby Limited have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

This certificate is being issued pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

Shambhu J. Bhikadia
Practicing Company Secretary
ACS No.:8024
CP No.:3894

Place: Ahmedabad
Date : June 15, 2020
UDIN: A008024B000343920

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identification Number (CIN) of the Company		L85110GJ2004PLC044667
2	Name of the Company		Shalby Limited
3	Registered Address		Shalby Multi-Specialty Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380 051, Gujarat, India Phone : +91 79 40203000 Fax : +91 79 40203109
4	Website		www.shalby.org
5	Email ID		companysecretary@shalby.in
6	Financial year reported		2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)		The Company is in the healthcare sector running, operating, maintaining multi-specialty hospitals and OPD centres throughout India and applicable NIC Code is 8690. The Company is also providing home healthcare services to deliver medicines, nurses, attendants and other products at home and also running educational programmes to upgrade and enhance skill sets in healthcare industry.
8	List three key products/services that the Company manufactures/provides (as in balance sheet)		The Company is in the healthcare sector providing tertiary and qua-tertiary medical services including home healthcare and medics/para medics educational programme.
9	Total number of locations where business activity is undertaken by the Company:		
	(a)	Number of International Locations (Provide details of major 5)	The Company has five OPDs. More details are available in corporate overview section of this report section of this report.
	(b)	Number of National Locations	The Company has 9 owned hospitals, 2 hospitals on O&M basis and 50 OPD, the details thereof are available in Corporate Governance Report and corporate overview section.
10	Markets served by the Company – Local/State/National/International		
	(a)	National Presence:	The Company has its hospital at Ahmedabad, Vapi, Surat, Indore, Jabalpur, Mohali, Jaipur and Mumbai and 50 OPDs through out India.
	(b)	International Presence:	The Company has OPD in Sudan, Addis Ababa, Rwanda, Nairobi and Dares Salaam.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid-up capital	:	₹ 1,080.10 million
2	Total turnover	:	₹ 4,838.86 million
3	Profit after Tax	:	₹ 279.72 million
4	Total spending on CSR as % of PAT	:	₹ 30 million spent on CSR which is 10.74% of PAT for FY 2020
5	List of activities in which expenditure in Sr. No. 4 has been incurred	:	Aid to educational institute to set up vocational training and educational institute

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/Companies?
	Yes, the Company has a total six following subsidiaries: a. Shalby (Kenya) Limited b. Shalby International Limited c. Vrundavan Shalby Hospitals Limited d. Yogeshwar Healthcare Limited e. Griffin Mediquip LLP f. Mars Medical Devices Limited (incorporated on April 3, 2020)
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) :
	No. The business in our subsidiaries are not sizeable, so they are not participating in BR initiatives of the Company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] :
	The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of Director responsible for implementation of the BR policies

Name	DIN	Designation
Dr. Vikram Shah	00011653	Chairman & Managing Director

b. Details of BR Head

Sr. No.	Particulars	Details
1	DIN, if applicable	N.A.
2	Name	Dr Nishita Shukla
3	Designation	Group COO
4	Telephone No.	079 40203000
5	Email ID	DrNishita.Shukla@shalby.org

2. Principle-wise (as per NVGs) BR policies

a) Details of compliance (Reply in Y/N)

#	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	No	Y	Y	Y	No	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Note 9

#	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	No	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	No	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1: Code of conduct policy: https://www.shalby.org/wp-content/uploads/2018/01/Code-of-Conduct-for-Directors-Senior-Management.pdf Business responsibility policy

Note 2: Business responsibility policy https://www.shalby.org/wp-content/uploads/2017/10/BRR-Policy-v1.pdf

Note 3: Business responsibility policy https://www.shalby.org/wp-content/uploads/2017/10/BRR-Policy-v1.pdf

Note 4: Business responsibility policy https://www.shalby.org/wp-content/uploads/2017/10/BRR-Policy-v1.pdf

Note 5: Business responsibility policy https://www.shalby.org/wp-content/uploads/2017/10/BRR-Policy-v1.pdf

Note 6: Business responsibility policy https://www.shalby.org/wp-content/uploads/2017/10/BRR-Policy-v1.pdf

Note 7: Business responsibility policy https://www.shalby.org/wp-content/uploads/2017/10/BRR-Policy-v1.pdf

Note 8: CSR policy https://www.shalby.org/wp-content/uploads/2018/01/Corporate-Social-Responsibility-CSR-Policy-v2.pdf

Note 9: Business responsibility policy https://www.shalby.org/wp-content/uploads/2017/10/BRR-Policy-v1.pdf

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

#	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The Company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within the next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Governance-related BR

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:
	The Board/Committee assesses the BR performance annually.
b	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? :
	The Company does not publish Sustainability Report, however, the Board publishes annually BRR as a part of Annual Report which is available at www.shalby.org/investors

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   Yes, the Company has Code of Conduct for Directors and Senior Management and Vigil Mechanism and Whistle Blower Policy.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Complaints	No. of complaints received FY 2019-20	No of complaints redressed	No. of complaints pending on March 31, 2020	Reasons
Investor complaints	13	13	0	NA
Consumer dispute in courts	4	4	27	NA
Vendor complaints	0	0	0	
Government/Semi-Government complaints	0	0	0	

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The Company has made, inter alia, the following efforts to conserve energy:

   - Phasing out of CFL lamps to LED lights
   - Occupancy sensors installation in toilets to avoid permanent illumination and save electrical consumption
   - Proper thermal insulation to increase efficiency of HVAC system and thereby reduce energy consumption
   - Use windows and doors to provide good levels of natural ventilation in some areas within a hospital, allowing mechanical ventilation to be switched off or turned down to save energy
   - Provide infrared controllers in water taps as they provide water only when required, switch off automatically and can save between 5 to 15% of water per tap per year
   - Introduction of timer-based operation of air handling units to reduce power consumption
   - Energy optimisation practices implemented in transformer operation
   - VFD installation for AHU motor in a phased manner
   - All lifts and OT AHUs are operated with VFD panels
   - For recently commissioned units, building orientation has been so designed that it helps to maximise use of day light and to reduce heat gain in order to reduce energy consumption. The design and construction of some of our new hospital units have been made with a view to maximiseing the use of day light, thereby reducing energy consumption.
   - For recently commissioned units, the building is being constructed by using structural steel to reduce embedded energy and also to reduce the impact of construction activities to the neighbourhood and environment and with STP and recycled water is being used for flushing and plant watering to reduce water usage.
   - The glass used for the facade in a number of facilities is double-glazed and is energy-efficient low emissivity type which helps in reducing solar heat gain coefficient while improving the visibility.
   - Rainwater harvesting system installed at our Greenfield recently completed projects to conserve natural resources.
   - HVAC temperature is being adjusted based on the seasonal temperature and particular clinical requirements, to reduce the power consumption.
   - Discipline wise SOP is being followed for routine maintenance on daily, weekly, monthly, and yearly basis, as required to keep the system installed in check and reduce consumptions of water and electricity.
   - In case of modification or renovation, we maximise the usage of existing materials to conserve the natural resources.
   - The Company ensures disposal of bio-medical waste in accordance with the government guidelines. The Company has spent CSR fund of ₹ 30 million on promoting the education as per CSR policy of the Company.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

   (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

   The company has achieved the reduction in generation of waste, raw material and other resources through various initiatives like environment awareness campaigns, training and monthly monitoring of hazardous & non-hazardous waste.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Company has reduced the consumption of energy by adopting new techniques and alternate methods i.e. use of natural light, use of LED bulbs which shows improved results year by year.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. Separate CPD – having detailed process for sourcing various resources

   The Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes and hence, we procure the products and services from empanelled vendors who are governed by various statutes.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors? Outsource staff, F&B, Laundry, Security and give them training to increase their efficiency.

   The Company has a policy in place to prefer local vendors having their presence nearby so as to avail their services very fast and generating employment indirectly in the local area. The Company gives presence to the local communities in sourcing staff, F&B, Laundry and Security services in the department and give them periodical on-the-job training to improve their output and to increase the satisfaction level among the patients.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   a) As a part of water conservative initiatives, domestic waste water generated from the hospitals is recycled in STP plant and it is being re-used in the hospitals for suitable purposes, i.e. gardening, flushing and use in cooling tower etc.

   b) Waste water from RO plants is recycled in STP plant and the same be used for the purposes mentioned above. By above means, more than 20% of the treated waste water is recycled in various processes.

   c) In case of modification or renovation, we maximise use of the existing materials to conserve the natural resources.

   d) Recyclable waste was collected and disposed of through authorised recycler.

   e) E-waste generated at the facility was disposed of through authorised agent.

Principle 3: Businesses should promote the wellbeing of all employees

1	Please indicate the Total number of employees:	2421
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis:	273
3	Please indicate the Number of permanent women employees:	894
4	Please indicate the Number of permanent employees with disabilities:	0
5	Do you have an employee association that is recognised by management.	No
6	What percentage of your permanent employees is members of this recognised employee association?	NA
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	

Category	No. of complaints received during FY 2019-20	No. of complaints pending as on March 31, 2020
Child labour/forced labour/involuntary labour	0	0
Sexual harassment	2	0
Discriminatory employment	0	0

8	What percentage of your under-mentioned employees were given safety & skill upgradation training in the last year?		
	(a)	Permanent Employees	94%
	(b)	Permanent Women Employees	
	(c)	Casual/Temporary/Contractual Employees	85%
	(d)	Employees with Disabilities	NA

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1	Has the Company mapped its internal and external stakeholders? Yes/No
	Yes, the Company has mapped its internal and external stakeholders which are as under: a) Government and regulatory authority, b) Employees, c) Customers/Patients, d) Local community, e) Investors and shareholders, f) Suppliers and vendors
2	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.
	Company has identified the disadvantaged, vulnerable & marginalised stakeholders.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.
	The Company has in place corporate social responsibility policy which caters the need of vulnerable and marginalised people in the society and spend ₹ 30 million on CSR project during FY 2020.

Principle 5: Businesses should respect and promote human rights

1	Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
	Applies to the Company and it also extends to the employees/workers hired from outsourced agencies.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
	Nil

Principle 6: Business should respect, protect, and make efforts to restore the environment

1	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others:
	Applies to the Company
2	Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
	Yes, we are not producing carbon but and at the same time, we have policy in place to dispose of bio medical waste in accordance with the guideline of the government and to ensure minimum generation of radiation within the hospital. As part of strategy, the Company has adopted various initiatives to restore evironment including but not limited to a) building orientation has been so designed that helps to maximise the use of day Light and to reduce heat gain in order to reduce energy consumption b) The design and construction of some of our new hospital units have been made with a view to maximising the use of day light, thereby reducing energy consumption c) the building is being constructed by using structural steel to reduce embedded energy and also to reduce the impact of construction activities to the neighbourhood and environment d) recycled water through STP is being used for flushing and plant watering to reduce water usage.
3	Does the Company identify and assess potential environmental risks? Y/N
	No
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
	Since the Company is in the business of providing healthcare services and is not engaged in any manufacturing process, the compliance with Clean Development Mechanism is not applicable.
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
	No
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
	Yes
7	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
	Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
	The Company is a member of the following trade and chamber or association: a) Federation of Indian Chambers of Commerce and Industry (FICCI) b) Services Export Promotion Council (SEPC) c) Confederation of Indian Industry (CII) d) Gujarat Chamber of Commerce and Industry (GCCI) e) Ahmedabad Hospital & Nursing Home Association
2	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if Yes specify the broad areas (Drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)
	The Company will protect the interest of organisation and other stakeholders involved in the organisation through the said trade association, whenever it finds opportunities.

Principle 8: Businesses should support inclusive growth and equitable development

1	Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If Yes, details thereof.
	The Company focuses on bringing quality healthcare within the reach of the common man through our growing network of multi-specialty hospitals providing world-class yet affordable services in tertiary and quaternary specialities. We are also reaching out to patients across the country through our outpatient clinics. The Company has a corporate social responsibility policy in place which is available in the investor section of website of the Company. The CSR policy spells out the Company's philosophy towards its social responsibilities and lays down the guidelines, frameworks and mechanism of CSR activities. CSR policy has been framed covering mainly the following activities: 1) Promoting healthcare including preventive healthcare through awareness programme 2) Employment enhancing vocational skill development programme and promoting education 3) Protection of elderly citizens by establishing, funding or otherwise supporting old-age homes and day-care facilities including medical aid for them Apart from the above, the Company also runs 8 Joint express heart Express buses which provide consultation and diagnosis facility at remote areas free of cost or with nominal charge to provide basic facility to under privileged communities at large.
2	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?
	All programmes were done by largely in-house team.
3	Have you done any impact assessment of your initiative?
	No, the Company has not done any impact analysis to assess the impact of the initiatives.
4	What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken:
	The Company has spent ₹ 30 million towards CSR activities in terms of CSR policies during FY 2020. The Company has conducted numerous Community connect programmes which includes health talks, CSR camp, Blood donation camp.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
	The Company makes attempts to ensure that CSR initiatives undertaken by the Company are successfully implemented and needs of the Community are met at large.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.
	Shalby Hospitals serve the patients through its network of hospitals and OPDs in India and abroad. Patients' complaints are being addressed on daily basis through patient co-ordinator and floor manager in every unit of Shalby Limited. In exceptional and rare instances, the aggrieved seek available legal recourse, wherein Shalby represent and defend the case through legal department and often utilise the services of specific domain legal experts to stand for what we believe is correct, in the best interest of the Company and our stakeholders. As on March 31, 2020, 27 consumer cases were pending in various courts/ forums and 04 consumer cases were disposed of during FY 2019-20.
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)
	This requirement is not applicable to the Company as being engaged in providing healthcare services.
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
	No cases filed against the Company by any stakeholders
4	Did your Company carry out any consumer survey/consumer satisfaction trends?
	The Company has in place the practice of receiving feedback from every patient being treated at Shalby Hospitals to improve its system, process and to improve patients' satisfaction.

Independent Auditor's Report

To the Members of Shalby Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Auditor's Opinion

We have audited the accompanying standalone financial statements of **Shalby Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note no. 51 to the financial statement, to assess the recoverability of certain assets, the management has considered internal and external information upto the date of this report in respect of the current and estimated future global including Indian economic indicators consequent to the global health pandemic. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr	Key Audit Matter	Auditor's Response
1	Reasonableness of Carrying amount of Investment in 100% subsidiary company classified as "Held for Sale" Investment in equity shares of 100% owned subsidiary company "Vrundavan Shalby Hospitals Ltd" has been classified as held for sale. The carrying value of investment in equity instruments of such subsidiary company as at March 31, 2020 amounts to ₹131.92 million. Based on the property valuation report from an independent civil engineer, the management expects to realize the consideration higher than the carrying amount of investment. Management expects the process of sale to be completed within 12 months from March 31, 2020. Refer Notes 18 to the Standalone Financial Statements.	We have performed following audit procedure in relation to managements evaluation of the asset held for sale: • Evaluating the independent professional valuer's competence, capabilities and objectivity; • Assessing the valuation methodology used by the independent professional valuer to estimate the fair value of investment classified as held for sale. • Assessing bases and assumptions w.r.t proximity of civic amenities, surface communication, area of land & building, Circle rates, year of construction of building, quality of interior, depreciated value, recent sale deals in nearby area, etc. Based on the audit procedures performed, we found that assumptions made by the management in relation to the valuation are supported by the available evidence.

Sr	Key Audit Matter	Auditor's Response
2	Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 36 to the Standalone Financial Statements.	We evaluated the related accounting policy for provisioning for tax exposures and found it to be appropriate. We have obtained details of completed tax assessments and demands upto the year ended March 31, 2020 from management. We evaluated auditee's response / opinion taken from various tax experts by auditee to challenge the underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2020 to evaluate whether any change was required to management's position on these uncertainties. From the evidence obtained and in the context of the financial statements, taken as a whole, we consider the provisions in relation to uncertain tax positions as at March 31, 2020 to be appropriate.
3	Migration of ERP System During the year, company has migrated its ERP system from Careworks to SRIT in majority of the units which is mainly used for Patient billing & Inventory management. The implementation of a new system has an inherent risk of loss of integrity of key data being migrated, and the breakdown in operation or monitoring of IT dependent controls within critical business processes such as purchasing. selling and recording of transaction, which could lead to financial errors or misstatements and inaccurate financial reporting. The Company's financial accounting and reporting systems are heavily dependent on the new system and there is a risk that automated accounting procedures and related IT dependent manual controls are not designed and operating effectively.	We have reviewed the information systems migration process and Information Technology General Procedures Controls (ITGC) with the assistance of IT audit specialists, our procedures included: Testing general IT controls around system access, change management and computer operations within specific applications pertinent to the financial statements by assessing appropriate policies are in place and adhered to by inspecting supporting evidence. Also assessed the operation of controls over changes or transactions being recorded in the systems and testing manual compensating controls, such as reconciliations between systems and other information sources, through re-performance or inspection. We reviewed the management's planning and processes around systems migration in order ascertain how controls in existing information systems are mapped into new information systems. We also independently tested completeness, validity and accuracy of transaction and master data migrated to new information system. Where general IT controls and compensating manual controls were inadequate or ineffective, we performed additional substantive testing, such as using extended sample sizes and performing data analysis routines over impacted accounts to test the integrity of the transactional level data that is flowing into the Company's financial statements. Our procedures did not identify any material exceptions.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is 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 financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 & 4 of the Order to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit 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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity 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 Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.

   (h) 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:

      I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

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

      III. There were no amounts which were required to be transferred to the investor's education and protection fund by the company.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Reg. No-: 006711N / N500028

Brijesh Thakkar
Partner
Mem No: 135556
UDIN: 20135556AAAADK3987

Place: Ahmedabad
Date: June 15, 2020

Annexure 'A' to the Independent Auditor's Report

(Referred to in Paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our Report to the members of Shalby Limited of even date)

(i) Fixed Assets

a. The Company has maintained proper records showing full particulars, including quantative details and situation of fixed assets.

b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the company provided to us, the title deeds of immovable properties are held in the name of the Company except freehold land and leasehold land aggregate net block amounting to ₹ 305.81 million acquired pursuant to the schemes of amalgamation in the nature of merger which is pending for registration in the name of the company. Further as per information and explanations given to us all the existing building of the company are either constructed on freehold / leasehold land or acquired pursuant to scheme of amalgamation in the nature of merger.

(ii) Inventories

According to information and explanations given to us, the management of the company has conducted physical verification of Inventory at regular intervals at all the units during the year as well as at the year end and no material discrepancies were noticed on such physical verification during the year.

(iii) Loans given

In our opinion and according to the information and explanation given to us during the course of audit, the Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence reporting under clause 3 (iii) of the order is not applicable to the company.

(iv) Compliance of Sec. 185 & 186

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect to the loans, investments, guarantees and secirities.

(v) Public Deposit

The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

(vi) Cost Records

We have broadly reviewed the cost records maintained by the Company pursuant to rules made by the Central Government. We are of the opinion that prima facie the prescribed accounts and records have been maintained and being made. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.

(vii) Statutory Dues

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at March 31, 2020 other than stated below:

Name of the Statue	Nature of the Dues	Amount Unpaid ₹ in million	Period to which it relates	Forum where dispute is pending
Sales Tax	Demand Notice issued by Sales Tax Department	50.49	F.Y. 2009-10	Assistant Commissioner of Sales Tax
		61.80	F.Y. 2010-11	
		73.27	F.Y. 2011-12	
		89.80	F.Y. 2012-13	
		98.86	F.Y. 2013-14	
Income Tax	Demand Notice issued by Tax Department	95.32	A.Y. 2013-14	Income Tax Appellate Tribunal
		27.43	A.Y. 2014-15	
		41.42	A.Y. 2015-16	Commissioner of Income Tax

(viii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in the repayment of loans and borrowings to the financial institutions and banks during the year.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes of which they are raised. The company has not raised monies by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and acccording to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the company has not paid / provided for managerial remuneration during the year. Accordingly, the provisions of clause 3 (xi) of the order is not applicable to the company.

(xii) The company is not a Nidhi Company and hence reporting under clause 3 (xii) of the order is not applicable to the company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the company has not made any preferencial allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the order is not applicable to the company.

(xv) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transaction with directors or persons connected to its directors and hence reporting under clause 3 (xv) of the order is not applicable to the company.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Reg. No-: 006711N / N500028

Brijesh Thakkar
Partner
Mem No: 135556
UDIN: 20135556AAAADK3987

Place: Ahmedabad
Date: June 15, 2020

Annexure 'B' to the Independent Auditor's Report of even date on the IND AS Financial Statements of Shalby Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to Financial Statements of Shalby Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 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 control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 over financial reporting to future periods are subject to the risk that the internal financial control 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.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on, "the internal control 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".

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Reg. No-: 006711N / N500028

Brijesh Thakkar
Partner
Mem No: 135556
UDIN: 20135556AAAADK3987

Place: Ahmedabad
Date: June 15, 2020

Standalone Balance Sheet

as at March 31, 2020

(₹ in million)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	6,561.47	6,805.18
Capital work-in progress	5	30.23	17.36
Right of Use Assets	6	47.35	-
Goodwill	7	81.97	81.97
Intangible Assets	8	7.40	3.42
Intangible assets under development	8	33.69	16.12
Financial Assets			
Investments	9	106.47	106.14
Other Financial Assets	10	54.39	56.29
Income Tax Assets (Net)	11	159.08	68.72
Deferred Tax assets (Net)	12	-	18.55
Other non current assets	13	325.01	319.29
		7,407.07	**7,493.04**
Current assets			
Inventories	14	147.56	126.43
Financial assets			
Investments	9	321.04	134.09
Trade Receivables	15	914.92	813.26
Cash and Cash Equivalents	16	84.36	51.24
Other Bank Balances	17	202.73	202.20
Other Financial Assets	10	548.00	583.44
Other Current Assets	13	55.97	21.98
Assets held for sale	18	131.92	131.92
		2,406.50	**2,064.56**
Total Assets		**9,813.58**	**9,557.61**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,080.10	1,080.10
Other Equity	20	7,057.84	6,860.18
		8,137.94	**7,940.28**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	21	486.73	569.08
Other Financial Liabilities	22	6.10	5.95
Provisions	23	16.61	15.22
Deferred Tax Liabilities (Net)	12	179.42	-
Other Non-current Liabilities	24	154.33	118.85
		843.20	**709.10**
Current liabilities			
Financial Liabilities			
Trade Payables	25		
Total Outstanding dues to Micro Enterprise & Small Enterprise		-	-
Total Outstanding dues to Other than Micro Enterprise & Small Enterprise		603.35	588.12
Other Financial Liabilities	22	168.56	251.06
Other Current liabilities	24	53.38	62.55
Provisions	23	7.16	6.50
		832.44	908.22
Total Equity and Liabilities		**9,813.58**	**9,557.61**

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
Date : June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
Date : June 15, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in million)

Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
INCOME			
Revenue from Operations	26	4,838.86	4,624.11
Other Income	27	177.42	93.68
Total Income		**5,016.28**	**4,717.79**
EXPENSES			
Operative expenses	28	2,814.59	2,752.14
Purchase of stock in trade	29	112.59	92.45
Changes in inventories	30	4.28	(5.12)
Employee benefits expense	31	652.45	643.46
Finance Cost	32	63.58	80.68
Depreciation and Amortization	33	358.61	330.04
Other Expenses	34	439.90	316.88
Total Expenses		**4,445.99**	**4,210.54**
Profit before exceptional items and tax		**570.29**	**507.25**
Exceptional Items		0.00	-
Profit Before Tax		**570.29**	**507.25**
Current tax		106.52	109.08
Adjustment of earlier years		16.39	17.99
MAT Credit Entitlement		(71.95)	(85.22)
Deferred tax		239.61	144.38
Total tax expense		**290.57**	**186.23**
Profit for the year from continuing operations		**279.72**	**321.01**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		0.26	1.13
Income tax effect on above		(0.09)	(0.39)
		0.17	**0.73**
Total comprehensive income for the year, net of tax		**279.89**	**321.75**
Earning per Equity Share	35		
Basic (In ₹)		2.59	2.97
Diluted (In ₹)		2.59	2.97

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
Date : June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
Date : June 15, 2020

Standalone Cash Flow Statement

for the Year ended March 31,2020

(₹ in million)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
A. Cash flow from operating activities			
Net Profit before Tax as per Statement of Profit & Loss		570.29	507.25
Adjustments for			
Depreciation and amortisation		358.61	330.04
Finance cost		63.58	80.68
Interest Income			
- on fixed deposits with Bank		(50.10)	(62.06)
- IT refund		0.00	(1.36)
Gain on Financial Assets		(10.69)	(0.26)
Loss/gain on sale of property plant & equipment (net)		1.04	0.22
Provision for doubtful debts		51.87	10.18
Sundry balances written back (Net)		(50.71)	(0.08)
Operating profit before working capital changes		**933.89**	**864.61**
Adjustments for			
Decrease / (Increase) in Inventories		(21.13)	(7.63)
Decrease / (Increase) in Trade receivables		(153.53)	(319.60)
Decrease / (Increase) in Other Non current financial assets		1.99	(7.19)
Decrease / (Increase) in Other current financial asset		33.38	63.97
Decrease / (Increase) in Other non current asset		(5.72)	(11.14)
Decrease / (Increase) in Other current assets		(33.99)	12.88
Increase / (Decrease) in Trade Payables		65.95	95.05
Increase / (Decrease) in Provisions		2.31	3.07
Increase / (Decrease) in Other Non current financial liabilities		0.14	3.59
Increase / (Decrease) in Other Non current liabilities		35.49	(9.56)
Increase / (Decrease) in Other current financial liabilities		(78.56)	(149.25)
Increase / (Decrease) in Other current liabilities		(9.17)	17.53
Cash generated from operations		771.04	556.34
Direct taxes Refund/(paid)		(200.17)	(100.95)
Net Cash from Operating Activities	**[A]**	**570.87**	**455.39**
B. Cash flow from investing activities			
Purchase of property, plant and equipment		(197.71)	(313.08)
Payment for purchase of investments (Net)		(2,259.41)	(125.57)
Other bank balances		(0.53)	349.17
Interest received		52.07	89.11
Proceeds from Sale of Financial Assets		2,082.81	0.00
Net Cash from / (used in) investing activities	**[B]**	**(322.77)**	**(0.37)**

Standalone Cash Flow Statement

for the Year ended March 31,2020

(₹ in million)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
C. Cash flow from financing activities			
Repayment of Borrowing- non current		(93.26)	(271.68)
Proceeds from borrowing		7.20	0.00
Repayment of borrowings - current (Net)		0.00	(157.16)
Interest paid		(63.81)	(83.19)
Dividend Paid (Including Dividend Distribution Tax)		(65.11)	0.00
IPO Expenses		0.00	(0.58)
Net cash used in financing activities	**[C]**	**(214.98)**	**(512.60)**
Net Increase/(Decrease) in cash & cash equivalents	**[A+B+C]**	**33.13**	**(57.59)**
Opening balance of Cash and cash equivalents		51.24	108.83
Closing balance of Cash and cash equivalents		**84.36**	**51.24**
Balances with scheduled banks		79.50	44.89
Cash in hand		4.86	6.35
		84.36	**51.24**

Explanatory Notes to Cash Flow Statement

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

3 Figures of the previous year have been regrouped wherever necessary, to confirm to current year's presentation.

4 Reconciliation of borrowings as disclosed in financing activities

(₹ in million)

Particulars	April 1, 2019	Proceeds	Repayments	Exchange difference	March 31,2020
Borrowings	708.24	7.20	96.25	(2.99)	0.00

(₹ in million)

Particulars	April 1, 2018	Proceeds	Repayments	Exchange difference	March 31,2019
Borrowings	979.91	-	265.78	5.90	0.00

As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
Date : June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
Date : June 15, 2020

Standalone Statement of changes in Equity

for the year ended March 31, 2020

A. Equity share capital

(₹ in million)

As at April 1, 2018	**1,080.10**
Changes during the year 2018 - 2019	-
As at March 31, 2019	**1,080.10**
Changes during the year 2019 - 2020	-
As at March 31, 2020	**1,080.10**

B. Other equity

(₹ in million)

Particulars	Reserves and Surplus				Items of OCI	Total equity
	Securities Premium	Capital Redemption reserve	Retained Earnings	Share Application Money Pending allotment	Equity Instruments through OCI	
Balance as at April 1, 2018	**4,524.11**	**5.33**	**2,042.64**	**-**	**0.39**	**6,572.47**
Profit for the year	-	-	321.01	-	-	321.01
Share Issue Expenses	(34.03)	-	-	-	-	(34.03)
Other comprehensive income for the year	-	-	-	-	0.73	0.73
Balance as at March 31, 2019	**4,490.08**	**5.33**	**2,363.65**	**-**	**1.13**	**6,860.18**
Profit for the year	-	-	279.72	-	-	279.72
Share Issue Expenses	(17.13)	-	-	-	-	(17.13)
Dividend paid (including dividend distribution tax)	-	-	(65.11)	-	-	(65.11)
Other comprehensive income for the year	-	-	-	-	0.17	0.17
Balance as at March 31, 2020	**4,472.94**	**5.33**	**2,578.27**	**-**	**1.30**	**7,057.84**

As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
Date : June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
Date : June 15, 2020

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Note 1: Corporate Information

Shalby Limited (the company) is a company engaged in healthcare delivery space and listed with bourses in India. The registered office of the Company is located at Opposite Karnavati Club, Sarkhej Gandhinagar Highway, Near Prahladnagar Garden, Ahmedabad – 380 015. The company operates as a chain of multi-specialty hospitals across India. The business of the company is to offer tertiary and quaternary healthcare services to patients in various areas of specialization such as orthopedics, complex joint replacements, cardiology, neurology, oncology, renal transplantations etc.

The standalone Ind AS financial statements for the year ended March 31, 2020 were authorized for issue in accordance with resolution passed by the Board of Directors of the company on June 15, 2020.

Note 2: Basis of Preparation & Compliance with Ind AS

The financial statements of the Company as at and for the year ended March 31, 2020 has been prepared in accordance with Indian Accounting standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('Act') and the Companies (Indian Accounting Standards) Rules issued from time to time and other relevant provisions of the Companies Act, 2013 (collectively called as Ind AS).

2.1 Basis of Measurement

The Standalone Ind AS financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through Other Comprehensive Income are measured at Fair Value.

b) The defined benefit asset / liability is recognized as the present value of defined benefit obligation less fair value of plan assets.

c) Assets held for sale measured at fair value less cost to sales

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

2.2 Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupee is the functional currency of the Company.

The standalone financial statements are presented in Indian Rupees (₹) which is the company's presentation currency, and all the values are rounded to the nearest million except when otherwise stated.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

2.3 Current and non-Current classification:

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

An asset is classified as current if it satisfies any of the following criteria:

a) It is expected to be realized or intended to be sold or consumed in the Company's normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is expected to be realized within twelve months after the reporting period, or

d) It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

An liability is classified as current if it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Current liabilities include current portion of non-current financial liabilities.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Note 3: Critical and Significant accounting judgments, estimates and assumptions

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the standalone financial statements.

3.1 Impairment of investments in subsidiaries

The Management reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

3.2 Useful lives of property, plant and equipment

The Management reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods. As at March 31, 2020 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

3.3 Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3.4 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

3.5 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

3.6 Allowance for uncollectible trade receivables

Trade receivables, predominantly from Government schemes/insurance companies and corporates which enjoy high credit ratings are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off when management deems it not to be collectible.

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix considering the nature of receivables and the risk characteristics. The provision matrix takes into accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates as given in the provision matrix.

3.7 Impairment of Property, Plant & Equipment

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss which is material in nature is accounted for.

3.8 Litigations

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

NOTE 4: SIGNIFICANT ACCOUNTING POLICIES

The Company has applied the following accounting policies to all periods presented in the financial statements.

4.1 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company committed to purchase or sell the asset.

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and where contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

(iii) Fair Value through Profit or Loss (FVTPL):

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

(b) Financial Liabilities

Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) Financial liabilities at Amortized Cost:

The Company is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

(ii) Financial liabilities at Fair Value through Profit or Loss:

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

(d) Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Company's Operations. A Change in business occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

4.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

4.3 Property, Plant and Equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Properties in the course of construction for supply of services or administrative purpose are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable cost and for qualifying assets, borrowing cost capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of Property Plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/ sold during a period is proportionately charged for the period of use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. Leasehold land with lease term of 99 years or more and renewable with mutual consent are considered as finance leases with perpetual lease term and the same are not amortized with effect from April 1, 2016.

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Life
Buildings*	30 years and 60 years
Plant and Machinery	15 years
Medical Equipment	13 years and 15 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years and 10 years
Servers and Computers	3 years and 6 years

(*) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which the management expects to use this asset. Hence, the useful life for this asset is different from useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised net within "other income / other expenses" in the Statement of profit and loss.

4.4 Intangible assets

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Goodwill generated on business combination is tested for impairment.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Type of Asset	Useful Life
Computer software and data processing software	3 years

4.5 Inventories

Inventories of all medicines, medicare items traded and dealt with by the Company are measured at the lower of weighted average cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT/ GST wherever applicable.

Materials and consumables and general stores are charged to the Statement of Profit and Loss as and when they are procured and stock of such items at the end of the year is valued at cost.

4.6 Impairment

(a) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(b) Non-financial assets

Tangible and Intangible assets

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications 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. An impairment loss is reversed 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 amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

4.7 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the

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for the year ended March 31, 2020

provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision 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. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

4.8 Revenue Recognition

(a) Rendering of Services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

Other Services

Income from Clinical trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(b) Sale of Goods

Pharmacy Sales are recognised when the significant risks and rewards of ownership and control is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates granted upon purchase and are stated net of returns and discounts wherever applicable. Sales are adjusted for Value Added Tax/GST wherever applicable.

(c) Dividend and Interest Income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.9 Leases

Transition

Effective April 1, 2019, company has adopted Ind AS 116 "leases" and applied the standard to all applicable lease contracts existing on April 1, 2019 using the modified retrospective method with cumulative effect of initially applying the standard recognized on the date of initial application. Accordingly, company has not restated comparative information and recognized right of use assets at an amount equal to lease liability.

The Company's lease asset primarily consists of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. 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 for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding

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lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. The higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and finance cost portion of lease payments have been classified as financing cash flows.

Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognizes lease payments received under operating leases as income over the lease term on a straight-line basis.

4.10 Foreign Currency Translation

The functional currency of the Company is the Indian Rupee (₹)

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

(ii) exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Company for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2016), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

4.11 Borrowing Costs

Borrowing costs include

a) interest expense calculated using the effective interest rate method,

b) finance charges in respect of finance leases, and

c) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Notes to the Standalone Financial Statements

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Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

4.12 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in statement of profit and loss in the period in which they become receivable.

4.13 Employee benefits

(a) Short-term obligations

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Post-employment obligations

The Company operates the following post-employment schemes: a) defined contribution plans - provident fund b) defined benefit plans - gratuity plans

(i) Defined contribution plans

The Company has defined contribution plan for the post-employment benefits namely Provident Fund, Employees Death Linked Insurance and Employee State Insurance and the contributions towards such funds and schemes are recognised as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Company does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

(ii) Defined benefit plans

The Company has defined benefit plan, namely gratuity for eligible employees in accordance with the Payment of Gratuity Act, 1972 the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit method) at the end of each year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the tenor of the related obligation. The liability or asset recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'.

Remeasurement's of the net defined liability, comprising of actuarial gains and losses, return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and any change in the effect of asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurement's are not reclassified to profit or loss in subsequent periods.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

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(c) Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

4.14 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

No DTA is recognized for goodwill arising on business combination.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4.15 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the:

a) fair values of the assets transferred;

b) liabilities incurred to the former owners of the acquired business;

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for the year ended March 31, 2020

c) equity interests issued by the Company; and

d) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The company recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

4.16 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

4.17 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

4.18 Fair Value Measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or a liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

4.19 Cash and cash equivalent

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

4.20 Segment Reporting

Identification of segments: Segments are identified in line with Ind AS - 108 "Operating Segments", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

Segment Policies: The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

4.21 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.

4.22 Investment in Subsidiaries

(i) Initial recognition

The acquired investment in subsidiaries are measured at fair value as on the date of acquisition

(ii) Subsequent measurement

Investment in equity shares of subsidiaries are accounted either;

(a) at cost, or

(b) in accordance with IND AS 109, financial instruments

The Company has elected to account its subsidiaries at cost less accumulated impairment losses, if any.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 5 : PROPERTY, PLANT AND EQUIPMENT

Note 5.1 : As at March 31, 2020

(₹ in million)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net carrying Amount
	As at April 1, 2019	Additions	Deduction / Adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Deduction / Adjustments	As at March 31, 2020	As at March 31, 2020
Owned Assets									
Free hold land	399.29	-	-	399.29	-	-	-	-	399.29
Buildings	2,903.09	2.90	(12.76)	2,893.24	151.75	69.27	-	221.03	2,672.21
Medical Equipments and Surgical Instruments	2,097.19	60.02	(4.78)	2,152.43	312.99	151.40	(3.60)	460.79	1,691.64
Plant & Machinery	480.83	4.58	(0.31)	485.10	62.72	32.47	(0.11)	95.08	390.02
Electrical Installation	202.30	1.12	(0.10)	203.32	30.52	19.22	(0.09)	49.65	153.67
Office Equipments	74.72	1.59	(0.49)	75.82	31.39	12.47	(0.47)	43.39	32.43
Computers and Printers	45.46	14.98	-	60.44	30.06	9.13	-	39.19	21.25
Furnitures and Fixtures	418.27	2.05	(0.05)	420.26	56.65	40.21	(0.05)	96.81	323.46
Vehicles	73.76	9.04	(2.44)	80.37	21.56	9.65	(2.27)	28.94	51.42
Leasehold Assets									
Land	840.61	23.83	-	864.44	32.69	5.67	-	38.37	826.08
Total	**7,535.51**	**120.12**	**(20.92)**	**7,634.70**	**730.32**	**349.49**	**(6.59)**	**1,073.23**	**6,561.47**
CWIP									**30.23**

Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note :- 21.

Note 5.2 : As at March 31, 2019

(₹ in million)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net carrying Amount
	As at April 1, 2018	Additions	Deduction / Adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Deduction / Adjustments	As at March 31, 2019	As at March 31, 2019
Owned Assets									
Free hold land	399.29	-	-	399.29	-	-	-	-	399.29
Buildings	2,577.81	328.54	(3.26)	2,903.09	87.01	64.74	0.00	151.75	2,751.34
Medical Equipments and Surgical Instruments	1,920.18	182.91	(5.90)	2,097.19	168.46	146.51	(1.98)	312.99	1,784.19
Plant & Machinery	418.95	62.07	(0.19)	480.83	33.42	29.37	(0.08)	62.72	418.11
Electrical Installation	197.28	5.02	-	202.30	11.76	18.76	-	30.52	171.79
Office Equipments	68.19	6.52	0.01	74.72	19.67	11.72	-	31.39	43.33
Computers and Printers	43.66	1.80	-	45.46	21.06	9.00	-	30.06	15.40
Furnitures and Fixtures	362.26	56.11	(0.11)	418.27	20.80	35.85	-	56.65	361.62
Vehicles	70.31	4.51	(1.07)	73.76	13.21	9.35	(1.00)	21.56	52.20
Leasehold Assets									
Land	733.73	106.88	-	840.61	27.80	2.80	2.09	32.69	807.91
Total	**6,791.66**	**754.36**	**(10.51)**	**7,535.51**	**403.19**	**328.11**	**(0.97)**	**730.32**	**6,805.18**
CWIP									**17.36**

Note 5.3:- Capital Work-in-progress Includes

i) ₹ 30.23 million (PY ₹ 15.40 million) on account of Cost of Construction of Hospital at Mumbai.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 6 : RIGHT OF USE ASSETS

(₹ in million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2019	Additions*	Adjustments / Deletions	As at March 31, 2020	As at April 1, 2019	For the year	Adjustments / Deletions	As at March 31, 2020	As at March 31, 2020
Building	-	52.77	-	52.77	-	5.42	-	5.42	47.35
Total	**-**	**52.77**	**-**	**52.77**	**-**	**5.42**	**-**	**5.42**	**47.35**

*Transitional impact on adoption of Ind AS 116 (Refer Note:-46).

NOTE 7 : GOODWIL

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Cost	81.97	81.97
Accumulated impairment losses	-	-
Total	**81.97**	**81.97**

At cash generating unit (CGUs) level, the goodwill is tested for impairment annually at the year-end or more frequently if there are indications that goodwill might be impaired. The entire goodwill balance is allocated to Shalby Hospitals Mohali Unit.

The Company made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management. Cash flow projections were developed covering a ten-year period as at March 31, 2020 and March 31, 2019 which reflects a more appropriate indication/trend of future track of business of the Company.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Key Assumptions used for value in use calculations are as follows:

Key Assumptions	As at March 31, 2020
Discount Rate	7.76%
Growth Rate	20-25%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Discount rates - Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risk of the underlying asset that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of the capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 8 : INTANGIBLE ASSETS

Note 8.1 : As at March 31, 2020

(₹ in million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2019	Additions*	Adjustments / Deletions	As at March 31, 2020	As at April 1, 2019	For the year	Adjustments / Deletions	As at March 31, 2020	As at March 31, 2020
Softwares	9.57	7.69	-	17.26	6.18	3.69	-	9.87	7.39
Trademark	0.06	-	-	0.06	0.04	0.02	-	0.06	0.01
Total	**9.63**	**7.69**	**-**	**17.32**	**6.21**	**3.71**	**-**	**9.92**	**7.40**
Intangible assets under development									**33.69**

Note 8.2 : As at March 31, 2019

(₹ in million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2018	Additions	Adjustments / Deletions	As at March 31, 2019	Upto March 31, 2018	For the year	Adjustments / Deletions	Upto March 31, 2019	As at March 31, 2019
Softwares	7.16	2.42	-	9.57	4.27	1.91	-	6.18	3.39
Trademark	0.06	-	-	0.06	0.02	0.02	-	0.04	0.03
Total	**7.22**	**2.42**	**-**	**9.63**	**4.28**	**1.93**	**-**	**6.21**	**3.42**
Intangible assets under development									**16.12**

Note 8.3:- Intangible Assets under Development Includes

i) ₹ 33.69 million (PY ₹ 16.12 million) on account of ongoing implementation of SAP & SRIT software.

NOTE 9 : INVESTMENTS

(₹ in million)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Non current			
Investment in equity instruments			
Financial instruments at Cost			
Investment in Subsidiaries (Unquoted)	9.1	7.52	7.52
Investment in Limited Liability Partnership	9.1	0.48	0.48
Financial instruments at FVTPL			
Club Membership		1.10	1.10
Other Equity Investment			
Loan to Vrundavan Shalby Hospitals Ltd	9.2	97.38	97.04
Total (A)		**106.47**	**106.14**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(₹ in million)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Current			
Financial instruments at Cost			
Investment in Limited Liability Partnership		42.26	26.33
Financial instruments at FVTPL			
Investment in Equity instrument (Quoted)	9.3	3.77	-
Investment in Mutual fund (Quoted)	9.4	275.01	107.76
Total (B)		**321.04**	**134.09**
Total (A) + (B)		**427.51**	**240.22**
Aggregate book value of Quoted Investments		278.78	107.76
Aggregate market value of Quoted Investments		278.78	107.76
Aggregate carrying value of Unquoted Investments		148.73	132.46

Note 9.1 : Details of investment in unquoted equity instruments of subsidiaries (fully paid up)

(₹ in million)

Name of the Subsidiary	Currency	Face Value (₹)	Number of Units as at March 31, 2020	Number of Units as at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Equity Instruments						
Shalby (Kenya) Ltd.	KES	1,000	100	100	0.06	0.06
Shalby International Limited	INR	10	50,000	50,000	0.50	0.50
Yogeshwar Healthcare Ltd.	INR	10	696,251	696,251	6.96	6.96
Total (A)					**7.52**	**7.52**
In Capital of Limited Liability Partnership						
Griffin Mediquip LLP*					0.48	0.48
Total (B)					**0.48**	**0.48**
Total (A+B):					**7.99**	**7.99**

* Details of Partner & Capital contribution in Limited Liability Partnership

Name of the Partners	Sharing Ratio	Fixed capital contribution	Current capital contribution
Shalby Limited	95%	0.48	42.26
Yogeshwar Healthcare Limited	5%	0.03	0.96
Total	**100%**	**0.50**	**43.21**

Note 9.2 : Details of Other Equity Investment

In pursuance of agreement executed between the company and Vrundavan Shalby Hospitals Ltd., the outstanding balance as on December, 2017 on account of loans granted to such subsidiary has been classified as convertible loan since the same is convertible into equity at the option of the subsidiary company's management."

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Note 9.3 : Details of investment in Quoted equity instruments of other companies (fully paid up)

(₹ in million)

Name of the Company	Currency	Face Value (₹)	Number of Units as at March 31, 2020	Number of Units as at March 31, 2019	As at March 31, 2020	As at March 31, 2019
SBI Cards and Payment Services Limited	INR	10	6,100	-	3.77	-
Total					**3.77**	**-**

Note 9.4 : Details of Investment in Mutual Fund

(₹ in million)

Name of Body Corporate	No. of Unit March 31, 2020	No. of Unit March 31,2019	Quoted/ Unquoted	Amount March 31, 2020	Amount March 31,2019
Aditya Birla Sun Life Fund-Growth	-	0.36	Quoted	-	107.76
Franklin India Savings Plus Fund Retail Option-Direct	6.45	-	Quoted	244.71	-
PGIM India Insta Cash Fund -Direct Plan-Growth	0.03	-	Quoted	30.30	-

NOTE 10 : OTHER FINANCIAL ASSETS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current		
Security deposits	20.72	19.06
Fixed Deposit with Maturity of more than 12 months*	4.18	7.42
Notice period recovery receivable (Doctors)	19.44	19.86
Other Recoverables	9.72	9.72
Interest accrued but not due on fixed deposit	0.33	0.24
Total (A)	**54.39**	**56.29**
Current		
Government Grant Receivable	69.50	26.48
Fixed Deposit with Maturity of less than 12 months*	454.39	492.17
Recoverable from Subsidiaries	5.90	5.01
Interest accrued but not due on fixed deposit	4.89	6.95
Unbilled revenue (Net)	13.32	52.84
Total (B)	**548.00**	**583.44**
Total (A) + (B)	**602.39**	**639.73**

*The above fixed deposits is under lien with Bank against Bank Guarantee & Borrowings.

NOTE 11 : INCOME TAX ASSETS (NET)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance tax	761.50	681.19
Less: Provision for taxation	602.42	612.46
Total	**159.08**	**68.72**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 12 : DEFERRED TAX

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets		
Opening balance	18.55	111.56
Adjustment for the current year		
(Charged)/Credited through P/L / OCI	(180.84)	(59.55)
	(162.29)	**52.00**
DTA related to Share Issue Expenses	(17.13)	(33.46)
Total	**(179.42)**	**18.55**

Note 12.1 : Significant components of deferred tax assets are shown in the following table:

(₹ in million)

Particulars	As at March 31, 2020	(Charged)/ Credited to profit or loss / OCI	As at March 31, 2019	(Charged)/ Credited to profit or loss / OCI
Deferred tax liabilities				
Routed through profit or loss				
Difference of book depreciation and tax depreciation	1,413.82	(70.72)	1,484.55	(54.76)
Total deferred tax liabilities	**1,413.82**	**(70.72)**	**1,484.55**	**(54.76)**
Set-off of deferred tax assets pursuant to set-off provisions :-				
Routed through P/L				
Provision for leave obligation and gratuity	8.99	1.40	7.59	6.27
Unabsorbed business loss and depreciation	626.19	(333.00)	959.19	(205.41)
Re-measurement of defined benefit plan	0.00	0.39	(0.39)	(0.39)
MAT Credit entitlement	544.17	58.86	485.31	85.22
ECL	20.78	20.78	0.00	-
Total deferred tax assets	**1,200.13**	**(251.56)**	**1,451.69**	**(114.32)**
DTA related to Share Issue Expenses	34.27	0.00	51.40	0.00
Net deferred tax assets	**(179.42)**	**(180.84)**	**18.55**	**(59.55)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Note 12.2: The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows

(₹ in million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before taxes from continuing operations	570.29	507.25
	17.47%	21.55%
Current tax expense calculated using MAT tax rate at 17.472% (Previous year - 21.5488%)	99.64	109.31
Tax effect of amounts which are not deductible / (taxable) in calculating taxable book profit:		
Add: Tax impact on		
Income tax paid / payable	-	-
Expenses not allowable under MAT	9.09	2.24
1/5 th of opening Ind AS adjustments transferred to retained earnings	(1.82)	(2.25)
Other comprehensive income/(expense)	0.05	0.24
Less:		
Tax exempt income	0.44	0.45
Income Tax as per normal provisions	**106.52**	**109.08**

Note 12.3 : Income tax expense has been allocated as follows:

(₹ in million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income tax expense recognised in the Statement of Profit and loss		
Current tax on profits for the year	106.52	109.08
Current tax expense of earlier year (Net of MAT Impact)	3.30	17.99
	109.82	**127.07**
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	251.56	114.32
(Decrease) / increase in deferred tax liabilities	(70.72)	(54.76)
Deferred Tax recognised in OCI	(0.09)	(0.39)
	180.75	**59.16**
Income tax expense / (income) attributable to continuing operations	**290.57**	**186.23**
Income tax expense recognised in other comprehensive income		
Income tax included in other comprehensive income on:		
Defined benefit plan actuarial gains/(losses)	(0.09)	(0.39)
Income tax expense / (income) recognised in other comprehensive income	**(0.09)**	**(0.39)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 13 : OTHER NON - CURRENT / CURRENT ASSETS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current		
Capital advances*	301.66	295.93
Taxes Paid under protest	23.36	23.36
Total	**325.01**	**319.29**
Current		
Pre-paid expenses	7.63	6.21
Advance to suppliers, staff and doctors	25.20	14.13
Others**	23.14	1.65
Total	**55.97**	**21.98**

* Out of Total Capital Advances of ₹ 301.65 million, ₹ 287.15 million (PY ₹ 277.50 million) has been given to The Santacruz Residential Association for Construction of Hospital at Mumbai which is a part of Capital Work in Progress.

**Out of Other current assets of ₹ 23.14 million, ₹ 20.98 million (PY Nil) has been deposited as per order of Gujarat High court wrt. Litigation going on with Dr. Sunil Thanvi, which is a part of contingent liability as mentioned in note no 36.

NOTE 14 : INVENTORIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Medicines and Medicare Items	22.29	26.57
Materials and Consumables	111.24	91.51
General Stores	7.43	7.05
Stock in transit	6.60	1.31
Total	**147.56**	**126.43**

NOTE 15 : TRADE RECEIVABLES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
(a) Considered good	973.38	825.49
(b) Considered doubtful	3.79	8.70
Total	**977.17**	**834.19**
Less: Allowance for doubtful debts (including ECL)	(62.25)	(20.93)
	(62.25)	(20.93)
Total	**914.92**	**813.26**
Included in the financial statement as follows:		
Non-current	-	-
Current	914.92	813.26
Total	**914.92**	**813.26**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 16 : CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Bank		
In Current accounts	41.12	24.01
In Overdraft accounts	38.33	20.88
In Unclaimed Dividend account*	0.05	-
Cash on hand	4.86	6.35
Total cash and cash equivalents	**84.36**	**51.24**

*If the dividend has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account". The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

NOTE 17 : OTHER BANK BALANCES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months*	202.73	202.20
Total	**202.73**	**202.20**

*The above fixed deposits is under lien with Bank against Bank Guarantee & Borrowings.

NOTE 18 : ASSETS HELD FOR SALE

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Assets held for sale (Refer note below)	131.92	131.92
Total	**131.92**	**131.92**

Note:

Further, upon resolution passed by the Board of Directors of such subsidiary company in its meeting held on 09th January, 2018, to suspend the entire operations with immediate effect and consider such subsidiary company as non- going entity, the Board of Directors of the Company in its meeting held on January 9, 2018 had decided to sale its investments in equity instruments of such subsidiary company. Therefore, investments in equity instruments of such subsidiary company has been classified as assets held for sale. The carrying value of investment in equity instruments of such subsidiary company as at March 31, 2020 amounts to ₹ 131.92 million. Based on the circle rates prevailing currently, the management expects to realise the consideration higher than the carrying amount of investments in equity instruments of such subsidiary company. Management expects the process of sale to be completed within 12 months from March 31, 2020.

NOTE 19 : EQUITY SHARE CAPITAL

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
117,750,000 (March 31, 2019: 117,750,000) Equity Shares of ₹10/ each	1,177.50	1,177.50
	1,177.50	**1,177.50**
Issued share capital		
108,009,770 (March 31, 2019: 108,009,770) Equity Shares of ₹10/ each	1,080.10	1,080.10
Subscribed and fully paid up		
108,009,770 (March 31, 2019: 108,009,770) Equity Shares of ₹10/ each fully paid up	1,080.10	1,080.10
Total	**1,080.10**	**1,080.10**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Note 19.1 Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	108,009,770	108,009,770
Add:		
Shares issued for Cash or Right Issue	-	-
	108,009,770	**108,009,770**
Less:		
Shares bought back / Redemption	-	-
At the end of the year	**108,009,770**	**108,009,770**

Note 19.2 Rights, Preferences and Restrictions

The Authorised Share Capital of the Company consists of Equity Shares having nominal value of ₹ 10/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:

(i) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;

(ii) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

Note 19.3 Details of shareholders holding more than 5% Shares in the company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Shah Family Trust	43,327,132	40.11	43,327,132	40.11
Dr. Vikram I. Shah	7,735,493	7.16	7,735,493	7.16
Zodiac Mediquip Ltd.	31,545,448	29.21	31,545,448	29.21

NOTE 20 : OTHER EQUITY

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium	4,472.94	4,490.08
Capital redemption reserve	5.33	5.33
Retained Earnings	2,579.56	2,364.78
Total	**7,057.84**	**6,860.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Note 20.1 : Other Equity …Detailed..

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium		
Balance as per previous financial statements	4,490.08	4,524.11
Add : Additions during the year	-	
Less: Share Issue Expenses (Net of Taxes)	17.13	34.03
Balance at the end of the year	**4,472.94**	**4,490.08**
Capital redemption reserve		
Balance as per previous financial statements	5.33	5.33
Add : Additions during the year	-	
Balance at the end of the year	**5.33**	**5.33**
Surplus / (Deficit) in Statement of Profit & Loss		
Balance as per previous financial statements	2,364.78	2,042.64
Add : Profit for the year	279.72	321.01
Add / (Less): OCI for the year	0.17	1.13
Less : Dividend on equity share	54.00	-
Less : Dividend distribution tax	11.10	-
Balance available for appropriation	**2,579.56**	**2,364.78**
Less: Appropriation		
Transfer to Capital Redemption Reserve	-	-
	-	-
Net Surplus / (Deficit)	**2,579.56**	**2,364.78**
Total	**7,057.84**	**6,860.18**

Nature and Purpose of other reserves

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

Capital Redemption Reserve: In terms of provisions contained in Section 55 of the Companies Act 2013, the Company has, upon redemption of Preference Shares pursuant to resolution passed at the meeting held on 20th December 2016, transferred the amount equivalent to the face value of Preference Shares from the accumulated profits to Capital Redemption Reserve. This fund can be utilized only for issuing fully paid bonus shares. No dividends can be distributed out of this fund.

Retained Earnings: Retained Earnings represents surplus/accumulated earnings of the Corporation and are available for distribution to shareholders.

Other comprehensive income (OCI): OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. The components of OCI include: re-measurements of defined benefit plans, gains and losses arising from translating the financial statements of a foreign operation etc.

Distributions Proposed

(₹ in million)

Particulars	2019-20	2018-19
Proposed dividends on Equity shares:		
Final dividend for the year ended on March 31, 2020: ₹ 0.50 per share (March 31, 2019: ₹ 0.50 per share)	54.00	54.00
DDT on Final Dividend	-	11.10
Total Proposed Dividend	**54.00**	**65.11**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 21 : BORROWINGS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- current		
Secured loans		
HDFC Bank Limited		
In Foreign Currency	34.96	75.04
In Indian Currency	303.78	317.39
IDFC Bank	143.79	176.65
Vehicle loans		
Daimler Financial services India Private Limited	4.20	-
Total	**486.73**	**569.08**
Current maturities of long term debts		
Secured loans		
Term loans from bank		
HDFC Bank Limited		
In Foreign Currency	46.62	36.45
In Indian Currency	46.63	78.13
IDFC Bank	39.73	23.00
Vehicle loans		
HDFC Bank Limited	-	0.15
Daimler Financial services India Private Limited	2.46	1.43
Total	**135.44**	**139.16**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

21 Principal Terms and Conditions of borrowings as at March 31, 2020

(a) Secured

(i) Term loans

(₹ in million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	HDFC Bank Limited	Jabalpur, S.G. Highway	103.11	8.25%	Loans are repayable in 20 equal quarterly installments commencing from February, 2017.	Within 30 days of interest reset date, the Company has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by the borrower from fresh equity or internal accruals, no prepayment penalty shall be payable. Should the Company choose to exercise the prepayment option, the lender(s) must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility. Penalty: Default interest of 2% p.a. over and above the applicable Interest Rate till such time such default / noncompliance is cured to the Lender`s satisfaction."	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway,Ahmedabad - 380005 with total land area admeasuring 6,880 sqmtr and total constructed building area of 12,053.56 sqmtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram I. Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second paripassu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First paripassu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur. (vi) Additional Security : Fixed deposit of ₹ 451.47 million under lien with HDFC bank."	HDFC Bank Limited (on behalf of SBICAP Trustee)

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(₹ in million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
2	HDFC Bank Limited	Naroda	328.89	8.25%	Loans are repayable in 24 equal quarterly installments commencing from June,2019.	Within 45 days of interest reset date, the borrower has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. Penalty: Default interest of 2%p.a. over and above the applicable interest Rate till such time such default / non-complianceis cured to the Lender's satisfaction."	(i) First paripassu charge by way of equitable mortgage over land & building pertaining to hospital at Jaipur and Indore. (ii) First paripassu charge by way of equitable mortgage over land and building pertaining to hospital at Naroda. (iii) First ranking Security by way of hypothecation of all the present and future tangible movable assets including plant and machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at Jaipur, Indore and Naroda. (iv) Personal guarantee of Director Dr. Vikram I. Shah to the extent of 50 % of Naroda Land offered under security. (v) Second ranking security by way of hypothecation on the entire current asset, operating cash flows, receivables, commissions, revenues of what so ever nature and wherever arising, present and future uncalled capital (if any) present and future, of the company. (vi) Additional Security: Fixed deposit of ₹ 451.47 million under lien with HDFC bank.	SBICAP Trustee
3	IDFC Bank	Surat	183.52	F.D rate + 0.7% p.a till Loan is backed by F.D 5.95 + 0.7 = 6.65%	The loan is repayable in 28 structured quarterly installments starting from June 30, 2019 & ending on March 31, 2026.	Except as given in (i) and (ii) below, any prepayment of the loan made by the borrower shall be with a prepayment premium of 2% of the principal amount being prepaid. i) The borrower shall have a right to prepay the loan in full but not in part within 30 days of the reset date without any prepayment premium ii) The borrower shall have to mandatory prepay the loan to the extent of atleast 30% of the outstanding amount from IPO proceeds without any prepayment premium."	i) Hypothecation of Surat facility current assets (including cashflows) and all movable assets including plant and machinery, medical equipment etc. present and future and exclusive mortgage of leasehold rights (of land) together with building. ii) First paripassu hypothecation of SG highway unit receivable and cash flows. Paripassu charge to be shared with HDFC bank term loan sanction amount of ₹ 150 crore. Additional Security : Fixed deposit of ₹ 20 Crores under lien with IDFC bank.	IDFC Bank

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(ii) Vehicle loans

(₹ in million)

Sr. No.	Name of Lender	Vehicle	Amount Outstanding as at March 31, 2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	Daimler Financial Services India Private Limited	Mercedes Benz	6.66	7.14%	Loans are repayable in 36 equal monthly installments commencing from December, 2019.	Prepayment Charges: NA Penalty: 5% per annum plus applicable taxes or statutory levies, if any	First and exclusive charge of the Vehicle	Daimler Financial Services India Private Limited

(iii) Overdraft Facility

(₹ in million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	Kotak Mahindra Bank Limited	Corporate	(14.58)	6M MCLR +0.70%=9.05%	12 Months	N.A	(1) First pari-passu hypothecation charge to be shared with HDFC bank on all existing and future current assets of Krishna Shalby Hospital belonging to the Company. (2) First and exclusive mortgage charge on immovable properties being land and building of Krishna Shalby Hospital situated at 319 – Green City, Ghuma, Bopal, Ahmedabad belonging to the Company.	SBICAP Trustee

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(₹ in million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
2	HDFC Bank	Corporate	(23.75)	8.15%	12 Months	N.A	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway, Ahmedabad - 380005 with total land area admeasuring 6880 sqmtr and total constructed building area of 12,053.56 sqmtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram I. Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second paripassu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First paripassu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur. (vi) Additional Security : Fixed deposit of ₹ 451.47 million under lien with HDFC bank.	HDFC Bank Limited (on behalf of SBICAP Trustee)

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 22 : OTHER FINANCIAL LIABILITIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- Current		
Deposits	5.57	5.95
Retention money	0.53	
Total (A)	**6.10**	**5.95**
Current		
Current Maturities of Long Term Borrowings	135.44	139.16
Interest Accrued but not due on Borrowings	2.75	2.98
Creditors for capital goods	10.35	57.48
Retention money	1.18	30.73
Unclaimed Dividend*	0.05	-
Employees	18.79	20.71
Total (B)	**168.56**	**251.06**
Total (A+B)	**174.65**	**257.02**

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 23 : PROVISIONS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- Current		
Provision for employee benefits		
Gratuity	-	0.12
Leave obligation	16.61	15.10
Total	**16.61**	**15.22**
Current		
Provision for employee benefits		
Gratuity (Refer Note:-37)	4.22	3.54
Leave obligation	2.93	2.96
Total	**7.16**	**6.50**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 24 : OTHER NON-CURRENT / CURRENT LIABILITIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- Current		
Government grant (Refer Note below)	128.11	137.38
Less: Released in the statement of Profit and loss	(9.26)	(9.27)
Less Disclosed under current	(9.26)	(9.27)
Lease Liability	44.74	0.00
Total (A)	**154.33**	**118.85**
Current		
Government Grants	9.26	9.27
Advance from customers	6.40	18.38
Statutory Liabilities	33.54	34.90
Lease Liability	4.17	-
Total (B)	**53.38**	**62.55**
Total (A+B)	**207.71**	**181.39**

The Company, having established Super Specialty Hospitals at Indore and Jabalpur both in the State of Madhya Pradesh and at Naroda (Ahmedabad) and Surat both in the State of Gujarat, becomes eligible for one time incentive towards development of Healthcare sector in terms of policies of respective State Government in this regard. The incentive is based on capital investment and therefore is recognised in the form of capital subsidy. The same, being available against the entire capital investment, has been recognised and classified in accordance with Significant Accounting Policy referred at note 4.12 to the financial statements.

NOTE 25 : TRADE PAYABLES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- Current		
A) Total Outstanding dues of micro enterprises and small enterprises (Refer note no:- 44)	-	-
B) Total Outstanding dues to creditors other than Micro Enterprise & Small Enterprise	603.35	588.12
Total	**603.35**	**588.12**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 26 : REVENUE FROM OPERATIONS

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Revenue from Contracts with Customers (Refer Note 46)	4,828.10	4,609.97
Other Operating Revenue	10.76	14.14
Total	**4,838.86**	**4,624.11**

Break up of other operating revenue

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Share from Limited Liability Partnership	2.53	2.27
Project Consultancy	0.99	0.97
Sale of Licence	7.24	10.90
Total	**10.76**	**14.14**

Note 27 : Other Income

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Interest Income		
From Banks	50.10	62.06
From Others		
On IT refund	-	1.36
On Partner's capital	4.10	2.13
Others	1.34	1.22
Total (A)	**55.53**	**66.76**
Capital Subsidy	9.26	9.25
Interest Subsidy	42.09	9.28
Rent	6.51	5.45
Net Gain on sale of investments	10.69	0.26
Liquidated Damages and Penalty Charges	-	0.18
Vendor Registration fees	0.07	0.08
Foreign Exchange Fluctuation Gain (net)	0.85	-
Service Tax Refund Account - Orthotrend	-	0.09
Other Non-Operating Income		-
Sundry balances written back (Net)	50.71	0.08
Miscellaneous Income	1.70	2.24
Total (B)	**121.89**	**26.92**
Total (A+B)	**177.42**	**93.68**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 28 : OPERATIVE EXPENSES

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Materials and Consumables	1,111.77	1,043.29
Diagnostic Expenses	89.17	84.73
Fees to Doctors and Consultants	1,250.69	1,243.11
Power, Fuel and Water Charges	129.46	126.39
Housekeeping and Catering	93.74	100.90
Attendants and Securities	102.17	119.77
Linen & Uniform	4.96	4.20
Other Operative Expenses	32.63	29.76
Total	**2,814.59**	**2,752.14**

NOTE 29 : PURCHASE OF STOCK-IN-TRADE

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Medicines and Medicare Items	112.59	92.45
Total	**112.59**	92.45

NOTE 30 : CHANGES IN INVENTORIES

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Inventory at the end of the year		
Medicine and Medical Items	22.29	26.57
Inventory at the beginning of the year		
Medicine and Medical Items	26.57	21.45
(Increase) / Decrease in stocks	**4.28**	**(5.12)**

NOTE 31 : EMPLOYEE BENEFITS EXPENSE

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Salary, Allowances & Bonus	617.42	608.85
Contribution to Provident & other funds	34.66	34.36
Staff Welfare expenses	0.38	0.25
Total	**652.45**	**643.46**

During the FY 2019-20, Project team & IT team salary cost amounting to ₹ 24.33 million (Previous Year ₹ 18.04 million) has been capitalised through capital work-In Progress and intangible assets under development as it is related with upcoming unit at Mumbai and implementation of SRIT & SAP which is under development.

NOTE 32 : FINANCE COST

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Interest on Term Loan from Banks	52.19	70.50
Exchange differences regarded as an adjustment to borrowing costs	6.83	8.68
Other ancillary Cost	4.56	1.51
Total	**63.58**	**80.68**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 33 : DEPRECIATION AND AMORTIZATION

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Depreciation expense on property, plant and equipment	349.49	328.11
Amortisation on Intangible assets	3.71	1.93
Amortisation on Right of Use Assets	5.42	-
Total	**358.61**	**330.04**

NOTE 34 : OTHER EXPENSES

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Advertising and Publicity	85.56	68.82
Orthotrend Expense	12.13	5.20
Auditors' Remuneration (Refer Note:-34.1)	2.06	1.69
Communication	8.15	8.13
Rent, Rates and Taxes	33.42	36.53
Fees and Legal	14.60	15.57
Insurance	1.21	3.01
Stationery and Printing	15.62	17.59
Repairs and Maintenance		
-Hospital Equipments	76.90	50.05
-Building	6.29	3.98
-Others	32.26	32.88
Travelling and Conveyance	35.53	37.57
Loss on sale of assets	1.04	0.22
Provision for Bad & Doubtful Debts	51.87	10.18
Sundry Debit Balance Written off	4.62	-
Bank charges	10.48	10.97
Corporate Social Responsibility	30.00	-
Miscellaneous Expenses	18.16	14.50
Total	**439.90**	**316.88**
Payment to Auditor		
For Statutory Audit	1.22	1.15
For Limited Review	0.48	0.30
For Taxation Matter	0.24	0.20
For Certification	0.05	-
For Reimbursement of Expenses	0.07	0.04
	2.06	**1.69**

NOTE 35 : EARNING PER SHARE

Particulars	2019 - 2020	2018 - 2019
Net Profit attributable to Equity shareholders (₹ in million)	279.72	321.01
Number of equity shares (in million)	108.01	108.01
Weighted Average number of Equity Shares (in million)	108.01	108.01
Basic earning per Share (₹)	2.59	2.97
Diluted earning per Share (₹)	**2.59**	**2.97**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 36 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in million)

	Particulars	As at March 31, 2020	As at March 31, 2019
A	**Contingent Liabilities not provided for in respect of**		
(i)	Claim against the company not acknowledged as debt	109.80	89.79
(ii)	Income tax Demand for Assessment Years		
	2010-11	24.61	24.61
	2011-12	13.43	13.43
	2012-13	2.06	2.06
	2013-14	110.85	110.85
	2014-15	27.45	27.45
	2015-16	41.42	41.42
	2018-19	15.93	-
(iii)	Bank Guarantee	16.19	21.83
(iv)	Sales Tax Demand including Interest & Penalty for years (Based on expert advice received by client)		
	2009-10	52.61	52.61
	2010-11	63.13	63.13
	2011-12	74.91	74.91
	2012-13	91.90	91.90
	2013-14	101.26	101.26
	Entry Tax (Jaipur unit) for Year 2015-16	-	6.55
	Labour Cess for the period from 2014-15 to 2016-17	-	1.74
(v)	Export Obligation under EPCG Scheme	30.91	25.28
B	**Capital Commitments**		
	Estimated amount of contract remaining to the executed on capital accounts	32.28	34.16

NOTE 37: EMPLOYEE BENEFITS

Note 37.1 Defined contribution plan

The Company has defined contribution plan in form of Provident Fund & Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

(₹ in million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds	23.32	21.27
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	**4.24**	**5.37**

Note 37.2 Defined benefit plan

(a) Gratuity

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(b) Defined Benefit Plan

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Gratuity

(₹ in million)

Particulars	Valuation As at March 31, 2020	Valuation As at March 31, 2019
Discount rate	6.55%	7.60%
Expected rate(s) of salary increase	6.00%	6.00%
Rate of return on plan assets	6.55%	7.60%

The following table sets out the status of the amounts recognised in the balance sheet & movements in the net defined benefit obligation as at March 31, 2020.

(₹ in million)

	Particulars	As at March 31, 2020 Gratuity (Funded)	As at March 31, 2019 Gratuity (Funded)
	Changes in the present value of obligation		
1.	Present value of obligation (Opening)	18.66	15.76
2.	Interest cost	1.38	1.16
3.	Past service cost adjustments/Prior year Charges		0.00
4.	Current service cost	6.42	6.50
5.	Curtailment Cost / (Gain)		0.00
6.	Settlement Cost / (Gain)		0.00
7.	Benefits paid	(1.21)	(2.72)
8.	Actuarial (Gain) / Loss arising from change in financial assumptions	2.04	-
9.	Actuarial (Gain) / Loss arising from change in demographic assumptions	(0.01)	-
10.	Actuarial (Gain) / Loss arising from change on account of experience changes	(3.21)	(2.05)
11.	Present value of obligation (Closing)	24.05	18.66
	Changes in the fair value of plan assets		
1.	Present value of plan assets (Opening)	15.00	11.94
2.	Past contribution / Adjustment to Opening Fund	-	-
3.	Expected return on plan assets	(0.93)	(0.92)
4.	Interest Income	1.38	1.12
5.	Actuarial Gain / (Loss)	-	-
6.	Employers Contributions	5.59	5.58
7.	Employees Contributions	-	-
8.	Benefits paid	(1.21)	(2.72)
9.	Expense deducted from the fund	-	-
10.	Fair Value of Plan Assets (Closing)	19.83	15.00
	Percentage of each category of plan assets to total fair value of plan assets at the year end		
1.	Bank Deposits	-	-
2.	Debt Instruments	-	-
3.	Administered by Life Insurance Corporation of India	100%	100%
4.	Others	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(₹ in million)

Particulars	March 31, 2020 Gratuity	March 31, 2019 Gratuity
Present Value of funded obligation at the end of the year	24.05	18.66
Fair Value of Plan Assets as at the end of the period	19.83	15.00
Amount not recognised due to asset limit		
Deficit of funded plan	4.22	3.66
Deficit of unfunded plan	-	-
- Current	4.22	3.54
- Non-Current	-	0.12

Amount recognized in standalone statement of profit and loss in respect of defined benefit plan are as follows:

(₹ in million)

Expense recognised in the Statement of Profit and Loss	March 31, 2020 Gratuity	March 31, 2019 Gratuity
Current Service Cost	6.42	6.50
Past Service Cost	-	-
Adjustment to opening fund	-	-
Net interest Cost	(0.01)	0.04
Net value of remeasurements on the obligation and plan assets	-	-
Adjustment to Opening Fund	-	-
(Gains)/Loss on Settlement	-	-
Total Expenses recognized in the Statement of Profit and Loss #	**6.41**	**6.55**

(₹ in million)

Amount recorded in Other comprehensive Income (OCI)	March 31, 2020 Gratuity	March 31, 2019 Gratuity
Re-measurements during the year due to		
Changes in financial assumptions	2.04	-
Changes in demographic assumptions	(0.01)	-
Experience adjustments	(3.21)	(2.05)
Return on plan assets excluding amounts included in interest income	0.93	0.92
Amount recognised in OCI during the year	**(0.26)**	**(1.13)**

(c) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Gratuity

Impact on defined benefit obligation

Particulars	Change in Assumption			Increase in Assumptions			Decrease in Assumptions	
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
Discount rate	0.50%	0.50%	Decrease by	4.19%	3.96%	Increase by	4.51%	4.25%
Salary growth rate	0.50%	0.50%	Increase by	4.18%	3.98%	Decrease by	3.97%	3.82%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

(d) Major Category of Plan Asset as a % of total Plan Assets

Category of Assets (% Allocation)	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	%		(₹ in million)	
Insurer managed funds	100.00%	100.00%	19.83	15.00
Total	**100.00%**	**100.00%**	**19.83**	**15.00**

(e) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

The gratuity fund is administered through Life Insurance Corporation of India (insurer) under its group gratuity scheme. Accordingly almost the entire plan asset investment is maintained by the insurer. These are subject to interest rate risk which is managed by the insurer.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets maintained by the insurer.

(f) Defined benefit liability and employer contribution

The Company generally eliminates the deficit in the defined benefit gratuity plan with in next one year.

Expected contribution to the post -employment benefit plan (Gratuity) for the year ending March 31, 2020 is ₹ 4.22 million.

The weighted average duration of the defined benefit obligation is 8.43 years (2019 - 8.57 years).

The expected maturity analysis of undiscounted post -employment benefit plan (gratuity) is as follows:

Gratuity

(₹ in million)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Cash Flow (₹)	(%)	Cash Flow (₹)	(%)
1st following year	1.47	3.10%	1.06	2.60%
2nd following year	1.74	3.60%	1.36	3.40%
3rd following year	1.89	4.00%	1.66	4.10%
4th following year	2.05	4.30%	1.93	4.80%
5th following year	2.85	6.00%	1.98	4.90%
Sum of year 6 to 10th	11.46	23.90%	9.89	23.20%

NOTE 38 SEGMENT INFORMATION

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 39: RELATED PARTY

1. Related Party Disclosures for the year ended March 31, 2020

(a) Details of Related Parties

Description of Relationship	Names of Related Parties
Subsidiary companies & LLPs	Shalby (Kenya) Limited
	Vrundavan Shalby Hospitals Limited
	Yogeshwar Healthcare Limited
	Shalby International Limited (Earlier known as Shalby Pune Limited)
	Griffin Mediquip LLP (Earlier known as Shalby Orthopaedic LLP)
Promoter Company	Zodiac Mediquip Limited
Key Management Personnel (KMP)	Dr. Vikram I. Shah
	Mr. Ravi Bhandari (Up to 30/06/2018)
	Mr. Shantilal Kothari (Up to 17/08/2018)
	Mr. Prahlad Inani (From 17/05/2018)
	Mr. Jayesh Patel
	Dr. Nishita Shukla
Relatives of KMP	Dr. Darshini V. Shah
	Mr. Shanay V. Shah
Enterprise over which KMP / Relatives of KMP exercise significant influence through controlling interest (Other Related Party)	Uranus Medical Devices Limited
	Shalby Orthopaedic Hospital and Research Centre
	Friends of Shalby Foundation
	Slaney Healthcare Private Limited

(b) Key management personnel compensation

(₹ in million)

Particulars	2019-20	2018-19
Short-term employee benefits	12.91	15.06
Termination benefits	-	0.13
Total Compensation	**12.91**	**15.19**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(c) Details of transactions with related parties for the year ended March 31, 2020 in the ordinary course of business:

(₹ in million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	**Professional Fees**										
	Dr. Vikram I. Shah	-	-	-	-	19.39	16.71	-	-	19.39	16.71
	Dr. Darshini V. Shah	-	-	-	-	14.04	16.77	-	-	14.04	16.77
2	**Advance received back**										
	Shalby International Limited	0.11	-	-	-	-	-	-	-	0.11	-
3	**Advances received back towards Reimbursement of Expenditure**										
	Vrundavan Shalby Hospitals Limited	1.24	4.45	-	-	-	-	-	-	1.24	4.45
4	**Advances given**										
	Vrundavan Shalby Hospitals Limited	0.79	5.26	-	-	-	-	-	-	0.79	5.26
	Yogeshwar Healthcare Limited	0.09	0.01	-	-	-	-	-	-	0.09	0.01
	Shalby International Limited	0.11	0.01	-	-	-	-	-	-	0.11	0.01
	Shalby Kenya Limited	1.78	0.85	-	-	-	-	-	-	1.78	0.85
5	**Capital Introduced**										
	Griffin Mediquip LLP										
	Fixed	-	-	-	-	-	-	-	-	-	-
	Current	9.31	8.39	-	-	-	-	-	-	9.31	8.39
6	**Share of Profit/(Loss)**										
	Griffin Mediquip LLP	2.53	2.27	-	-	-	-	-	-	2.53	2.27
7	**Purchase of medicines, materials and consumables**										
	Griffin Mediquip LLP	451.68	362.61	-	-	-	-	-	-	451.68	362.61
	Uranus Medical Devices Limited	-	-	-	-	-	-	-	-	-	-
8	**Rent Expenses**										
	Dr. Vikram I. Shah	-	-	-	-	11.38	11.25	-	-	11.38	11.25
	Shalby Orthopaedic Hospital and Research Centre	-	-	-	-	-	-	0.60	0.60	0.60	0.60
	Yogeshwar Healthcare Limited	1.00	0.26	-	-	-	-	-	-	1.00	0.26
9	**Rent Income**										
	Griffin Mediquip LLP	0.08	0.08	-	-	-	-	-	-	0.08	0.08
	Slaney Healthcare Private Limited	-	-	-	-	-	-	0.76	0.21	0.76	0.21
10	**Salary**										
	Ravi Bhandari	-	-	-	-	-	2.17	-	-	-	2.17
	Shantilal Kothari	-	-	-	-	-	2.15	-	-	-	2.15
	Prahlad Inani	-	-	-	-	5.21	4.12	-	-	5.21	4.12
	Shanay V. Shah	-	-	-	-	5.04	4.80	-	-	5.04	4.80
	Jayesh Patel	-	-	-	-	1.94	1.70	-	-	1.94	1.70
	Dr. Nishita Shukla	-	-	-	-	5.75	4.92	-	-	5.75	4.92
11	**Commission Expense**										
	Zodiac Mediquip Limited	-	-	0.20	0.22	-	-	-	-	0.20	0.22
12	**Guest House Expenses**										
	Zodiac Mediquip Limited	-	-	3.50	1.30	-	-	-	-	3.50	1.30
13	**Purchase return of medicines, materials and consumables**										
	Slaney Healthcare Private Limited	-	-	-	-	-	-	-	0.11	0.00	0.11
14	**Purchase of Capital Goods**										
	Vrundavan Shalby Hospitals Limited	-	0.56	-	-	-	-	-	-	-	0.56
15	**Interest on Capital**										
	Griffin Mediquip LLP	4.10	2.13	-	-	-	-	-	-	4.10	2.13

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(d) Amount due to / from related parties as at March 31, 2020

(₹ in million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	**Trade Payable**										
	Dr. Vikram I. Shah	-	-	-	-	3.23	2.66	-	-	3.23	2.66
	Dr. Darshini V. Shah	-	-	-	-	3.91	3.57	-	-	3.91	3.57
	Friends of Shalby Foundation	-	-	-	-	-	-	0.01	0.01	0.01	0.01
	Griffin Mediquip LLP	162.56	146.70	-	-	-	-	-	-	162.56	146.70
	Zodiac Mediquip Limited	-	-	0.71	1.30	-	-	-	-	0.71	1.30
2	**Investment**										
	Yogeshwar Healthcare Limited	6.96	6.96	-	-	-	-	-	-	6.96	6.96
	Shalby Kenya Limited	0.06	0.06	-	-	-	-	-	-	0.06	0.06
	Vrundavan Shalby Hospitals Limited	131.92	131.92	-	-	-	-	-	-	131.92	131.92
	Shalby International Limited	0.50	0.50	-	-	-	-	-	-	0.50	0.50
3	**Loans and Advances**										
	Yogeshwar Healthcare Limited	-	0.82	-	-	-	-	-	-	-	0.82
	Shalby International Limited	0.02	0.02	-	-	-	-	-	-	0.02	0.02
	Shalby Kenya Limited	5.95	4.17	-	-	-	-	-	-	5.95	4.17
	Vrundavan Shalby Hospitals Limited	97.38	97.82	-	-	-	-	-	-	97.38	97.82
4	**Rent Payable**										
	Dr. Vikram I. Shah	-	-	-	-	0.97	0.40	-	-	0.97	0.40
	Shalby Orthopaedic Hospital and Research Centre	-	-	-	-	-	-	1.61	1.07	1.61	1.07
5	**Other Receivables**										
	Slaney Healthcare Private Limited	-	-	-	-	-	-	0.64	0.70	0.64	0.70
6	**Other Payable**										
	Dr. Vikram I. Shah	-	-	-	-	-	0.03	-	-	-	0.03
	Vrundavan Shalby Hospitals Limited	0.78	0.78	-	-	-	-	-	-	0.78	0.78
	Yogeshwar Healthcare Limited	0.07	-	-	-	-	-	-	-	0.07	-
7	**Capital contribution**										
	Griffin Mediquip LLP										
	Fixed	0.48	0.48	-	-	-	-	-	-	0.48	0.48
	Current	42.26	26.33	-	-	-	-	-	-	42.26	26.33

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 40: CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Total equity attributable to the equity share holders of the company	8,137.94	7,940.28
As percentage of total capital	**96.05%**	**94.58%**
Current loans and borrowings	135.44	139.16
Non-current loans and borrowings	486.73	569.08
Total loans and borrowings	**622.17**	**708.24**
Cash and Bank balances (Refer Note:-16 & 17)	287.10	253.44
Net loans & borrowings	**335.08**	**454.80**
As a percentage of total capital	3.95%	5.42%
Total capital (loans and borrowings and equity)	**8,473.01**	**8,395.08**

NOTE 41: FAIR VALUE MEASUREMENTS

A. Financial instruments by category

(₹ in million)

Particulars	March 31, 2020			March 31, 2019		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Assets						
Investments	147.63	279.88	-	131.36	108.86	-
Trade and other receivables	914.92	-	-	813.26	-	-
Cash and cash Equivalents	84.36	-	-	51.24	-	-
Other bank balances	202.73	-	-	202.20	-	-
Other financial assets	602.39	-	-	639.73	-	-
Total Financial Assets	**1,952.04**	**279.88**	**-**	**1,837.80**	**108.86**	**-**
Financial Liabilities						
Borrowings	486.73	-	-	569.08	-	-
Trade payables	603.35	-	-	588.12	-	-
Other financial liabilities	174.65	-	-	257.02	-	-
Total Financial Liabilities	**1,264.74**	**-**	**-**	**1,414.21**	**-**	**-**

Fair value hierarchy

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2020

(₹ in million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments			-	
- Mutual Fund	275.01	-	-	275.01
- Equity Instrument	3.77			3.77
- Membership fees	-	-	1.10	1.10
Total	**278.78**	**-**	**1.10**	**279.88**

Financial assets measured at fair value at March 31, 2019

(₹ in million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	107.76	-	-	107.76
- Membership fees	-	-	1.10	1.10
Total	**107.76**	**-**	**1.10**	**108.86**

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

(i) The use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 1

D. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short-term nature. Difference between carrying amount of Bank deposits, other financial assets , borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 42: FINANCIAL RISK MANAGEMENT

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with option of taking Forward Foreign exchange contracts if deemed necessary.
Price Risk	Investments in mutual funds & Equity Instrument	Credit ratings	Portfolio diversification and regular monitoring

(a) 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. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured; the company does not hold any collateral or a guarantee as security. The provision details of the trade receivable are provided in Note 15 of the financial statements.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

The provision matrix of ECL at the end of the reporting period is as follows.

Particulars	Expected Credit Loss %
Within 90 days due	0.81%
90 to 180 days due	1.44%
180 to 270 days	2.29%
270 to 360 days	3.19%
360 to 450 days	4.32%
450 to 540 days	5.60%
540 to 630 days	7.14%
630 to 720 days	8.35%
720 to 810 days	11.29%
810 to 900 days	19.40%
900 to 990 days	31.95%
990 to 1080 days	57.35%
(> 1080 days)	100.00%

Reconciliation of loss allowance provision

Trade receivables

.

Particulars	(₹ in million)
Loss allowance as on March 31, 2019	20.93
Changes in loss allowance	41.32
Loss allowance as on March 31, 2020	62.25

Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The working capital position of the Company is given below:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Cash and cash equivalents	84.36	51.24

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2020

(₹ in million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	135.44	449.04	37.70
Other Financial Liabilities	-	6.10	-
	135.44	**455.13**	**37.70**
Current financial liabilities			
Borrowings from Banks	-	-	-
Trade payables	603.35	-	-
Other Financial Liabilities	33.12	-	-
	636.47	**-**	**-**
Total financial liabilities	**771.91**	**455.13**	**37.70**

^ Borrowings are disclosed net of processing charges.

As at March 31, 2019

(₹ in million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	139.16	373.87	195.21
Other Financial Liabilities	-	5.95	-
	139.16	**379.82**	**195.21**
Current financial liabilities			
Borrowings from Banks	-	-	-
Trade payables	588.12	-	-
Other Financial Liabilities	111.91	-	-
	700.02	**-**	**-**
Total financial liabilities	**839.18**	**379.82**	**195.21**

^ Borrowings are disclosed net of processing charges.

(c) Market Risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

(i) Currency Risk

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency (₹), primarily in respect of US$, and Euro. The Company ensures that the net exposure is kept to an acceptable level and is remain a net foreign exchange earner.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are given below:

(Amount in million)

Financial Assets	March 31, 2020		March 31, 2019	
	Amount	Amount (₹)	Amount	Amount (₹)
Trade receivables	-	-	USD 0.00	0.07
Total-Financial assets	**-**	**-**		**0.07**
Financial liabilities				
Borrowings	USD 1.08	81.58	USD 1.61	109.88
Total financial liabilities		**81.58**		**109.88**

Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2020 and March 31, 2019 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

(₹ in million)

Financial Assets	Profit or Loss			
	March 31, 2020		March 31, 2019	
	Strengthening	Weakening	Strengthening	Weakening
USD (Increase/decrease by 1%)	0.82	(0.82)	1.10	(1.10)
Euro (Increase/decrease by 5%)	-	-	-	-
Total	**0.82**	**(0.82)**	**1.10**	**(1.10)**

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

The exposures of the Company's financial assets / liabilities at the end of the reporting period are as follows:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings	88.24	113.06
Floating rate borrowings	533.93	595.18
Total	**622.17**	**708.24**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Impact on profit – increase in 50 basis points	2.67	2.98
Impact on profit – decrease in 50 basis points	(2.67)	(2.98)

(iii) Price Risk

Exposure

The Company's exposure to securities price risk arises from investments held in mutual funds & Equity Instrument classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

43 LEASES

43.1 Change in Accounting Policy

Except as specified below, the company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of April 1, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below.

The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at April 1, 2019.

Financial Liabilities	(₹ in million)
Lease commitments as at March 31, 2019	52.77
Add / (Less): contracts reassessed as lease contracts	-
Add / (Less): adjustments on account of extension/termination	-
Lease liabilities as on April 1, 2019	**52.77**
Current lease liability	3.86
Non current lease liabilities	48.91

Right of use assets of ₹ 52.77 million and lease liabilities of ₹ 52.77 million have been recognised as on April 1, 2019.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

Financial Liabilities	(₹ in million)
Increase in Lease Liability by	52.77
Increase in Rights of Use by	52.77
Increase in Finance Cost by	3.94
Increase in Depreciation by	5.42
Decrease in Rent expense by	7.80

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

43.2 As Lessee

(A) Additions to right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Right-of-use assets, except for investment property	47.35	-

(B) Carrying value of right of use assets at the end of the reporting period by class

(₹ in million)

Particulars	Land & Building
Balance at April 1, 2019	52.77
Depreciation charge for the year	5.42
Balance at March 31, 2020	47.35

(C) Maturity analysis of lease liabilities

(₹ in million)

Maturity analysis – Contractual undiscounted cash flows	As at March 31, 2020
Less than one year	7.80
One to five years	31.20
More than five years	39.25
Total undiscounted lease liabilities at March 31, 2020	**78.25**
Lease liabilities included in the statement of financial position at March 31, 2020	**49.24**
Current	4.14
Non-Current	45.10

(D) Amounts recognised in profit or loss

(₹ in million)

Particulars	2019-20
Interest on lease liabilities	3.94
Variable lease payments not included in the measurement of lease liabilities	7.40
Income from sub-leasing right-of-use assets	-
Expenses relating to short-term leases	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	7.68

(E) Amounts recognised in the statement of cash flows

(₹ in million)

Particulars	2019-20
Total cash outflow for leases	22.88

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 44: DUE TO MICRO, SMALL AND MEDIUM ENTERPRISE AND CONFIRMATIONS

(a) Due to Micro, Small and Medium Enterprise

(₹ in million)

Sr. No.	Particulars	March 31, 2020	March 31, 2019
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3	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 Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

(b) Confirmations

The company has circulated letters of Balance Confirmation to Sundry Debtors, Sundry Creditors and the parties to whom loans and advances have been granted. Confirmations were received in some cases.

NOTE 45: CORPORATE SOCIAL RESPONSIBILITY

(a) Gross amount required to spend by the company:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Opening unspent Amount	43.50	33.46
Amount required to be spent for the year	10.90	10.04
Amount spent during the year	30.00	-
Closing Unspent amount	**24.41**	**43.50**

(b) The amount spent during the period / year on:

(₹ in million)

Particulars	In cash / cheque	Yet to be paid in cash / cheque	Total
Construction / acquisition of any assets	30.00	-	30.00
On purposes other than above	-	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 46: REVENUE FROM CONTRACT WITH CUSTOMERS

The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Revenue from Sale of Products	167.60	133.95
Revenue from Sale of Services	4,660.50	4,476.02
Total Revenue	**4,828.10**	**4,609.97**

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segment wise

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Revenue from Sale of Services		
In Patient Discharge		
Domestic	3,821.80	3,766.05
Overseas	81.93	120.63
Out Patient Discharge	538.26	489.12
Diagnostic Services	31.92	56.26
Clinical Trials	5.49	4.38
Training	0.18	0.64
Orthotrend Event	21.20	2.70
Allied Services	13.92	19.11
Spine Conclave Event	-	2.06
Other operative Income	145.80	15.08
Total Revenue from Sale of services	**4,660.50**	**4,476.02**
Revenue from Sale of Products		
Revenue from Medicines & Medicare Items	167.60	133.95
Total Revenue from Contract with Customers	**4,828.10**	4,609.97

Contract Asset

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Opening Balance of Contract Asset	52.84	58.09
Revenue Recognised from the opening balance of contract liability	52.84	58.09
Current year Contract asset - Carried Forward	13.32	52.84
Closing Balance of Contract Asset	**13.32**	**52.84**

Contract Liability

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Opening Balance of Contract Liability	18.38	4.00
Revenue Recognised from the opening balance of Contract Liability	18.38	4.00
Current year Contract liability - Carried Forward	6.40	18.38
Closing Balance of Contract Liability	**6.40**	**18.38**

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 4.8 of Note No. 4.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

Contract Assets in the balance sheet constitutes unbilled amounts to customers representing the Company's right to consideration for the services transferred to date. Any amount previously recognised as Contract Assets is reclassified to trade receivables at the time it is invoiced to the customer.

Contract Liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the next financial year.

There were no significant changes in contract assets and contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.

Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

The Company generates revenue from knee replacement surgeries, other indoor and outdoor patient discharges, diagnostic services. clinical trials, trainings and other sales of medicines and medicare items.

The revenue from rendering Healthcare services and Pharmaceutical products satisfies 'at a point in time' recognition criteria as prescribed by IND AS 115.

NOTE 47: UN-HEDGED FOREIGN CURRENCY EXPOSURE

The company does not enter into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The foreign currency exposure not hedged as at March 31, 2020 are as under:

(Amount in million)

Currency	Payable (In Foreign Currency)		Receivable (In Foreign Currency)		Payable (In Indian Rupee)		Receivable (In Indian Rupee)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD	1.08	1.61	-	0.01	81.58	109.88	-	0.07

NOTE 48: STATEMENT OF MANAGEMENT

(a) The non current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.

(b) Balance Sheet, Statement of Profit and Loss, cash flow statement and change in equity read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and financial performance of the Company for the year under review.

NOTE 49: The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year. Figures are rounded off to nearest million.

NOTE 50: Balances of Sundry Creditors, Sundry debtors, Loans & advances, etc. are subject to confirmation and reconciliation, if any.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020

NOTE 51: The outbreak of Coronavirus (COVID-19) pandemic globally and In India is causing significant disturbance and slowdown of economic activity. The management has considered possible effects, If any, that may result from the pandemic relating to COVID-19 on all the carrying amounts of trade receivables and other current assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the country specific economic conditions prevailing as at the date of approval of these financial results and has used Internal and external sources of information to the extent determined by It. The Company is providing healthcare services, being "essential services" there has been no suspension of operation and the Company has taken further steps for smooth functioning of Its operations during the pandemic relating to COVID-19. The management has also evaluated impact of this pandemic on Its business operations and based on its review and current Indicators of future economic conditions, no material adjustment is required in the financial statements. Due to the temporary suspension of services of elective surgeries and travel restrictions of overseas patients, business operations of the Company are expected to be lower in the short term, though the same is not likely to have a continuing Impact on the business of the Company. Further, the Management believes that in the long term, there may not be material Impact of COVID-19 pandemic on the financial position and performance of the Company. However, the Impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
Date : June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
Date : June 15, 2020

Independent Auditor's Report

To the Members of Shalby Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Auditor's Opinion

We have audited the accompanying consolidated financial statements of **Shalby Limited** (hereinafter referred to as "the Parent") and its subsidiary companies (the Parent and its subsidiaries together referred as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of changes in Equity for the year then ended, and a summary of the 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 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matters

a. We draw attention to Note no. 51 to the financial statement, to assess the recoverability of certain assets, the management has considered internal and external information upto the date of this report in respect of the current and estimated future global including Indian economic indicators consequent to the global health pandemic. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

b. We draw your attention to Note 18 with regard to preparation of the Ind AS financial statements of one of the Subsidiary company, i.e. Vrundavan Shalby Hospitals Limited ("Such subsidiary company")on the assumption that the Such subsidiary company is no longera going concern in view of the resolution passed by the Board of Directors of such subsidiary company on January 9, 2018 resolving to cease the business operations with immediate effect at both the hospitals located at Mapusa and Panjim since the same is financially not viable.

Our opinion is not modified in respect of the said matters.

Key Audit Matters

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	Auditor's Response
1	**Reasonableness of Carrying amount of Investment in 100% subsidiary company classified as "Held for Sale"** Investment in equity shares of 100% owned subsidiary company "Vrundavan Shalby Hospitals Ltd" has been classified as held for sale. The carrying value of investment in equity instruments of such subsidiary company as at March 31, 2020 amounts to ₹ 131.92 million. Based on the property valuation report from an independent civil engineer, the management expects to realize the consideration higher than the carrying amount of investment. Management expects the process of sale to be completed within 12 months from March 31, 2020. Refer Notes 18 to the Consolidated Financial Statements.	We have performed following audit procedure in relation to managements evaluation of the asset held for sale: • Evaluating the independent professional valuer's competence, capabilities and objectivity; • Assessing the valuation methodology used by the independent professional valuer to estimate the fair value of investment classified as held for sale. • Assessing bases and assumptions w.r.t proximity of civic amenities, surface communication, area of land & building, Circle rates, year of construction of building, quality of interior, depreciated value, recent sale deals in nearby area, etc. Based on the audit procedures performed, we found that assumptions made by the management in relation to the valuation were supported by the available evidence.
2	**Evaluation of uncertain tax positions** The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 36 to the Consolidated Financial Statements.	We evaluated the related accounting policy for provisioning for tax exposures and found it to be appropriate. We have obtained details of completed tax assessments and demands upto the year ended March 31, 2020 from management. We evaluated auditee's response / opinion taken from various tax experts by auditee to challenge the underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2020 to evaluate whether any change was required to management's position on these uncertainties. From the evidence obtained and in the context of the financial statements, taken as a whole, we consider the provisions in relation to uncertain tax positions as at March 31, 2020 to be appropriate.
3	**Migration of ERP System** During the year, parent company has migrated its ERP system from Careworks to SRIT in majority of the units which is mainly used for Patient billing & Inventory management. The implementation of a new system has an inherent risk of loss of integrity of key data being migrated, and the breakdown in operation or monitoring of IT dependent controls within critical business processes such as purchasing. selling and recording of transaction, which could lead to financial errors or misstatements and inaccurate financial reporting. The Company's financial accounting and reporting systems are heavily dependent on the new system and there is a risk that automated accounting procedures and related IT dependent manual controls are not designed and operating effectively.	We have reviewed the information systems migration process and Information Technology General Procedures Controls (ITGC) with the assistance of IT audit specialists, our procedures included: Testing general IT controls around system access, change management and computer operations within specific applications pertinent to the financial statements by assessing appropriate policies are in place and adhered to by inspecting supporting evidence. Also assessed the operation of controls over changes or transactions being recorded in the systems and testing manual compensating controls, such as reconciliations between systems and other information sources, through re-performance or inspection. We reviewed the management's planning and processes around systems migration in order ascertain how controls in existing information systems are mapped into new information systems. We also independently tested completeness, validity and accuracy of transaction and master data migrated to new information system. Where general IT controls and compensating manual controls were inadequate or ineffective, we performed additional substantive testing, such as using extended sample sizes and performing data analysis routines over impacted accounts to test the integrity of the transactional level data that is flowing into the Company's financial statements. Our procedures did not identify any material exceptions.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THECONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether theconsolidated 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are incorporated in India, has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Group'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

OTHER MATTERS

a. The accompanying Statement includes financial results / statements and other information of 4 subsidiaries whose financial results / information reflects total assets of ₹ 281.59 million as at March 31, 2020, total revenues of ₹ 108.40 million and ₹ 446.77 million, total net Profit \ (Loss) after tax of ₹ (3.12) million and ₹ 1.11 million, total comprehensive income ₹ (3.12) million and ₹ 1.11 million for the quarter and year ended on March 31, 2020 respectively, and net cash outflows of ₹ 0.75 million for the year ended March 31, 2020 as considered in the statement which have been audited by us.

b. We did not audit the financial results / statements and other financial information, in respect of 1 subsidiary, whose financial information reflects total assets of ₹ 0.62 million as at March 31, 2020, and total revenues of ₹ 0.04 million and ₹ 0.40 million, total net Profit \ (Loss) after tax of ₹ (0.33) million and ₹ (1.36) million, total comprehensive income ₹ (0.33) million and ₹ (1.36) million for the quarter and year ended March 31,2020 respectively and net cash outflows of ₹ 1.38 million for the year ended March 31, 2020 considered in the financial statement. These financial results / statements and other financial information have been audited / reviewed by the other auditor whose report has been furnished to us by the Management and our opinion and conclusion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's responsibilities section above.

Our opinion on the consolidated financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 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), 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 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 statement and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) 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:

I. The consolidated financial statements disclose impact of pending litigations on consolidated financial position of the Group.

II. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

III. There were no amounts which were required to be transferred to the investor's education and protection fund by the company and its subsidiary companies incorporated in India.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Reg. No-: 006711N / N500028

Brijesh Thakkar
Partner
Mem No – 135556
UDIN: 20135556AAAADL5745

Place: Ahmedabad
Date: June 15, 2020

Annexure 'A' to the Independent Auditor's Report

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of **SHALBY LIMITED** (hereinafter referred to as "Company") and its subsidiary companies(the Holding Company and its subsidiary together referred to as "the group") which are incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Company & its Subsidiary Company incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement criteria established by these entities, 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 statement was 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 system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its Subsidiary company incorporated in India, internal financial controls system with reference to financial statement.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENT

A company's internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENT

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Company & its subsidiary Company which is incorporated in India, has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2020, based on the internal control with reference to financial statement criteria established by the these entities, 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.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Reg. No-: 006711N / N500028

Brijesh Thakkar
Partner
Mem No – 135556
UDIN: 20135556AAAADL5745

Place: Ahmedabad
Date: June 15, 2020

Consolidated Balance Sheet

as at March 31, 2020

(₹ in million)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, Plant and Equipments	6	6,568.48	6,813.77
Capital Work-in progress	6	30.24	17.36
Right of Use Assets	7	47.35	-
Goodwill		101.55	101.55
Intangible assets	8	7.40	3.43
Intangible asset under development	8	33.69	16.12
Financial Assets			
Investments	9	1.10	1.10
Other Financial Assets	10	54.39	56.35
Income tax Assets (Net)	11	159.83	69.35
Deferred tax assets (Net)	12	-	20.30
Other Non-current assets	13	325.02	319.29
		7,329.05	**7,418.63**
Current assets			
Inventories	14	152.24	128.10
Financial assets			
Investments	9	278.78	107.76
Trade Receivables	15	948.55	813.59
Cash and Cash Equivalents	16	84.60	51.83
Other Bank Balances	17	202.73	202.20
Other Financial Assets	10	542.10	578.44
Other Current Assets	13	60.76	22.30
		2,269.76	**1,904.22**
Assets classified as held for sale	18	67.50	68.73
		2,337.26	**1,972.95**
Total Assets		**9,666.32**	**9,391.57**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,080.10	1,080.10
Other Equity	20	6,911.58	6,717.77
		7,991.68	**7,797.87**
Non-Controlling Interest		0.50	0.51
		7,992.18	**7,798.38**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	21	486.73	569.08
Other Financial Liabilities	22	6.10	5.95
Provisions	23	16.61	15.27
Deferred Tax Liabilities (Net)	12	177.90	-
Other Non-current Liabilities	24	154.33	118.84
		841.67	**709.14**
Current liabilities			
Financial Liabilities			
Trade Payables	25	601.55	562.75
Other Financial Liabilities	22	168.68	251.11
Provisions	23	7.25	6.50
Other Current liabilities	24	54.30	63.33
		831.78	**883.69**
Liabilities directly associated with assets classified as held for sale	18	0.69	0.36
		832.47	**884.05**
Total Equity and Liabilities		**9,666.32**	**9,391.57**

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
Date : June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
June 15, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in million)

Particulars	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
INCOME			
Revenue from Operations	26	4,868.50	4,622.56
Other Income	27	173.71	92.59
Total Income		**5,042.22**	**4,715.15**
EXPENSES			
Operative Expenses	28	2,424.03	2,439.05
Purchase of Traded Goods	29	528.00	398.51
Changes in Inventories	30	1.27	(5.06)
Employee Benefits Expenses	31	654.96	645.97
Finance Cost	32	63.58	80.78
Depreciation and Amortization	33	360.20	331.73
Other Expenses	34	442.91	320.29
Total Expenses		**4,474.95**	**4,211.27**
Profit before exceptional items and tax		**567.27**	**503.88**
Exceptional Items		-	-
Profit Before Tax		**567.27**	**503.88**
Tax Expense	12		
Current tax		107.82	110.22
Adjustment of earlier years		16.41	17.99
MAT Credit Entitlement		(71.95)	(85.22)
Deferred tax		239.13	144.35
Total tax expense:		**291.41**	**187.34**
Profit for the year from continuing operations		**275.86**	**316.54**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		0.26	1.13
Income tax effect on above		(0.09)	(0.39)
		0.17	**0.74**
Total comprehensive income for the year, net of tax		**276.03**	**317.28**
Profit for the year attributable to			
Shareholders of the Company		275.87	316.61
Non-Controlling Interest		(0.01)	(0.07)
		275.86	**316.54**
Other comprehensive income attributable to			
Shareholders of the Company		0.17	0.74
Non-Controlling Interest		-	-
		0.17	**0.74**
Total comprehensive income for the year attributable to			
Shareholders of the Company		276.04	317.35
Non-Controlling Interest		(0.01)	(0.07)
		276.03	**317.28**
Earning per Equity Share	35		
Basic (In ₹)		2.55	2.93
Diluted (In ₹)		2.55	2.93

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
June 15, 2020

Consolidated Cash Flow Statement

for the Year ended March 31,2020

(₹ in million)

	Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
A.	**Cash flow from operating activities**			
	Profit/(Loss) for the year before taxation		567.27	503.88
	Adjustments for			
	Depreciation and amortisation		360.20	331.73
	Finance cost		63.58	80.78
	Interest Income		(51.52)	(65.39)
	Gain on Financial Assets		(10.69)	(0.26)
	Provision for Bad & Doubtful Debts		51.87	10.18
	Loss/gain on sale of property plant & equipment (net)		1.02	0.60
	Sundry balances written back (Net)		(50.73)	(0.35)
	Operating profit before working capital changes		**931.00**	**861.17**
	Adjustments for			
	Decrease / (Increase) in Inventories		(24.14)	(7.57)
	Decrease / (Increase) in Trade receivables		(185.67)	(421.36)
	Decrease / (Increase) in Other Non current financial assets		1.96	(7.19)
	Decrease / (Increase) in Other current financial asset		36.04	64.22
	Decrease / (Increase) in Other non current asset		(5.73)	(11.14)
	Decrease / (Increase) in Other current assets		(38.46)	17.18
	Increase / (Decrease) in Trade payables		89.53	177.75
	Increase / (Decrease) in Provisions		2.35	3.18
	Increase / (Decrease) in Other Non current financial liabilities		0.15	(2.99)
	Increase / (Decrease) in Other current financial liabilities		(78.48)	(149.25)
	Increase / (Decrease) in Other Non current liabilities		35.49	(12.91)
	Increase / (Decrease) in Other current liabilities		(8.70)	16.85
	Cash generated from operations		**755.34**	**527.92**
	Direct taxes Refund/(paid)		(201.60)	(93.94)
	Net Cash from operating activities	**[A]**	**553.74**	**433.99**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment / Intangible assets		(197.69)	(314.94)
	Other bank balances		(0.17)	349.14
	Payment for purchase of investments (Net)		(2,243.15)	(114.84)
	Proceeds from Sale of Financial Assets		2,082.81	-
	Proceeds from Sale of Asset		-	1.50
	Interest received		51.52	93.08
	Net Cash from / (used in) investing activities	**[B]**	**(306.68)**	**13.94**

Consolidated Cash Flow Statement

for the Year ended March 31,2020

(₹ in million)

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
C. Cash flow from financing activities			
Repayment of Borrowing- non current		(93.27)	(271.68)
Proceeds from borrowing		7.20	-
Repayment of borrowings - current (Net)		-	(156.91)
Payment for acquisition of Non-controlling Interest in Subsidiary Company		(0.01)	-
Interest paid		(63.81)	(83.29)
Dividend Paid (Including Dividend Distribution Tax)		(65.10)	-
IPO Expenses		-	(0.58)
Net cash flow from financial activities	**[C]**	**(214.99)**	**(512.46)**
Net Increase/(Decrease) in cash & cash equivalents	**[A+B+C]**	**32.07**	**(64.53)**
Opening balance of Cash and cash equivalents		52.56	117.09
Closing balance of Cash and cash equivalents		**84.63**	**52.56**
Components of Cash and cash equivalent (Refer Note no:-16)			
Balances with scheduled banks		79.69	45.48
Cash in hand		4.91	6.35
Cash and cash equivalents classified as held for sale		0.03	0.73
		84.63	**52.56**

Explanatory Notes to Cash Flow Statement

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

3 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

4 Reconciliation of borrowings as disclosed in financing activities

(₹ in million)

Particulars	April 1, 2019	Proceeds	Repayments	Exchange difference	March 31,2020
Borrowings	708.24	7.20	96.26	(2.99)	622.17

(₹ in million)

Particulars	April 1, 2018	Proceeds	Repayments	Exchange difference	March 31,2019
Borrowings	979.91	-	265.78	5.90	708.24

As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
Date : June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
Date : June 15, 2020

Consolidated Statement of changes in Equity

for the year ended March 31, 2020

A. Equity share capital

(₹ in million)

As at April 1, 2018	**1,080.10**
Changes during the year 2018 - 2019	-
As at March 31, 2019	**1,080.10**
Changes during the year 2019 - 2020	-
As at March 31, 2020	**1,080.10**

B. Other equity

(₹ in million)

Particulars	Reserves and Surplus					Equity attributable to the shareholders of Company	Non-Controlling Interest	Total Equity
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Capital Reserve on Consolidation	Other comprehensive Income			
Balance as at April 1, 2018	4,524.11	5.33	1,894.69	9.18	1.15	6,434.46	0.58	6,435.04
Profit for the year	-	-	316.61	-	-	316.61	(0.07)	316.54
Share Issue Expenses	(34.03)		-		-	(34.03)		(34.03)
Other comprehensive income for the year	-	-	0.74	-	-	0.74	-	0.74
Balance as at March 31, 2019	**4,490.08**	**5.33**	**2,212.03**	**9.18**	**1.15**	**6,717.77**	**0.51**	**6,718.28**
Profit for the year	-	-	275.87	-	-	275.87	(0.01)	275.86
Share Issue Expenses	(17.13)	-	-	-	-	(17.13)	-	(17.13)
Dividend paid (including dividend distribution tax)	-	-	(65.10)	-	-	(65.10)	-	(65.10)
Other comprehensive income for the year	-	-	-	-	0.17	0.17	-	0.17
Balance as at March 31, 2020	**4,472.95**	**5.33**	**2,422.80**	**9.18**	**1.32**	**6,911.58**	**0.50**	**6,912.08**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
Date : June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

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Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
Date : June 15, 2020

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 1: CORPORATE INFORMATION

Shalby Limited (the Parent Company) is a company engaged in healthcare delivery space and listed with bourses in India. The registered office of the Company is located at Opposite Karnavati Club, Sarkhej Gandhinagar Highway, Near Prahladnagar Garden, Ahmedabad – 380 015. The company operates as a chain of multi-specialty hospitals across India. The business of the company is to offer tertiary and quaternary healthcare services to patients in various areas of specialization such as orthopedics, complex joint replacements, cardiology, neurology, oncology, renal transplantations etc.

Following subsidiary entities have been considered in the preparations of the consolidated financial statements.

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
Shalby Kenya Limited	Kenya	100.00%
Shalby International Limited	India	100.00%
Vrundavan Shalby Hospitals Limited	India	100.00%
Yogeshwar Healthcare Limited	India	94.68%
Griffin Mediquip LLP	India	95.00%

The Consolidated Ind AS financial statements for the year ended March 31, 2020 were authorized for issue in accordance with resolution passed by the Board of Directors of the company on June 15, 2020.

NOTE 2: BASIS OF PREPARATION & COMPLIANCE WITH IND AS

These consolidated financial statements of the Parent Company as at and for the year ended March 31, 2020 has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ('Act') and the Companies (Indian Accounting Standards) Rules issue from time to time and other relevant provisions of the Companies Act, 2013 (collectively called as Ind AS).

2.1 Basis of Measurement

The Consolidated Ind AS financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through Other Comprehensive Income are measured at Fair Value.

b) The defined benefit asset/liability is recognized as the present value of defined benefit obligation less fair value of plan assets.

c) Assets held for sale measured at fair value less cost to sales

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Parent Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the assets or liability.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

2.2 Functional and Presentation Currency

Items included in the consolidated financial statements of the Parent Company are measured using the currency of the primary economic environment in which the Parent Company operates ("the functional currency"). Indian Rupee is the functional currency of the Parent Company.

The consolidated financial statements are presented in Indian Rupees (₹) which is the Parent company's presentation currency, and all values are rounded to the nearest million, except when otherwise stated.

2.3 Current and non-Current classification:

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

An asset is classified as current if it satisfies any of the following criteria:

a) It is expected to be realized or intended to be sold or consumed in the Company's normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is expected to be realized within twelve months after the reporting period, or

d) It is a cash or cash equivalent unless 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 if it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Parent Company classifies all other liabilities as non-current. Current liabilities include current portion of non-current financial liabilities.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Parent Company has identified twelve months as its operating cycle.

NOTE 3: CONSOLIDATION OF FINANCIAL STATEMENTS

Note 3.1: Principle of Consolidation

a) The consolidated financial statements relate to Shalby Limited and its subsidiary entities. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

b) The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transaction between group companies are eliminated. Ind AS -12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

c) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on March 31.

d) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

e) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Parent Company.

f) Consolidated financial statements includes Limited Liability partnership in which Shalby Limited holds pertinent interest are also consolidated with same effects and treatments as given to the corporate subsidiaries in compliance with Indian Accounting Standard 110.

Note 3.2: Consolidation Procedure

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

(a) Derecognises the assets (including goodwill) and liabilities of the subsidiary;

(b) Derecognises the carrying amount of any non-controlling interests;

(c) Derecognises the cumulative translation differences recorded in equity;

(d) Recognises the fair value of any investment retained;

(e) Recognises any surplus or deficit in profit or loss, and

(f) Reclassifies the parent's share of components, previously recognized in OCI, to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e) The notes and the significant accounting policies to the consolidated financial statements are intended to serve as a guide for better understanding of the group's position. In this respect, the company has disclosed such notes and policies, which represent the needed disclosures.

f) In case of foreign subsidiaries, revenue and expenses items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve through Other Comprehensive Income.

NOTE 4: CRITICAL AND SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Group's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements.

4.1 Impairment of investments in subsidiaries

The Management reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

4.2 Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods. As at March 31, 2020 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

4.3 Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4.4 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

4.5 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

4.6 Allowance for uncollectible trade receivables

Trade receivables, predominantly from Government schemes/insurance companies and corporates which enjoy high credit ratings are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off when management deems it not to be collectible.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix considering the nature of receivables and the risk characteristics. The provision matrix takes into accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates as given in the provision matrix.

4.7 Impairment of Property, Plant & Equipment

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss which is material in nature is accounted for.

4.8 Litigations

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

NOTE 5: SIGNIFICANT ACCOUNTING POLICIES

5.1 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

the trade date, i.e., the date that the Group committed to purchase or sell the asset.

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and where contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):
Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the Group classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

(iii) Fair Value through Profit or Loss (FVTPL):
Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

(b) Financial Liabilities

Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) Financial liabilities at Amortized Cost:
The Group is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

(ii) Financial liabilities at Fair Value through Profit or Loss:
Financial liabilities held for trading are measured at Fair Value through Profit or Loss

De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Group has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(d) Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Group's Operations. A Change in business occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

5.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

5.3 Property, Plant and Equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Properties in the course of construction for supply of services or administrative purpose are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable cost and for qualifying assets, borrowing cost capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of Property Plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. Leasehold land with lease term of 99 years or more and renewable with mutual consent are considered as finance leases with perpetual lease term and the same are not amortised with effect from 1st April, 2016.

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Life
Buildings (*)	30 years and 60 years
Plant and Machinery	15 years
Medical Equipment	13 years and 15 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years and 10 years
Servers and Computers	3 years and 6 years

(*) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which the management expects to use these assets. Hence, the useful life for this asset is different from useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

In case of oversea subsidiary company i.e. Shalby Kenya Limited Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life using the following rates.

Office Equipment	: 12.50%
Furniture and Fittings	: 12.50%
Computer	: 30.00%

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However, the carrying values of fixed assets of aforesaid subsidiary and depreciation thereon being non-significant, the depreciation is not recomputed to fall in line with the method of Depreciation adopted by the Parent Company

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised net within "other income / other expenses" in the Statement of profit and loss.

5.4 Intangible assets

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Goodwill generated on business combination is tested for impairment.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Type of Asset	Useful Life
Computer software and data processing software	3 years

5.5 Inventories

Inventories of all medicines, medicare items traded and dealt with by the Group are measured at the lower of weighted average cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for GST wherever applicable.

Materials and consumables and general stores are charged to the Statement of Profit and Loss as and when they are procured and stock of such items at the end of the year is valued at cost.

5.6 Impairment

(a) Financial assets (other than at fair value)

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(b) Non-financial assets

Tangible and Intangible assets

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable

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amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications 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. An impairment loss is reversed 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 amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

5.7 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision 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. Before a provision is established, the Group recognizes any impairment loss on the assets associated with the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

5.8 Revenue Recognition

(a) Rendering of Services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

Other Services

Income from Clinical trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(b) Sale of Goods

Pharmacy Sales are recognised when the significant risks and rewards of ownership is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates granted upon purchase and are stated net of returns and discounts wherever applicable. Sales are adjusted for Value Added Tax/GST wherever applicable.

(c) Dividend and Interest Income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at

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the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

5.9 Leases

Transition

Effective April 01, 2019, group has adopted Ind AS 116 "leases" and applied the standard to all applicable lease contracts existing on April 1, 2019 using the modified retrospective method with cumulative effect of initially applying the standard recognized on the date of initial application. Accordingly, group has not restated comparative information and recognized right of use assets at an amount equal to lease liability.

The Group's lease asset primarily consists of leases for buildings. The group assesses whether a contract contains a lease, at inception of a contract. 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 for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

Company as a lessee

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. The higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and finance cost portion of lease payments have been classified as financing cash flows.

Company as a lessor

At the inception of the lease, the group classifies each of its leases as either an operating lease or a finance lease. The group recognizes lease payments received under operating leases as income over the lease term on a straight-line basis.

5.10 Foreign Currency Translation

The functional currency of the Group is the Indian Rupee (₹)

Exchange differences on monetary items are recognised in the Consolidated Statement of profit and loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

(ii) exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Group for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2016), as per the previous GAAP, pursuant to the Group's choice of availing the exemption as permitted by Ind AS 101.

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for the year ended March 31, 2020

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

5.11 Borrowing Costs

Borrowing costs include

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

5.12 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in statement of profit and loss in the period in which they become receivable.

5.13 Employee benefits

(a) Short-term obligations

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Post-employment obligations

The Parent Company operates the following post-employment schemes: a) defined contribution plans - provident fund b) defined benefit plans - gratuity plans

(i) Defined contribution plans

The Parent Company has defined contribution plan for the post-employment benefits namely Provident Fund, Employees Death Linked Insurance and Employee State Insurance and the contributions towards such funds and schemes are recognised as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Company does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

(ii) Defined benefit plans

The Parent Company has defined benefit plan, namely gratuity for eligible employees in accordance with the Payment of Gratuity Act, 1972 the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit method) at the end of each year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference

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to market yields at the end of the reporting period on government bonds that have terms approximating to the tenor of the related obligation. The liability or asset recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'.

Remeasurements of the net defined liability, comprising of actuarial gains and losses, return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and any change in the effect of asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

(c) Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

5.14 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

No Deferred tax asset is recognized for goodwill arising on business combination.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5.15 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the:

(a) fair values of the assets transferred;

(b) liabilities incurred to the former owners of the acquired business;

(c) equity interests issued by the Company; and

(d) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

5.16 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

5.17 Earnings per share

The Parent Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid,

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they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

5.18 Fair Value Measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or a liability acting in their best economic interest. The Parent Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

5.19 Cash and cash equivalent

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

5.20 Segment Reporting

Identification of segments: Segments are identified in line with Ind AS - 108 "Operating Segments", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

Segment Policies: The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

5.21 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.

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NOTE 6 : PROPERTY, PLANT AND EQUIPMENTS

Note 6.1 : As at March 31, 2020

(₹ in million)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net carrying Amount
	As at April 1, 2019	Additions	Deduction / Adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Deduction / Adjustments	As at March 31, 2020	As at March 31, 2020
Owned Assets									
Free hold land	399.29	-	-	399.29	-	-	-	-	399.29
Buildings	2,903.09	2.90	(12.76)	2,893.23	151.75	69.27	-	221.02	2,672.21
Medical Equipments and Surgical Instruments	2,110.87	60.02	(4.78)	2,166.11	318.32	152.95	(3.60)	467.67	1,698.44
Plant & Machinery	480.83	4.58	(0.31)	485.10	62.72	32.47	(0.11)	95.08	390.02
Electrical Installation	202.30	1.12	(0.10)	203.32	30.52	19.22	(0.09)	49.65	153.67
Office Equipments	74.81	1.59	(0.49)	75.91	31.43	12.48	(0.47)	43.44	32.47
Computers and Printers	45.47	14.98	-	60.45	30.07	9.13	-	39.20	21.25
Furnitures and Fixtures	418.95	2.05	(0.05)	420.95	57.15	40.22	(0.05)	97.32	323.63
Vehicles	73.76	9.04	(2.44)	80.36	21.56	9.65	(2.27)	28.94	51.42
Leasehold Assets									
Land	840.61	23.83	-	864.44	32.69	5.67	-	38.36	826.08
Total	**7,549.98**	**120.11**	**(20.93)**	**7,649.16**	**736.21**	**351.06**	**(6.59)**	**1,080.68**	**6,568.48**
CWIP									**30.24**

Note 6.2 : As at March 31, 2019

(₹ in million)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net carrying Amount
	As at April 1, 2018	Additions	Deduction / Adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Deduction / Adjustments	As at March 31, 2019	As at March 31, 2019
Owned Assets									
Free hold land	399.29	-	-	399.29	-	-	-	-	399.29
Buildings	2,577.81	328.54	(3.26)	2,903.09	87.01	64.74	-	151.75	2,751.34
Medical Equipments and Surgical Instruments	1,933.87	182.91	(5.90)	2,110.88	172.24	148.06	(1.98)	318.32	1,792.56
Plant & Machinery	418.95	62.07	(0.19)	480.83	33.42	29.37	(0.08)	62.71	418.12
Electrical Installation	197.28	5.02	-	202.30	11.76	18.76	-	30.52	171.78
Office Equipments	68.28	6.52	0.01	74.81	19.70	11.73	-	31.43	43.38
Computers and Printers	43.67	1.80	-	45.47	21.07	9.00	-	30.07	15.40
Furnitures and Fixtures	362.94	56.11	(0.11)	418.94	21.19	35.96	-	57.15	361.79
Vehicles	70.31	4.51	(1.07)	73.75	13.21	9.35	(1.00)	21.56	52.19
Leasehold Assets									
Land	733.73	106.88	-	840.61	27.80	2.80	2.09	32.69	807.92
Total	**6,806.13**	**754.36**	**(10.52)**	**7,549.97**	**407.40**	**329.77**	**(0.97)**	**736.20**	**6,813.77**
CWIP									**17.36**

Note 6.3:- Capital Work-in-progress Includes

i) ₹ 30.23 million (PY ₹ 15.40 million) on account of Cost of Construction of Hospital at Mumbai.

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for the year ended March 31, 2020

NOTE 7 : RIGHT OF USE ASSETS

(₹ in million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2019	Additions*	Adjustments / Deletions	As at March 31, 2020	As at April 1, 2019	For the year	Adjustments / Deletions	As at March 31, 2020	As at March 31, 2020
Building	-	52.77	-	52.77	-	5.42	-	5.42	47.35
Total	**-**	**52.77**	**-**	**52.77**	**-**	**5.42**	**-**	**5.42**	**47.35**

*Transitional impact on adoption of Ind AS 116 (Refer Note:-.43)

NOTE 8 : INTANGIBLE ASSETS

Note 8.1 : As at March 31, 2020

(₹ in million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2019	Additions*	Adjustments / Deletions	As at March 31, 2020	As at April 1, 2019	For the year	Adjustments / Deletions	As at March 31, 2020	As at March 31, 2020
Owned Assets									
Softwares	9.62	7.69	-	17.31	6.21	3.70	-	9.91	7.40
Trademark	0.06	-	-	0.06	0.04	0.02	-	0.06	-
Total	**9.68**	**7.69**	**-**	**17.37**	**6.25**	**3.72**	**-**	**9.97**	**7.40**
Intangible assets under development									**33.69**

Note 8.2 : As at March 31, 2019

(₹ in million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2018	Additions	Adjustments / Deletions	As at March 31, 2019	Upto March 31, 2018	For the year	Adjustments / Deletions	Upto March 31, 2019	As at March 31, 2019
Owned Assets									
Softwares	7.21	2.42	-	9.63	4.29	1.93	-	6.22	3.41
Trademark	0.06	-	-	0.06	0.02	0.02	-	0.04	0.02
Total	**7.27**	**2.42**	**-**	**9.69**	**4.31**	**1.95**	**-**	**6.26**	**3.43**
Intangible assets under development									**16.12**

Note 8.3:- Intangible Assets under Development Includes

i) ₹ 33.69 million (PY ₹ 16.12 million) on account of ongoing implementation of SAP & SRIT software.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 9 : INVESTMENTS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Investment in Club Membership at FVTPL	1.10	1.10
Total (A)	1.10	1.10
Current		
Investment In Mutual fund (Quoted) at FVTPL		
Nil (March 31, 2019 : 3,59,315) Units of Aditya Birla Sun Life Fund-Growth	-	107.76
64,54,554 (March 31, 2019 : Nil) Units of Franklin India Savings Plus Fund Retail Option-Direct	244.71	-
30,204 (March 31, 2019 : Nil) Units of PGIM India Insta Cash Fund -Direct Plan-Growth	30.30	-
Investment in Equity instrument (Quoted) at FVTPL		
6,100 (March 31, 2019 : Nil) Equity Shares of ₹ 10 each of SBI Cards and Payment Services Limited	3.77	-
Total (B)	**278.78**	**107.76**
Total (A) + (B)	**279.88**	**108.86**
Aggregate book value of Quoted Investments	278.78	107.76
Aggregate market value of Quoted Investments	278.78	107.76
Aggregate carrying value of Unquoted Investments	1.10	1.10

NOTE 10 : OTHER FINANCIAL ASSETS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current		
Security deposits	20.72	19.11
Fixed Deposit with Maturity of more than 12 months (*)	4.18	7.42
Interest accrued but not due on fixed deposit	0.33	0.24
Other Recoverables	9.72	9.72
Notice period recovery receivable (Doctors)	19.44	19.86
Total	**54.39**	56.35
Current		
Government Grant Receivable	69.50	26.48
Fixed Deposit with Maturity of less than 12 months*	454.39	492.17
Interest accrued but not due on fixed deposit	4.89	6.95
Unbilled revenue (Net)	13.32	52.84
	542.10	**578.44**
Total	**596.49**	**634.79**

*The above fixed deposits is under lien with Bank against Bank Guarantee & Borrowings.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 11 : INCOME TAX ASSETS (NET)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Advance Tax	762.25	681.81
Less : Provision for tax	602.42	612.46
Total	**159.83**	**69.35**

NOTE 12 : DEFERRED TAX

12.1 Deferred tax liabilities (Net)

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets		
Opening balance	20.30	113.35
Adjustment for the current year		
(Charged)/Credited through P/L / OCI	(181.07)	(59.59)
	(160.77)	**53.76**
DTA related to Share Issue Expenses	(17.13)	(33.46)
Total	**(177.90)**	**20.30**

Note 12.1 : Significant components of deferred tax assets are shown in the following table:

(₹ in million)

Particulars	As at March 31, 2020	(Charged)/ Credited to profit or loss / OCI	As at March 31, 2019	(Charged)/ Credited to profit or loss / OCI
Deferred tax liabilities				
Routed through profit or loss				
Difference of book depreciation and tax depreciation	1,412.39	(72.15)	1,484.54	(55.73)
Total deferred tax liabilities	**1,412.39**	**(72.15)**	**1,484.54**	**(55.73)**
Set-off of deferred tax assets pursuant to set-off provisions :-				
Routed through P/L				
Provision for leave obligation and gratuity	9.08	1.46	7.62	6.30
Unabsorbed business loss and depreciation	626.19	(334.71)	960.90	(205.94)
MAT Credit entitlement	544.17	58.85	485.31	84.71
Re-measurement of defined benefit plan		0.39	(0.39)	(0.39)
ECL	20.78	20.78	-	-
Total deferred tax assets	**1,200.22**	**(253.22)**	**1,453.43**	**(115.33)**
DTA related to Share Issue Expenses	34.27	-	51.40	-
Net deferred tax assets / (liability)	**(177.90)**	**(181.07)**	**20.30**	**(59.60)**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Note 12.3 : Income tax expense has been allocated as follows:

(₹ in million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income tax expense recognised in the Statement of Profit and loss		
Current tax on profits for the year	107.82	110.22
Current tax expense of earlier year (Net of MAT Impact)	2.62	18.39
Total	**110.44**	**128.60**
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	253.21	114.85
(Decrease) / increase in deferred tax liabilities	(72.15)	(55.72)
Deferred Tax recognised in OCI	(0.09)	(0.39)
Total	**180.97**	**58.74**
Income tax expense / (income) attributable to continuing operations	**291.41**	**187.34**
Income tax expense recognised in other comprehensive income		
Income tax included in other comprehensive income on:		
Defined benefit plan actuarial gains/(losses)	(0.09)	(0.39)
Income tax expense / (income) recognised in other comprehensive income	**(0.09)**	**(0.39)**

NOTE 13 : OTHER NON - CURRENT / CURRENT ASSETS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current		
Capital advances *	301.66	295.93
Taxes Paid under protest	23.36	23.36
Total	**325.02**	**319.29**
Current		
Balance with excise, customs and other authorities	0.05	0.05
Pre-paid expenses	7.63	6.22
Others**	23.14	1.65
	60.76	**22.30**
Total	**385.78**	**341.59**

* Out of Total Capital Advances of ₹ 301.65 million, ₹ 287.15 million (PY ₹ 277.50 million) has been given to The Santacruz Residential Association for Construction of Hospital at Mumbai which is a part of Capital Work in Progress.

**Out of Other current assets of ₹ 23.14 million, ₹ 20.98 million (PY Nil) has been deposited as per order of Gujarat High court wrt. Litigation going on with Dr. Sunil Thanvi, which is a part of contingent liability as mentioned in note no 36.

NOTE 14 : INVENTORIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Medicines and Medicare Items	23.91	28.23
Materials and Consumables	111.24	91.51
General Stores	7.43	7.05
Stock in transit	9.66	1.31
Total	**152.24**	**128.10**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 15 : TRADE RECEIVABLES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured		
Considered good	1,007.01	825.82
Considered doubtful	3.79	8.70
	1,010.80	**834.52**
Less: Allowance for expected credit loss / Provision for excepted credit losses and doubtful debts (Refer Note:-42)	(62.25)	(20.93)
Total	**948.55**	**813.59**
Included in the financial statement as follows:		
Non-current	-	-
Current	948.55	813.59
Total	**948.55**	**813.59**

NOTE 16 : CASH AND CASH EQUIVALENTS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with Bank		
Current accounts	41.31	24.60
In Unclaimed Dividend account*	0.05	-
Overdraft accounts	38.33	20.88
Cash on hand	4.91	6.35
Total cash and cash equivalents	**84.60**	**51.83**

* If the dividend has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account". The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

NOTE 17 : OTHER BANK BALANCES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months*	202.73	202.20

* The above fixed deposits is under lien with Bank against Bank Guarantee & Borrowings.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 18: ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

18.1 Assets classified as held for sale

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Current assets		
Cash and cash equivalents	0.03	0.73
Other Bank Balances	0.14	0.50
Trade receivable		
Considered Doubtful	17.45	17.45
Less: Allowance for expected credit loss / Provision for excepted credit losses and doubtful debts	(17.45)	(17.45)
Other Financial Assets	0.03	0.03
Current tax assets (Net)	-	0.46
Other Current Assets	67.30	67.00
	67.50	68.73
Total	**67.50**	**68.73**

18.2 Liabilities directly associated with assets classified as held for sale

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Liabilities		
Trade Payables	0.45	0.36
Advance from Customers	0.20	-
Other Current Liabilities	0.04	-
Total	**0.69**	**0.36**
Net Carrying Value:	**66.81**	**68.37**

Note:

1 Pursuant to settlement referred above note 18.2, the Such subsidiary company, in an attempt to resume the operations at hospitals, could not find it financial viable and therefore the Board of Directors of the company, vide circular resolution deemed to be passed on January 9, 2018, consented to cease the entire operations with immediate effect. Consequent to such resolution, the Ind AS financial statements of the company for the current financial year have been prepared on assumption that the such subsidiary company henceforth is non-going concern.

Further, The Board of Directors of the Parent company in its meeting held on January 9, 2018 had decided to sale its Investment of such subsidiary company. Therefore, assets and liabilities of such subsidiary company has been classified as assets held for sale. The Net carrying value of assets and liabilities of such subsidiary company as at March 31, 2020 amounts to ₹ 66.81 million. Based on the circle rates prevailing currently, the management expects to realise the consideration higher than the Investment of such subsidiary company. Management expects the process of sale to be completed within 12 months from March 31, 2020.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 19 : EQUITY SHARE CAPITAL

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised share capital		
117,750,000 (March 31, 2019: 117,750,000) Equity Shares of ₹ 10/ each	1,177.50	1,177.50
	1,177.50	**1,177.50**
Issued share capital		
108,009,770 (March 31, 2019: 108,009,770) Equity Shares of ₹ 10/ each	1,080.10	1,080.10
Subscribed and fully paid up		
108,009,770 (March 31, 2019: 108,009,770) Equity Shares of ₹ 10/ each fully paid up	**1,080.10**	**1,080.10**

19.1 Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year	108,009,770	108,009,770
Add:		
Shares issued for Cash or Right Issue	-	-
	108,009,770	**108,009,770**
Less:		
Shares bought back / Redemption	-	-
At the end of the year	**108,009,770**	**108,009,770**

19.2 Rights, Preferences and Restrictions

The Authorised Share Capital of the Company consists of Equity Shares having nominal value of ₹ 10/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:

(i) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;

(ii) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

19.3 Details of shareholders holding more than 5% Shares in the company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Shah Family Trust	43,327,132	40.11	43,327,132	40.11
Dr. Vikram I. Shah	7,735,493	7.16	7,735,493	7.16
Zodiac Mediquip Limited	31,545,448	29.21	31,545,448	29.21

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 20 : OTHER EQUITY

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium	4,472.95	4,490.08
Capital Redemption Reserve	5.33	5.33
Retained Earnings	2,424.12	2,213.18
Capital Reserve on Consolidation	9.18	9.18
Total	**6,911.58**	**6,717.77**

20.1 Reconciliation of Other Equity

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium		
Balance as per previous financial statements	4,490.08	4,524.11
Add : Additions during the year	-	-
Less: Share Issue Expenses (Net of Taxes)	17.13	34.03
Balance at the end of the year	**4,472.95**	**4,490.08**
Capital redemption reserve		
Balance as per previous financial statements	5.33	5.33
Add : Additions during the year *(Refer Note Below)*	-	-
Balance at the end of the year	**5.33**	**5.33**
Retained Earnings		
Balance as per previous financial statements	2,213.19	1,895.84
Add : Profit for the year	275.86	316.61
Add / (Less): OCI for the year	0.17	0.74
Less : Dividend on equity share	(54.00)	-
Less : Dividend distribution tax	(11.10)	-
Balance available for appropriation	**2,424.12**	**2,213.18**
Less: Appropriation		
Transfer to Capital Redemption Reserve *(Refer Note Below)*	-	-
	2,424.12	**2,213.18**
Capital Reserve on Consolidation	**9.18**	**9.18**
Total	**6,911.58**	**6,717.77**

Nature and Purpose of other reserves

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

Capital Redemption Reserve: In terms of provisions contained in Section 55 of the Companies Act 2013, the Company has, upon redemption of Preference Shares pursuant to resolution passed at the meeting held on December 20, 2016, transferred the amount equivalent to the face value of Preference Shares from the accumulated profits to Capital Redemption Reserve. This fund can be utilized only for issuing fully paid bonus shares. No dividends can be distributed out of this fund.

Retained Earnings: Retained Earnings represents surplus/accumulated earnings of the Corporation and are available for distribution to shareholders.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Other comprehensive income (OCI): OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. The components of OCI include: re-measurements of defined benefit plans, gains and losses arising from translating the financial statements of a foreign operation etc.

Capital Reserve on Consolidation: This is not available for distribution of dividend.

Distributions Proposed

(₹ in million)

Particulars	2019-20	2018-19
Proposed dividends on Equity shares:		
Final dividend for the year ended on March 31, 2020: ₹ 0.50 per share (March 31, 2019: ₹ 0.50 per share)	54.00	54.00
DDT on Final Dividend	-	11.10
Total Proposed Dividend	**54.00**	**65.11**

NOTE 21 : BORROWINGS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- current		
Secured		
Term loans from bank		
HDFC Bank Limited		
In Foreign Currency	34.96	75.04
In Indian Currency	303.78	317.39
IDFC Bank	143.79	176.65
Vehicle loans		
Daimler Financial services India Private Limited	4.20	-
Total	**486.73**	**569.08**
Current maturities of long term debts		
Secured		
Term loans from bank		
HDFC Bank Limited		
In Foreign Currency	46.62	36.45
In Indian Currency	46.63	78.13
IDFC Bank	39.73	23.00
Vehicle loans		
HDFC Bank Limited	-	0.15
Daimler Financial services India Private Limited	2.46	1.43
Total	**135.44**	**139.16**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

21 Principal Terms and Conditions of borrowings as at March 31, 2020

(a) Secured

(i) Term loans

(₹ in million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	HDFC Bank Limited	Jabalpur, S.G. Highway	103.11	8.25%	Loans are repayable in 20 equal quarterly installments commencing from February, 2017.	Within 30 days of interest reset date, the Company has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by the borrower from fresh equity or internal accruals, no prepayment penalty shall be payable. Should the Company choose to exercise the prepayment option, the lender(s) must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility. Penalty: Default interest of 2% p.a. over and above the applicable Interest Rate till such time such default / noncompliance is cured to the Lender's satisfaction.	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway,Ahmedabad - 380005 with total land area admeasuring 6,880 sqmtr and total constructed building area of 12,053.56 sqmtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram I. Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second paripassu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First paripassu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur. (vi) Additional Security : Fixed deposit of ₹ 451.47 million under lien with HDFC bank.	HDFC Bank Limited (on behalf of SBICAP Trustee)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(₹ in million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
2	HDFC Bank Limited	Naroda	328.89	8.25%	Loans are repayable in 24 equal quarterly installments commencing from June,2019.	Within 45 days of interest reset date, the borrower has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. Penalty: Default interest of 2%p.a. over and above the applicable interest Rate till such time such default / non-compliancies cured to the Lender's satisfaction.	(i) First paripassu charge by way of equitable mortgage over land & building pertaining to hospital at Jaipur and Indore. (ii) First paripassu charge by way of equitable mortgage over land and building pertaining to hospital at Naroda. (iii) First ranking Security by way of hypothecation of all the present and future tangible movable assets including plant and machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at Jaipur, Indore and Naroda. (iv) Personal guarantee of Director Dr. Vikram I. Shah to the extent of 50 % of Naroda Land offered under security. (v) Second ranking security by way of hypothecation on the entire current asset, operating cash flows, receivables, commissions, revenues of what so ever nature and wherever arising, present and future uncalled capital (if any) present and future, of the company. (vi) Additional Security : Fixed deposit of ₹ 451.47 million under lien with HDFC bank.	SBICAP Trustee
3	IDFC Bank	Surat	183.52	F.D rate + 0.7% p.a till Loan is backed by F.D 5.95 + 0.7 = 6.65%	The loan is repayable in 28 structured quarterly installments starting from June 30, 2019 & ending on March 31, 2026.	Except as given in (i) and (ii) below, any prepayment of the loan made by the borrower shall be with a prepayment premium of 2% of the principal amount being prepaid. i) The borrower shall have a right to prepay the loan in full but not in part within 30 days of the reset date without any prepayment premium ii) The borrower shall have to mandatory prepay the loan to the extent of atleast 30% of the outstanding amount from IPO proceeds without any prepayment premium.	i) Hypothecation of Surat facility current assets (including cashflows) and all movable assets including plant and machinery, medical equipment etc. present and future and exclusive mortgage of leasehold rights (of land) together with building. ii) First paripassu hypothecation of SG highway unit receivable and cash flows. Paripassu charge to be shared with HDFC bank term loan sanction amount of ₹ 150 crore. Additional Security : Fixed deposit of ₹ 20 Crores under lien with IDFC bank.	IDFC Bank

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(ii) Vehicle loans

(₹ in million)

Sr. No.	Name of Lender	Vehicle	Amount Outstanding as at March 31, 2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	Daimler Financial Services India Private Limited	Mercedes Benz	6.66	7.14%	Loans are repayable in 36 equal monthly installments commencing from December, 2019.	Prepayment Charges: NA Penalty: 5% per annum plus applicable taxes or statutory levies, if any	First and exclusive charge of the Vehicle	Daimler Financial Services India Private Limited

(iii) Overdraft Facility

(₹ in million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	Kotak Mahindra Bank Limited	Corporate	(14.58)	6M MCLR +0.70%=9.05%	12 Months	N.A	(1) First pari-passu hypothecation charge to be shared with HDFC bank on all existing and future current assets of Krishna Shalby Hospital belonging to the Company. (2) First and exclusive mortgage charge on immovable properties being land and building of Krishna Shalby Hospital situated at 319 – Green City, Ghuma, Bopal, Ahmedabad belonging to the Company.	SBICAP Trustee

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(₹ in million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
2	HDFC Bank	Corporate	(23.75)	8.15%	12 Months	N.A	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway, Ahmedabad - 380005 with total land area admeasuring 6880 sqmtr and total constructed building area of 12053.56 sqmtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram I. Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second paripassu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First paripassu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur. (vi) Additional Security : Fixed deposit of ₹ 451.47 million under lien with HDFC bank.	HDFC Bank Limited (on behalf of SBICAP Trustee)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 22 : OTHER FINANCIAL LIABILITIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- Current		
Deposits	5.57	5.95
Retention money	0.53	-
	6.10	**5.95**
Current		
Current Maturities of Long Term Borrowings	135.44	139.16
Interest Accrued but not due on Borrowings	2.75	2.98
Creditors for capital goods	10.35	57.48
Retention money	1.18	30.73
Unclaimed Dividend*	0.05	-
Other Payables		
Employees	18.91	20.76
	168.68	**251.11**
Total	**174.78**	**257.06**

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 23 : PROVISIONS

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- Current		
Provision for employee benefits		
Gratuity (Net of Plan asset)	-	0.12
Leave obligation	16.61	15.15
Total	**16.61**	**15.27**
Current		
Provision for employee benefits		
Gratuity (Net of Plan asset) (Refer Note:-37)	4.22	3.54
Leave obligation	3.03	2.96
	7.25	**6.50**
Total	**23.86**	**21.77**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 24 : OTHER NON-CURRENT / CURRENT LIABILITIES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- Current		
Government Grant *(Refer Note Below)*	128.11	137.38
Less: Released in the statement of Profit and loss	(9.26)	(9.27)
Less: Amount Disclosed under Current Liabilities	(9.26)	(9.27)
Lease Liability	44.74	-
Total	**154.33**	**118.84**
Current		
Government Grants	9.26	9.27
Advance from Customers	6.40	18.38
Statutory Liabilities	34.44	35.68
Lease liability	4.17	-
Other Payable	0.03	-
	54.30	**63.33**
Total	**208.63**	**182.17**

Note:

The Company, having established Super Specialty Hospitals at Indore and Jabalpur both in the State of Madhya Pradesh and at Naroda (Ahmedabad) and Surat both in the State of Gujarat, becomes eligible for one time incentive towards development of Healthcare sector in terms of policies of respective State Government in this regard. The incentive is based on capital investment and therefore is recognised in the form of capital subsidy. The same, being available against the entire capital investment, has been recognised and classified in accordance with Significant Accounting Policy referred at note 5.12 to the financial statements.

NOTE 25 : TRADE PAYABLES

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- Current		
A) Total Outstanding dues of micro enterprises and small enterprises (Refer note no:- 44)	-	-
B) Total Outstanding dues to creditors other than Micro Enterprise & Small Enterprise	601.55	562.75
Total	**601.55**	**562.75**

NOTE 26 : REVENUE FROM OPERATIONS

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Revenue from Contracts with Customers (Refer Note 46)	4,860.27	4,610.69
Other Operating Revenue	8.23	11.87
Total	**4,868.50**	**4,622.56**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Break up of other operating revenue

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Project Consultancy	0.99	0.97
Sale of Licence	7.24	10.90
Total	**8.23**	**11.87**

NOTE 27 : OTHER INCOME

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Interest Income		
From Banks	50.12	62.35
On IT refund	0.06	2.08
Others	1.34	0.96
Rent	6.45	5.38
Capital Subsidy	9.26	9.25
Interest Subsidy	42.09	9.28
Income-Mutual Fund	10.69	0.26
Liquidated Damages and Penalty Charges	-	0.18
Vendor registration fees	0.07	0.08
Service Tax Refund Account-Orthotrend	-	0.09
Foreign Exchange Fluctuation Gain (Net)	0.85	-
Other Non-Operating Income		
Sundry balances written back (Net)	50.73	0.35
Provision no longer required	-	0.03
Miscellaneous	2.05	2.30
	52.78	**2.68**
Total	**173.71**	**92.59**

NOTE 28 : OPERATIVE EXPENSES

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Materials and Consumables	720.77	729.58
Diagnostic Expenses	89.16	84.73
Fees to Doctors and Consultants	1,250.78	1,243.48
Power, Fuel and Water Charges	129.82	126.63
Housekeeping and Catering	93.74	100.90
Attendants and Securities	102.17	119.77
Linen & Uniform	4.96	4.20
Other Operative Expenses	32.63	29.76
Total	**2,424.03**	**2,439.05**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 29 : PURCHASE OF STOCK-IN-TRADE

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Medicines and Medicare Items	528.00	398.51

NOTE 30 : CHANGES IN INVENTORIES

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Inventory at the end of the year		
Medicine and Medical Items	26.96	28.23
Inventory at the beginning of the year		
Medicine and Medical Items	28.23	23.17
(Increase) / Decrease in stocks	**1.27**	**(5.06)**

NOTE 31 : EMPLOYEE BENEFITS EXPENSE

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Salary, Allowances & Bonus	619.89	611.34
Contribution to Provident & other funds	34.66	34.36
Staff Welfare expenses	0.41	0.27
Total	**654.96**	**645.97**

During the FY 2019-20, Project team & IT team salary cost amounting to ₹ 24.33 million (Previous Year ₹ 18.04 million) has been capitalised through capital work-In Progress and intangible assets under development as it is related with upcoming unit at Mumbai and implementation of SRIT & SAP which is under development.

NOTE 32 : FINANCE COST

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Interest on Term Loan from Banks	52.19	70.50
Exchange differences regarded as an adjustment to borrowing costs	6.83	8.68
Other ancillary Cost	4.56	1.51
Total	**63.58**	**80.78**

NOTE 33 : DEPRECIATION AND AMORTIZATION

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Depreciation on property, plant and equipment	351.06	329.78
Amortization on intangible assets	3.72	1.95
Amortisation on Right of Use Assets	5.42	-
Total	**360.20**	**331.73**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 34 : OTHER EXPENSES

(₹ in million)

Particulars	2019 - 2020	2018 - 2019
Advertising and Publicity	85.63	68.91
Orthotrend Expense	12.13	5.20
Auditors' Remuneration	2.51	1.94
Communication	8.15	8.20
Rent, Rates and Taxes	34.10	36.83
Fees and Legal	15.05	16.12
Insurance	1.21	3.01
Stationery and Printing	15.71	17.61
Repairs and Maintenance-Hospital Equipments	76.90	50.05
Repairs and Maintenance - Building	6.29	3.98
Repairs and Maintenance - Others	32.36	33.45
Travelling and Conveyance	35.57	37.59
Security expenses	0.33	0.44
Loss on Sale of Assets	1.02	0.60
Foreign exchange fluctuations (Net)	-	0.03
Provision for Bad and Doubtful Debts	51.87	10.19
Sundry Debtors Balance Written off	4.91	-
Bank charges	10.51	10.98
Corporate Social Responsibility	30.00	-
Others Expenses	18.66	15.16
Total	**442.91**	**320.29**
Payment to Auditor		
For Statutory Audit	1.42	1.38
For Limited Review	0.48	0.30
For Taxation Matter	0.49	0.23
For Certification	0.05	-
For Reimbursement of Expenses	0.07	0.04
Total	**2.51**	**1.94**

NOTE 35 : EARNING PER SHARE

Particulars	2019 - 2020	2018 - 2019
Net Profit attributable to Equity shareholders (₹ in million)	275.87	316.61
Number of equity shares (In million)	108.01	108.01
Weighted Average number of Equity Shares (In million)	108.01	108.01
Basic earning per Share (₹)	2.55	2.93
Diluted earning per Share (₹)	2.55	2.93

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 36 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in million)

	Particulars	As at March 31, 2020	As at March 31, 2019
A	**Contingent Liabilities not provided for in respect of**		
(i)	Claim against the company not acknowledged as debt	109.80	89.79
(ii)	Income tax Demand for Assessment Years		
	2010-11	24.61	24.61
	2011-12	14.52	14.52
	2012-13	2.06	2.06
	2013-14	113.10	113.10
	2014-15	27.45	27.45
	2015-16	41.42	41.42
	2018-19	15.93	-
(iii)	Bank Guarantee	16.19	21.83
(iv)	Sales Tax Demand including Interest & Penalty for years (Based on expert advice received by client)		
	2009-10	52.61	52.61
	2010-11	63.13	63.13
	2011-12	74.91	74.91
	2012-13	91.90	91.90
	2013-14	101.26	101.26
	Entry Tax (Jaipur unit) for Year 2015-16	-	6.55
	Labour Cess for the period from 2014-15 to 2016-17	-	1.74
(v)	Export Obligation under EPCG Scheme	30.91	25.28
(vi)	TDS demand for F.Y.2007-08 to F.Y.2015-16	0.52	0.52
(vii)	TDS default demand	2.16	2.16
B	**Capital Commitments**		
	Estimated amount of contract remaining to the executed on capital accounts	32.28	34.16

NOTE 37: EMPLOYEE BENEFITS

Note 37.1 Defined contribution plan

The Company has defined contribution plan in form of Provident Fund & Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

(₹ in million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds	23.32	21.27
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	4.24	5.37

Note 37.2 Defined benefit plan

(a) Gratuity

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(b) Defined Benefit Plan

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Gratuity

(₹ in million)

Particulars	Valuation	
	As at March 31, 2020	As at March 31, 2019
Discount rate	6.55%	7.60%
Expected rate(s) of salary increase	6.00%	6.00%
Rate of return on plan assets	6.55%	7.60%

The following table sets out the status of the amounts recognised in the balance sheet & movements in the net defined benefit obligation as at March 31, 2020.

(₹ in million)

	Particulars	As at March 31, 2020 Gratuity (Funded)	As at March 31, 2019 Gratuity (Funded)
	Changes in the present value of obligation		
1.	Present value of obligation (Opening)	18.66	15.76
2.	Interest cost	1.38	1.16
3.	Past service cost adjustments/Prior year Charges	-	-
4.	Current service cost	6.42	6.50
5.	Curtailment Cost / (Gain)	-	-
6.	Settlement Cost / (Gain)	-	-
7.	Benefits paid	(1.21)	(2.72)
8.	Actuarial (Gain) / Loss arising from change in financial assumptions	2.04	-
9.	Actuarial (Gain) / Loss arising from change in demographic assumptions	(0.01)	-
10.	Actuarial (Gain) / Loss arising from change on account of experience changes	(3.21)	(2.05)
11.	Present value of obligation (Closing)	**24.05**	**18.66**
	Changes in the fair value of plan assets		
1.	Present value of plan assets (Opening)	15.00	11.94
2.	Past contribution / Adjustment to Opening Fund	-	-
3.	Expected return on plan assets	(0.93)	(0.92)
4.	Interest Income	1.38	1.12
5.	Actuarial Gain / (Loss)	-	-
6.	Employers Contributions	5.59	5.58
7.	Employees Contributions	-	-
8.	Benefits paid	(1.21)	(2.72)
9.	Expense deducted from the fund	-	-
10.	Fair Value of Plan Assets (Closing)	**19.83**	**15.00**
	Percentage of each category of plan assets to total fair value of plan assets at the year end		
1.	Bank Deposits	-	-
2.	Debt Instruments	-	-
3.	Administered by Life Insurance Corporation of India	100%	100%
4.	Others	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(₹ in million)

Particulars	March 31, 2020 Gratuity	March 31, 2019 Gratuity
Present Value of funded obligation at the end of the year	24.05	18.66
Fair Value of Plan Assets as at the end of the period	19.83	15.00
Amount not recognised due to asset limit	-	-
Deficit of funded plan	4.22	3.66
Deficit of unfunded plan	-	-
- Current	4.22	3.54
- Non-Current	-	0.12

Amount recognized in standalone statement of profit and loss in respect of defined benefit plan are as follows:

(₹ in million)

Expense recognised in the Statement of Profit and Loss	March 31, 2020 Gratuity	March 31, 2019 Gratuity
Current Service Cost	6.42	6.50
Past Service Cost	-	-
Adjustment to opening fund	-	-
Net interest Cost	(0.01)	0.04
Net value of remeasurements on the obligation and plan assets	-	-
Adjustment to Opening Fund	-	-
(Gains)/Loss on Settlement	-	-
Total Expenses recognized in the Statement of Profit and Loss #	**6.41**	**6.55**

(₹ in million)

Amount recorded in Other comprehensive Income (OCI)	March 31, 2020 Gratuity	March 31, 2019 Gratuity
Re-measurements during the year due to		
Changes in financial assumptions	2.04	-
Changes in demographic assumptions	(0.01)	-
Experience adjustments	(3.21)	(2.05)
Return on plan assets excluding amounts included in interest income	0.93	0.92
Amount recognised in OCI during the year	**(0.26)**	**(1.13)**

(c) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Gratuity

Impact on defined benefit obligation

Particulars	Change in Assumption		Increase in Assumptions			Decrease in Assumptions		
	March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
Discount rate	0.50%	0.50%	Decrease by	4.19%	3.96%	Increase by	4.51%	4.25%
Salary growth rate	0.50%	0.50%	Increase by	4.18%	3.98%	Decrease by	3.97%	3.82%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined

Notes to the Consolidated Financial Statements

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benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

(d) Major Category of Plan Asset as a % of total Plan Assets

Category of Assets (% Allocation)	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
	%		₹ in million	
Insurer managed funds	100.00%	100.00%	19.83	15.00
Total	**100.00%**	**100.00%**	**19.83**	**15.00**

(e) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

The gratuity fund is administered through Life Insurance Corporation of India (insurer) under its group gratuity scheme. Accordingly almost the entire plan asset investment is maintained by the insurer. These are subject to interest rate risk which is managed by the insurer.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets maintained by the insurer.

(f) Defined benefit liability and employer contribution

The Company generally eliminates the deficit in the defined benefit gratuity plan with in next one year.

Expected contribution to the post -employment benefit plan (Gratuity) for the year ending March 31, 2020 is ₹ 4.22 million.

The weighted average duration of the defined benefit obligation is 8.43 years (2019 - 8.57 years).

The expected maturity analysis of undiscounted post -employment benefit plan (gratuity) is as follows:

Gratuity

(₹ in million)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Cash Flow (₹)	(%)	Cash Flow (₹)	(%)
1st following year	1.47	3.10%	1.06	2.60%
2nd following year	1.74	3.60%	1.36	3.40%
3rd following year	1.89	4.00%	1.66	4.10%
4th following year	2.05	4.30%	1.93	4.80%
5th following year	2.85	6.00%	1.98	4.90%
Sum of year 6 to 10th	11.46	23.90%	9.89	23.20%

NOTE 38 SEGMENT INFORMATION

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 39: RELATED PARTY

1. Related Party Disclosures for the year ended March 31, 2020

(a) Details of Related Parties

Description of Relationship	Names of Related Parties
Promoter Company	Zodiac Mediquip Limited
Key Management Personnel (KMP)	Dr. Vikram I. Shah
	Mr. Ravi Bhandari (Up to 30/06/2018)
	Mr. Shantilal Kothari (Up to 17/08/2018)
	Mr. Prahlad Rai Inani (From 17/05/2018)
	Mr. Jayesh Patel
	Dr. Nishita Shukla
Relatives of KMP	Dr. Darshini V. Shah
	Mr. Shanay V. Shah
Enterprise over which KMP / Relatives of KMP exercise significant influence through controlling interest (Other Related Party)	Uranus Medical Devices Limited
	Shalby Orthopaedic Hospital and Research Centre
	Friends of Shalby Foundation
	Slaney Healthcare Private Limited

(b) Key management personnel compensation

(₹ in million)

Particulars	2019-20	2018-19
Short-term employee benefits	12.91	15.06
Termination benefits	-	0.13
Total Compensation	**12.91**	**15.19**

(c) Details of transactions with related parties for the year ended March 31, 2020 in the ordinary course of business:

(₹ in million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	**Professional Fees**										
	Dr. Vikram I. Shah	-	-	-	-	19.39	16.71	-	-	19.39	16.71
	Dr. Darshini V. Shah	-	-	-	-	14.04	16.77	-	-	14.04	16.77
2	**Rent Expenses**										
	Dr. Vikram I. Shah	-	-	-	-	11.38	11.25	-	-	11.38	11.25
	Shalby Orthopaedic Hospital and Research Centre	-	-	-	-	-	-	0.60	0.60	0.60	0.60
3	**Rent Income**										
	Slaney Healthcare Private Limited	-	-	-	-	-	-	0.76	0.21	0.76	0.21

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(₹ in million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
4	**Salary**										
	Ravi Bhandari	-	-	-	-	-	2.17	-	-	-	2.17
	Shantilal Kothari	-	-	-	-	-	2.15	-	-	-	2.15
	Prahlad Rai Inani	-	-	-	-	5.21	4.12	-	-	5.21	4.12
	Shanay V. Shah	-	-	-	-	5.04	4.80	-	-	5.04	4.80
	Jayesh Patel	-	-	-	-	1.94	1.70	-	-	1.94	1.70
	Dr. Nishita Shukla	-	-	-	-	5.75	4.92	-	-	5.75	4.92
5	**Commission Expense**										
	Zodiac Mediquip Limited	-	-	0.20	0.22	-	-	-	-	0.20	0.22
6	**Guest House Expenses**										
	Zodiac Mediquip Limited	-	-	3.50	1.30	-	-	-	-	3.50	1.30
7	**Purchase return of medicines, materials and consumables**										
	Slaney Healthcare Private Limited	-	-	-	-	-	-	111.75	99.83	111.75	99.83

(d) Amount due to / from related parties as at March 31, 2020

(₹ in million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	**Trade Payable**										
	Dr. Vikram I. Shah	-	-	-	-	3.23	2.66	-	-	3.23	2.66
	Dr. Darshini V. Shah	-	-	-	-	3.91	3.57	-	-	3.91	3.57
	Friends of Shalby Foundation	-	-	-	-	-	-	0.01	0.01	0.01	0.01
	Zodiac Mediquip Limited	-	-	0.71	1.30	-	-	-	-	0.71	1.30
2	**Rent Payable**										
	Dr. Vikram I. Shah	-	-	-	-	0.97	0.40	-	-	0.97	0.40
	Shalby Orthopaedic Hospital and Research Centre	-	-	-	-	-	-	1.61	1.07	1.61	1.07
3	**Other Receivables**										
	Slaney Healthcare Private Limited	-	-	-	-	-	-	0.64	0.70	0.64	0.70
4	**Other Payable**										
	Dr. Vikram I. Shah	-	-	-	-	-	0.03	-	-	-	0.03

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 40 : CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Total equity attributable to the equity share holders of the company	7,991.68	7,797.88
As percentage of total capital	**95.98%**	**94.50%**
Current loans and borrowings	135.44	139.16
Non-current loans and borrowings	486.73	569.08
Total loans and borrowings	**622.17**	**708.24**
Cash and Bank balances (Refer Note:-16 & 17)	287.33	254.03
Net loans & borrowings	**334.84**	**454.21**
As a percentage of total capital	0.04	0.06
Total capital (loans and borrowings and equity)	**8,326.52**	**8,252.09**

NOTE 41: FAIR VALUE MEASUREMENTS

A. Financial instruments by category

(₹ in million)

Particulars	March 31, 2020			March 31, 2019		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Assets						
Investments	-	279.88	-	-	108.86	-
Trade and other receivables	948.55	-	-	813.59	-	-
Cash and cash Equivalents	84.60	-	-	51.83	-	-
Other bank balances	202.73	-	-	202.20	-	-
Other financial assets	596.49	-	-	634.79	-	-
Total Financial Assets	**1,832.37**	**279.88**	**-**	**1,702.41**	**108.86**	**-**
Financial Liabilities						
Borrowings	486.73	-	-	569.08	-	-
Trade payables	601.55	-	-	562.75	-	-
Other financial liabilities	174.78	-	-	257.06	-	-
Total Financial Liabilities	**1,263.06**	**-**	**-**	**1,388.89**	**-**	**-**

Fair value hierarchy

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2020

(₹ in million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments			-	
- Mutual Fund	275.01	-	-	275.01
- Equity Instrument	3.77			3.77
- Membership fees	-	-	1.10	1.10
Total	**278.78**	**-**	**1.10**	**279.88**

Financial assets measured at fair value at March 31, 2019

(₹ in million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	107.76	-	-	107.76
- Membership fees	-	-	1.10	1.10
Total	**107.76**	**-**	**1.10**	**108.86**

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

(i) The use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 1

D. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short-term nature. Difference between carrying amount of Bank deposits, other financial assets , borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 42: FINANCIAL RISK MANAGEMENT

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with option of taking Forward Foreign exchange contracts if deemed necessary.
Price Risk	Investments in mutual funds & Equity Instrument	Credit ratings	Portfolio diversification and regular monitoring

(a) 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. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured; the company does not hold any collateral or a guarantee as security. The provision details of the trade receivable are provided in Note 15 of the financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

The provision matrix of ECL at the end of the reporting period is as follows.

Particulars	Expected Credit Loss %
Within 90 days due	0.81%
90 to 180 days due	1.44%
180 to 270 days	2.29%
270 to 360 days	3.19%
360 to 450 days	4.32%
450 to 540 days	5.60%
540 to 630 days	7.14%
630 to 720 days	8.35%
720 to 810 days	11.29%
810 to 900 days	19.40%
900 to 990 days	31.95%
990 to 1080 days	57.35%
(> 1080 days)	100.00%

Reconciliation of loss allowance provision

Trade receivables

Particulars	(₹ in million)
Loss allowance as on March 31, 2019	20.93
Changes in loss allowance	41.32
Loss allowance as on March 31, 2020	62.25

Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The working capital position of the Company is given below:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Cash and cash equivalents	84.60	51.83

Notes to the Consolidated Financial Statements
for the year ended March 31, 2020

Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2020

(₹ in million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	135.44	449.04	37.70
Other Financial Liabilities	-	6.10	-
	135.44	**455.13**	**37.70**
Current financial liabilities			
Borrowings from Banks	-	-	-
Trade payables	601.54	-	-
Other Financial Liabilities	33.24	-	-
	634.78	**-**	**-**
Total financial liabilities	**770.22**	**455.13**	**37.70**

^ Borrowings are disclosed net of processing charges.

As at March 31, 2019

(₹ in million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	139.16	373.87	195.21
Other Financial Liabilities	-	5.95	-
	139.16	**379.82**	**195.21**
Current financial liabilities			
Borrowings from Banks	-	-	-
Trade payables	562.75	-	-
Other Financial Liabilities	111.95	-	-
	674.70	**-**	**-**
Total financial liabilities	**813.86**	**379.82**	**195.21**

^ Borrowings are disclosed net of processing charges.

(c) Market Risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

(i) Currency Risk

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency (₹), primarily in respect of US$, and Euro. The Company ensures that the net exposure is kept to an acceptable level and is remain a net foreign exchange earner.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are given below:

(Amount in million)

Financial Assets	March 31, 2020		March 31, 2019	
	Amount	Amount (₹)	Amount	Amount (₹)
Trade receivables	-	-	USD 0.00	0.07
Total Financial assets	**-**	**-**		**0.00**
Financial liabilities				
Borrowings	USD 1.08	81.58	USD 1.61	109.88
Total financial liabilities		**81.58**		**109.88**

Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2020 and March 31, 2019 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

(₹ in million)

Financial Assets	Profit or Loss			
	March 31, 2020		March 31, 2019	
	Strengthening	Weakening	Strengthening	Weakening
USD (Increase/decrease by 1%)	0.82	(0.82)	1.10	(1.10)
Total	**0.82**	**(0.82)**	**1.10**	**(1.10)**

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

The exposures of the Company's financial assets / liabilities at the end of the reporting period are as follows:

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings	88.24	113.06
Floating rate borrowings	533.93	595.18
Total	**622.17**	**708.24**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ in million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Impact on profit – increase in 50 basis points	2.67	2.98
Impact on profit – decrease in 50 basis points	(2.67)	(2.98)

(iii) Price Risk

Exposure

The Company's exposure to securities price risk arises from investments held in mutual funds & Equity Instrument classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/ decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

43 LEASES

43.1 Change in Accounting Policy

Except as specified below, the company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of April 1, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below.

The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative adjustment for present value of the remaining lease payments of lease contracts existing as on the date of initial application has been recognized as a lease liability with an equivalent asset for the right to use as detailed below.

Financial Liabilities	(₹ in million)
Lease commitments as at March 31, 2019	52.77
Add / (Less): contracts reassessed as lease contracts	-
Add / (Less): adjustments on account of extension/termination	-
Lease liabilities as on April 1, 2019	**52.77**
Current lease liability	3.86
Non current lease liabilities	48.91

Right of use assets of ₹ 52.77 million and lease liabilities of ₹ 52.77 million have been recognised as on April 1, 2019.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

Financial Liabilities	Amount
Increase in Lease Liability by	52.77
Increase in Rights of Use by	52.77
Increase in Finance Cost by	3.94
Increase in Depreciation by	5.42
Decrease in Rent expense by	7.80

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

43.2 As Lessee

(A) Additions to right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(₹ in million)

Particulars	As at March 31, 2020	As at March 31, 2019
Right-of-use assets, except for investment property	47.35	-

(B) Carrying value of right of use assets at the end of the reporting period by class

Particulars	Land & Building
Balance at April 1, 2019	52.77
Depreciation charge for the year	5.42
Balance at March 31, 2020	47.35

(C) Maturity analysis of lease liabilities

Maturity analysis – Contractual undiscounted cash flows	As at March 31, 2020
Less than one year	7.80
One to five years	31.20
More than five years	39.25
Total undiscounted lease liabilities at March 31, 2020	**78.25**
Lease liabilities included in the statement of financial position at March 31, 2020	**49.24**
Current	4.14
Non-Current	45.10

(D) Amounts recognised in profit or loss

Particulars	2019-20
Interest on lease liabilities	3.94
Variable lease payments not included in the measurement of lease liabilities	7.40
Income from sub-leasing right-of-use assets	-
Expenses relating to short-term leases	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	6.68

(E) Amounts recognised in the statement of cash flows

Particulars	2019-20
Total cash outflow for leases	22.88

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 44: DUE TO MICRO, SMALL AND MEDIUM ENTERPRISE AND CONFIRMATIONS

(a) Due to Micro, Small and Medium Enterprise

(₹ in million)

Sr. No.	Particulars	March 31, 2020	March 31, 2019
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3	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 Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

(b) Confirmations Confirmations

The company has circulated letters of Balance Confirmation to Sundry Debtors, Sundry Creditors and the parties to whom loans and advances have been granted. Confirmations were received in some cases.

NOTE 45: CORPORATE SOCIAL RESPONSIBILITY

(a) Gross amount required to spend by the company:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Opening unspent Amount	43.50	33.46
Amount required to be spent for the year	10.90	10.04
Amount spent during the year	30.00	-
Closing Unspent amount	**24.41**	**43.50**

(b) The amount spent during the period / year on:

(₹ in million)

Particulars	In cash / cheque	Yet to be paid in cash / cheque	Total
Construction / acquisition of any assets	30.00	-	30.00
On purposes other than above	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 46: REVENUE FROM CONTRACT WITH CUSTOMERS

The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Revenue from Sale of Products	199.36	133.95
Revenue from Sale of Services	4,660.91	4,476.74
Total Revenue	**4,860.27**	**4,610.69**

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segment wise

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Revenue from Sale of Services		
In Patient Discharge		
Domestic	3,821.80	3,766.05
Overseas	82.33	121.34
Out Patient Discharge	538.26	489.12
Diagnostic Services	31.92	56.26
Clinical Trials	5.49	4.38
Training	0.18	0.64
Orthotrend Event	21.21	2.70
Allied Services	13.92	19.11
Spine Conclave Event	-	2.06
Other operative Income	145.80	15.08
Total Revenue from Sale of services	**4,660.91**	**4,476.74**
Revenue from Sale of Products		
Revenue from Medicines & Medicare Items	199.36	133.95
Total Revenue from Contract with Customers	**4,860.27**	4,610.69

Contract Asset

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Opening Balance of Contract Asset	52.84	58.09
Revenue Recognised from the opening balance of contract liability	52.84	58.09
Current year Contract asset - Carried Forward	13.32	52.84
Closing Balance of Contract Asset	**13.32**	**52.84**

Contract Liability

(₹ in million)

Particulars	March 31, 2020	March 31, 2019
Opening Balance of Contract Liability	18.38	4.00
Revenue Recognised from the opening balance of Contract Liability	18.38	4.00
Current year Contract liability - Carried Forward	6.40	18.38
Closing Balance of Contract Liability	**6.40**	**18.38**

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 5.8 of Note No. 5.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

Contract Assets in the balance sheet constitutes unbilled amounts to customers representing the Company's right to consideration for the services transferred to date. Any amount previously recognised as Contract Assets is reclassified to trade receivables at the time it is invoiced to the customer.

Contract Liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the next financial year.

There were no significant changes in contract assets and contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.

Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

The Company generates revenue from knee replacement surgeries, other indoor and outdoor patient discharges, diagnostic services. clinical trials, trainings and other sales of medicines and medicare items.

The revenue from rendering Healthcare services and Pharmaceutical products satisfies 'at a point in time' recognition criteria as prescribed by IND AS 115.

NOTE 47: UN-HEDGED FOREIGN CURRENCY EXPOSURE

The company does not enter into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The foreign currency exposure not hedged as at March 31, 2020 are as under:

(Amount in million)

Currency	Payable (In Foreign Currency)		Receivable (In Foreign Currency)		Payable (In Indian Rupee)		Receivable (In Indian Rupee)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
USD	1.08	1.61	-	0.00	81.58	109.88	-	0.07

NOTE 48: STATEMENT OF MANAGEMENT

(a) The non current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.

(b) Balance Sheet, Statement of Profit and Loss, cash flow statement and change in equity read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and financial performance of the Company for the year under review.

NOTE 49: The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year. Figures are rounded off to nearest million.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 50: Balances of Sundry Creditors, Sundry debtors, Loans & advances, etc. are subject to confirmation and reconciliation, if any.

NOTE 51: The outbreak of Coronavirus (COVID-19) pandemic globally and In India is causing significant disturbance and slowdown of economic activity. The management has considered possible effects, If any, that may result from the pandemic relating to COVID-19 on all the carrying amounts of trade receivables and other current assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the country specific economic conditions prevailing as at the date of approval of these financial results and has used Internal and external sources of information to the extent determined by It. The Company is providing healthcare services, being "essential services" there has been no suspension of operation and the Company has taken further steps for smooth functioning of Its operations during the pandemic relating to COVID-19. The management has also evaluated impact of this pandemic on Its business operations and based on its review and current Indicators of future economic conditions, no material adjustment is required in the financial statements. Due to the temporary suspension of services of elective surgeries and travel restrictions of overseas patients, business operations of the Company are expected to be lower in the short term, though the same is not likely to have a continuing Impact on the business of the Company. Further, the Management believes that in the long term, there may not be material Impact of COVID-19 pandemic on the financial position and performance of the Company. However, the Impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
Date : June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
Date : June 15, 2020

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 52: ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY

Name of Entities	Net Assests i.e. Total Assets minus Total Liabilties		Statement in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As a % of consolidation net assets	Amount (₹ in million)	As a % of consolidation net assets	Amount (₹ in million)	As a % of consolidation net assets	Amount (₹ in million)	As a % of consolidation net assets	Amount (₹ in million)
Parent								
Shalby Limited	100.53	8,034.93	248.77	686.23	100.00	0.17	248.67	686.40
Subsidiary								
Indian								
Vrundavan Shalby Hospital Limited	0.84	66.81	(0.40)	(1.10)	-	-	(0.40)	(1.10)
Yogeshware Healthcare Limited	0.09	6.87	(0.55)	(1.52)	-	-	(0.55)	(1.52)
Shalby Internation Limited	0.00	0.09	(0.02)	(0.04)	-	-	(0.02)	(0.04)
Griffin Mediquip LLP	(1.49)	(118.85)	(147.31)	(406.36)	-	-	(147.22)	(406.36)
Foreign								
Shalby Kenya Limited	0.02	1.84	(0.49)	(1.35)	-	-	(0.49)	(1.35)
Non Controling Interest in above subsidiaries	0.01	0.50	(0.00)	(0.01)	-		(0.00)	(0.01)
Grand Total	**100.00**	**7,992.18**	**100.00**	**275.85**	**100.00**	**0.17**	**100.00**	**276.03**

As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
Date : June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
Date : June 15, 2020

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020

NOTE 53 : STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARY COMPANIES/ENTITY

(₹ in million)

Name of Subsidiary	Griffin Mediquip LLP	Vrundavan Shalby Hospitals Limited	Shalby International Limited	Shalby Kenya Limited	Yogeshware Healthcare Limited
Country	India	India	India	Kenya	India
Reporting Currency	INR	INR	INR	KSH	INR
Exchange Rate	1	1	1	0.72	1
Share capital /Partner capital	43.71	18.00	0.50	0.07	7.35
Reserves and Surplus	-	48.81	(0.43)	(4.20)	0.57
Total Assets	206.08	67.49	0.15	2.05	7.96
Total Liabilities	162.37	0.69	0.08	6.18	0.04
Turnover/Total Income	445.06	0.44	-	0.40	1.27
Profit / (Loss) Before Tax	3.93	(1.10)	(0.04)	(1.78)	(0.41)
Tax Expense / (Credit)	1.27	-	-	(0.42)	-
Profit / (Loss) after tax	2.66	(1.10)	(0.04)	(1.36)	(0.41)
Proposed dividend and tax thereon	-	-	-	-	-
Investments (except in case of investment in the subsidiaries)	-	-	-	-	-
% of shareholding	99.73	100.00	100.00	100.00	94.68

As per our report of even date

For, T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Mem No: 135556

Place : Ahmedabad
Date : June 15, 2020

For and on behalf of the Board
Shalby Limited

Dr. Vikram I. Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Jayesh R. Patel
Company Secretary

Place : Ahmedabad
Date : June 15, 2020

SHALBY
MULTI-SPECIALTY
HOSPITALS

Shalby Limited

Regd.& Corp. Off: Shalby Multi-Specialty Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015
Tel : +91 79 4020 3000, Website : www.shalby.org Email : companysecretary@shalby.in CIN:L85110GJ2004PLC044667

NOTICE

Notice is hereby given that the 16th Annual General Meeting ('e-AGM') of the Members of Shalby Limited will be held on Monday, September 14, 2020 at 3:30 p.m. through video conferencing (VC)/Other Audio Visual Means (OAVM), to transact the following business;

ORDINARY BUSINESS

1. **Adoption of Financial Statements**
   To receive, consider and adopt
   (a) the Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2020 together with Reports of the Board of Directors and Auditors thereon; and
   (b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2020 and Auditors Report thereon.

2. **Declaration of Dividend**
   To declare a final Dividend of ₹ 0.50 (Fifty Paisa) per equity share of ₹ 10/- each for the financial year 2019-20

3. **Appointment of a Director retire by rotation**
   To appoint a director in place of Mr. Shyamal Joshi (DIN: 00005766), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Re-appointment of Dr. Vikram Shah (DIN: 00011653) as Chairman and Managing Director**
   To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

   "RESOLVED THAT, pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, in accordance with recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company and subject to the provisions of Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be required and subject also to such conditions and modifications as may be prescribed or imposed by any Authority while granting such approvals, permissions or sanctions, the consent of the members of the Company be and is hereby granted to re-appoint Dr. Vikram Shah (DIN: 00011653) as Chairman & Managing Director of the Company not liable to retire by rotation, for a further period of 5 (five) years effective from March 27, 2020 on the terms and conditions as set out in Explanatory Statement annexed to this notice.

   RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as the 'Board', which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly constituted committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval and ratification thereto expressly by the authority of this resolution."

5. **Ratification of the remuneration payable to Cost Auditors of the Company**
   To consider and if thought fit, to pass with or without modification(s), 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 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration, as approved by the Board of Directors and set out in the statement annexed to the notice convening e-AGM, to be paid to M/s. Borad Sanjay B & Associates, Cost Accountants (Firm Registration No. 102408), appointed as the Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, be and is hereby ratified."

6 **Fixation of fees for delivery of any document through a particular mode of delivery to a Member**

To consider and if thought fit, to pass the following resolution(s) as an Ordinary Resolution with or without modification(s):

"RESOLVED THAT, pursuant to the provisions of Section 20 and all other applicable provisions of the Companies Act, 2013 read with the applicable rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), authority be and is hereby given to the Board of Directors of the Company (the 'Board' which term shall include its duly empowered Committee(s) constituted or to be constituted by it to exercise its powers including the powers conferred by this resolution) to determine the fee to be charged from a Member in order to enable recovery of expenses incurred by the Company towards complying with requests for delivery of any documents through a particular mode.

RESOLVED FURTHER THAT, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as may be necessary, proper, expedient or incidental for giving effect to this resolution."

By Order of the Board of Directors

Jayesh Patel
Company Secretary
Mem. No. ACS14898

Place : Ahmedabad
Date : June 15, 2020

Regd. Office: Shalby Multi-Specialty Hospitals,
Opp. Karnavati Club
S. G. Road, Ahmedabad 380015

Notes

1. In view of the prevailing situation across the country due to outbreak of the COVID-19 pandemic and restrictions on the movements apart from social distancing, Ministry of Corporate Affairs (MCA) vide its circular No. 20/2020 dated May 05, 2020 read with circular No. 14/2020 dated April 08, 2020 and circular No. 17/2020 dated April 13, 2020 (collectively referred to as "MCA circulars"), permitted companies to hold their AGM through VC/OVAM for the calendar year 2020 without physical presence of the members at a common venue. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 16th Annual General Meeting of the company is being conducted through Video Conferencing (VC)/OVAM (hereinafter called as "e-AGM") and the e-AGM shall be deemed to be convened and held at the registered office of the Company for the purpose of meeting statutory requirement under the Companies Act, 2013 or any other statute. The Recording/transcript of the e-AGM shall also be made available on the website of the Company www.shalby.org in the Investors Section, as soon as possible after the Meeting is over.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with our R&T Agent i.e. Kfin Technologies Pvt. Ltd. in case the shares are held by them in physical form.

4. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 setting out facts concerning the business as set out in the Notice is annexed herewith. The relevant details of the Director seeking re-appointment at the ensuing AGM, pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Paragraph 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are also annexed hereto.

5. Members seeking any information with regard to the accounts or any matter to be placed at the ensuing AGM, are requested to write to the Company on or before September 7, 2020 through email at companysecretary@shalby.in.

6. For ease of conduct, members who would like to ask questions during the e-AGM, may register themselves as a speaker between September 7, 2020 to September 9, 2020 by sending an email on companysecretary@shalby.in from their registered email address, mentioning their name, demat account number / folio number, email address and mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM.

7. Since the AGM will be held through VC / OAVM, the Route Map is not annexed herewith.

Book Closure:

8. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, September 8, 2020 to Monday, September 14, 2020 (both days inclusive) to determine entitlement of the shareholders to receive dividend for the year 2019-20 and in connection with Annual General Meeting of the Company.

Dividend:

9. The Board of Directors at its meeting held on June 15, 2020, has recommended a final dividend of ₹ 0.50 per equity share of the face value of ₹ 10/- each. The final dividend, if declared at the Annual General Meeting, will be paid to those members of the Company, whose names appear in the Register of Members or Register of Beneficial Ownership as on September 7, 2020. The dividend will be payable on or after September 19, 2020.

10. Members are requested to update the bank details including IFSC code and 9 digit MICR code with the Depository Participants (DP) to receive the amount of dividend quickly. In case of shares held in physical form, the said details may be communicated to the RTA or Company, by quoting registered folio number and attaching photocopy of the cheque leaf of the active bank account along with a self-attested copy of the PAN card.

11. The dividend, if approved, will be paid by crediting in to the bank account as provided by NSDL and CDSL through ECS / NECS / electronic transfer, to those shareholders holding shares in electronic form and having registered active bank details. In respect of shareholders holding shares in physical form and active bank details are not updated with RTA or in case of ECS / NECS / electronic payment is rejected, dividend will be paid by dividend warrants / demand drafts. The dividend warrants / demand drafts will be dispatched at the earliest upon normalization of the postal services.

12. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after 1st April 2020 shall be taxable in the hands of the Shareholders. No tax will be deducted on payment of dividend to the resident individual shareholders if the amount of dividend payable does not exceed ₹ 5,000/-. Your Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend payable. The shareholders are requested to update their PAN with the Company / Kfin Technologies Pvt. Ltd. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). However, no tax or reduced tax shall be deducted on the dividend payable by the company in cases the shareholder provides Form 15G (applicable to any Resident Individual other than a Company or a Firm) / Form 15H (applicable to an Resident Individuals above the age of 60 years) / Form 10F (applicable to Non-Residents), provided that the eligibility conditions are being met. Needless to say, Permanent Account Number (PAN) is mandatory for category of Forms. To avail this benefit, shareholders need to provide respective declaration/ document at the website of RTA at https://ris.kfintech.com/form15/ latest by September 7, 2020.

    Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading respective declaration/documents as mentioned hereinabove.

13. In case the Dividend has remained unclaimed in respect of financial year 2018-19 the Shareholders may approach the Company with their dividend warrants for revalidation with the Letter of Undertaking for issue of duplicate dividend warrants. The Company regularly sends letters/emails to this effect to the concerned Shareholders.

e-AGM:

14. In compliance with applicable provisions of the Companies Act, 2013 read with aforesaid MCA circulars the 16th Annual General Meeting of the company is being conducted through video conferencing (VC)/Other Audio Visual Means (OAVM) and the Company has appointed National Securities Depository Limited, to provide e-voting and Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.

15. Please note that Video Conferencing facility allows two way communication for the ease of participation of the members and the participants are allowed to pose questions as may be announced during the meeting.

16. Pursuant to the provisions of the circulars of MCA on the VC/OVAM (e-AGM) Members can attend the meeting through log in credentials provided to them to connect to Video conference. Facility for physical attendance of the Members at the Meeting venue is not available.

17. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in a separate annexure to this Notice. The facility of participation at this e-AGM will be made available for 1000 members on first-come-first–served basis and this restriction will not be applicable to large Shareholders (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.

18. The attendance of the Members (members logins) attending the e-AGM through video conferencing will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

19. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

20. Instructions relating to Remote e-Voting and attending AGM through VC/OAVM are annexed to this Notice.

Annual Report:

21. In compliance with the aforesaid MCA circulars and SEBI circular dated May 12, 2020, Notice of the e-AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice convening the e-AGM and Annual Report 2019-20 have been uploaded on the website of the Company at www.shalby.org and website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also available on website of NSDL at https://www.evoting.nsdl.com

Procedure to obtain the e-Annual Report, e-AGM notice and e-voting instructions by the shareholders, whose email addresses are not registered with the depositories or with RTA

22. On account of threat posed by COVID-19 and in terms of the MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-voting instructions, ONLY in electronic form to the registered email addresses of the shareholders and no request for hard copy will be entertained. Therefore, those shareholders who have not yet registered their email address are requested to get their email addresses registered by following the procedure given below:

    1. Those shareholders who have registered/not registered their e-mail address, mobile nos. and bank details may please contact and validate/update the same with the Depository Participant, in case of shares held in electronic form and with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited in case the shares held in physical form.

    2. Member may send an e-mail request at companysecretary@shalby.in along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for getting the e-voting instructions together with e-Annual Report

Other Notes

23. Relevant documents referred to in the accompanying Notice and Explanatory Statement and Statutory Registers shall be open for e-inspection by the members of the Company by using log-in credential through NSDL.

24. SEBI has mandated that securities of listed companies can be transferred only in dematerialized mode w.e.f. April 1, 2019. Equity Shares of the Company are traded under the compulsory demat mode on the Stock Exchanges. In view of the same and to avail benefits of dematerialization, members are advised to dematerialize shares held by them in physical mode.

25. **Members holding shares in physical mode**
    (a) are required to update their Permanent Account Number (PAN), bank details & email ID with the RTA of the Company, if not registered with the Company as mandated by SEBI.
    (b) are requested to register/update their email address with the Karvy/Company for receiving all communication from the Company electronically.

26. **Members holding shares in electronic mode**
    (a) are requested to update their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts, if not submitted to their DPs.
    (b) are advised to contact their respective DPs for registering the nomination.
    (c) are requested to register/update their email address with their respective DPs for receiving all communication from the Company electronically.

27. Non-Resident Indian Members are requested to inform to respective Depository Participants, immediately of
    (a) Change in their residential status on return to India for permanent settlement.
    (b) Particulars of bank account maintained in India with name of bank, branch address, bank account number, type of account etc.

28. The Scrutinizer, after conclusion of voting at the AGM, shall make, not later than three days of the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against or invalid votes, if any, and submit forthwith to the Chairman of the Company or any other director or person authorized, who shall countersign the same and declare the result of the voting. The results so declared along with Scrutinizer's Report shall be placed on the Company's website www.shalby.org and on the website of evoting.nsdl.com and shall also be disseminated on the website of Stock Exchanges, where the Company's shares are listed.

Annexure to e-AGM Notice

INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/OAVM AND REMOTE E-VOTING ARE SET OUT BELOW;

A. Instructions for members for attending the e-AGM through VC/OAVM are set out below:

1. Member will be provided with a facility to attend the e-AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. 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.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at companysecretary@shalby.in. The same will be replied by the company suitably.

B. Remote e-Voting:

1. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, as amended, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standard on General Meetings (SS-2) issued by the ICSI and and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the e-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 authorized agency. Members may exercise their right to vote through e-voting facility on the day of e-AGM on the business as set out in the Notice. The Company has appointed Mr. Shambhu J Bhikadia, Practicing Company Secretary (Membership no. 8024), failing him, Mr. Ashish Doshi, Practising Company Secretary (CP No:2356) to act as Scrutinizer for conducting the voting and e-voting process in a fair and transparent manner.

2. The remote e-voting period shall commence on Thursday, September 10, 2020 (from 9:00 am) and ends on Sunday, September 13, 2020 (upto 5:00 pm). During this period, the members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Monday, September 7, 2020, may cast their votes by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.

3. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

4. Once the vote on a resolution is cast by the member, such member shall not be allowed to change it subsequently.

5. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

C. Procedure for e-voting

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 ‘Shareholders’ section.

3. A new screen will open. You will have to enter your User ID, your Password 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. **Your password details 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.

6. How to retrieve your 'initial password'?

   c. 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'.

   d. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

7. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   e. 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.

   f. **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   g. 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.

   h. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

9. Now, you will have to click on "Login" button.

10. After you click on the "Login" button, Home page of e-Voting will open.

D. How to cast the vote

1. After successful login as above, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. 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.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the Resolution(s), you will not be allowed to modify your vote.

E. General Guidelines for shareholders for e-voting

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to keyur.bhikadia@gmail.com with a copy marked to evoting@nsdl.co.in.

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.: 1800-222-990 or send a request to Mr. Pratik Bhatt at pratikb@nsdl.co.in or at telephone nos.: +91-22-24994738, or Ms. Sarita Mote at designated email ID: saritam@nsdl.co.in or at telephone nos. : +91-22-24994890

F. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. 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 companysecretary@shalby.in

2. 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 companysecretary@shalby.in

G. Voting at the e-AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the e-AGM through Video Conference facility and have not cast their vote through remote e-Voting are eligible to vote through e-Voting in the e-AGM.

3. However, members who have voted through Remote e-Voting will be eligible to attend the e-AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the e-AGM shall be the same person mentioned in Note E.3.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Re-appointment of Dr. Vikram Shah (DIN: 00011653) as Chairman and Managing Director

The Board of Directors of the Company had appointed Dr. Vikram Shah (DIN : 00011653) as the Chairman and Managing Director of the Company for a period of 5 years w.e.f. March 27, 2015 without any remuneration which was subsequently approved by the Shareholders at the Extra-Ordinary General Meeting held on July 14, 2015.

The term of appointment of Dr. Vikram Shah (DIN: 00011653) as Chairman and Managing Director of the Company ended on March 26, 2020. In appreciation of his contribution towards the growth of the Company, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on February 3, 2020, approved the re-appointment of Dr. Vikram Shah, (DIN: 00011653) as Chairman and Managing Director for a further period of 5 years effective from March 27, 2020, on the terms and conditions as mentioned in the Agreement executed between the Company and Dr. Vikram Shah. His appointment is subject to approval of the members in the ensuing AGM. The brief terms and conditions of his appointment are mentioned hereinafter.

Brief Profile of Dr. Vikram Shah (DIN: 00011653)

Dr. Vikram Shah, 57, is our founder Chairman and Managing Director of the Company. He holds a Bachelor's degree in Medicine and Surgery and a Masters' degree in Orthopedic surgery both from B J Medical College, Ahmedabad.

Having acquired professional qualifications – A O Basic from London (UK), F.A.O.A.A. from Switzerland and F.A.S.I.F from Germany, Dr. Shah returned to motherland in 1993 for serving expert healthcare to his countrymen. He has more than 27 years of professional experience.

Dr. Vikram Shah is known for popularizing Total Knee Replacement (TKR) through his surgical process innovation "ZERO TECHNIQUE" which reduces surgical time from 2.5 hours to 22 minutes with added advantages of minimal incision, minimal blood loss, reduced infection rate and speedy recovery which enables patients to start walking within few hours after a Total Knee Replacement surgery and thereby reduction in hospital stay period of the patient from 15 days to 3 days.

He is pioneer of our Company who has been conferred with various awards including the 'Hercules Award for Innovation of '0' (Zero) Technology in Knee Surgery' by the Gujarat Innovation Society in 2014 and the 'Path breaking Services in the Field of Joint Replacement and Orthopedic Surgery Award' by Rotary International in 2009. He has been the recipient of the Double Helical National Health Award 2017 for his outstanding record in Knee replacement surgery with his innovative '0' Technique'. Recognized for his outstanding contribution in the field of orthopedics on completion of 1,00,000 joint replacement surgeries, he received the 'Times Man of the Year' Award by Times of India Group in 2018. He has also been conferred with 'Luminary Award' by Divya Bhaskar Group for his contribution in the field of orthopedics. Recently, he was conferred with the Honorary Doctorate Degree, D. Sc (Honoris Causa), by the IIS University, Jaipur, on December 20, 2019 for his devotion and dedication to the cause of Humanitarian services rendered worldwide.

Further details of Dr. Vikram Shah, (DIN: 00011653) as required under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the re-appointment of CMD has been Annexed to this Notice.

The Resolution and Explanatory Statement may be considered as sufficient disclosure and information under the statutory provisions as may be applicable, relevant or necessary.

Terms and Conditions of Re-appointment of Chairman and Managing Director (CMD)

Period	:	5 years from March 27, 2020 to March 26, 2025 (both days inclusive)
Remuneration	:	He will not draw any remuneration as Managing Director during the tenure of his appointment, however, he is entitled for the Professional Fees as Surgeon in accordance with the agreement executed on February 5, 2014, read with First Supplementary Agreement executed on January 28, 2016 and Second Supplementary Agreement executed on May 7, 2018.

Perquisites

He is entitled for Company's chauffeur driven car

Termination

The said appointment may be terminated by the company or CMD by giving to the other 6 months written notice. However, the appointment may be terminated by less than 6 months written notice on mutual agreement between the Company and CMD.

The approval of the Members is sought for passing an Ordinary Resolution as set out at item No:4 of the notice pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/ modification thereof) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Dr. Vikram Shah is holding 79.41% directly and through other entities and his relatives in the Company. Dr. Vikram Shah is not related to any other Director of the Board or Key Managerial Personnel or their relatives.

Dr. Vikram Shah himself and his relatives being shareholder are interested in the resolution(s) and none of the other Directors, other Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution(s) set out at Item No. 4 of the Notice.

Relevant documents referred herein above are available for e-inspection as set out in Note No. 23.

The Board accordingly, recommends the members for passing of the resolution as set out at item No: 4 of the Notice as an Ordinary resolution.

Item No. 5

Ratification of the remuneration payable to Cost Auditors of the Company

The Board, on the recommendation of the Audit and Risk Management Committee, has approved the appointment of M/s. Borad Sanjay B & Associates, Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the cost records of the Company for the financial year ending on March 31, 2021 at a remuneration of ₹1,00,000/- (Rupees one lacs only) plus applicable taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors need 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board accordingly, recommends the members for passing of the resolution as set out at item No: 5 of the Notice as an Ordinary resolution.

Item No. 6

Fixation of fees for delivery of any document through a particular mode of delivery to a member

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any Member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further, a Member may request the delivery of document through any particular mode by paying such fees as may be determined by the Members in the Annual General Meeting.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the members for passing of the resolution as set out at item No: 6 of the Notice as an Ordinary resolution.

By order of the Board of Directors
For Shalby Limited

Jayesh Patel
Company Secretary
Mem. No. ACS14898

Place : Ahmedabad
Date : June 15, 2020

Regd. Office: Shalby Multi-Specialty Hospitals,
Opp. Karnavati Club
S. G. Road, Ahmedabad 380015

Information required pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2), in respect of Directors seeking appointment / re-appointment at the 16th Annual General Meeting

<table>
<tr><th>Name of Director</th><th>Dr. Vikram Shah
[DIN: 00011653]</th><th>Mr. Shyamal Joshi
[DIN : 00005766]</th></tr>
<tr><td>Age in completed years
(as on March 31, 2020)</td><td>57</td><td>70</td></tr>
<tr><td>Date of first appointment on the Board</td><td>August 30, 2004</td><td>June 1, 2010</td></tr>
<tr><td>Qualification / Brief Resume / Expertise in specific functional area/ experience</td><td>Provided in explanatory statement annexed to the Notice</td><td>Mr. Shyamal Joshi holds a bachelors' degree in commerce from Gujarat University. He is also a member of the Institute of Chartered Accountants of India. He has vast experience in various areas including corporate strategy and fund raising.</td></tr>
<tr><td>No. of Shares held in the Company</td><td>51,062,625 equity shares, out of which 43,327,132 equity shares are being held as a Trustee of Shah Family Trust</td><td>2,006 equity shares</td></tr>
<tr><td>Relationship with other Directors and Key Managerial Personnel</td><td>None</td><td>None</td></tr>
<tr><td>No of meetings of the Board attended during the year</td><td>Four out of total four meetings</td><td>Three out of total four meetings</td></tr>
<tr><td>Other Directorships</td><td>1. Shalby International Limited
2. Mars Medical Devices Limited</td><td>1. Nila Infrastructure Limited
2. Parsa Kente Collieries Limited
3. Marine Infrastructure Developer Private Limited
4. Vrundavan Shalby Hospitals Limited
5. Mars Medical Devices Limited</td></tr>
<tr><td>Chairmanship / Membership of Committees of other companies</td><td>None</td><td><table>
<tr><th>Name of Company</th><th>Name of Committee</th><th>Chairman / Member</th></tr>
<tr><td>Nila Infrastructure Limited</td><td>AC</td><td>Chairman</td></tr>
<tr><td></td><td>NRC</td><td>Chairman</td></tr>
<tr><td></td><td>CSR</td><td>Chairman</td></tr>
<tr><td></td><td>CC</td><td>Chairman</td></tr>
<tr><td>Parsa Kente Coilleries Limited</td><td>AC</td><td>Member</td></tr>
</table></td></tr>
</table>

*Abbreviation

AC – Audit Committee

NRC – Nomination and Remuneration Committee

CSR – Corporate Social Responsibility Committee

CC – Compensation Committee

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses. In respect of electronic holding with the Depository through concerned Depository Participants.

SHALBY®
MULTI-SPECIALTY
HOSPITALS

SHALBY LIMITED

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