SHALBY
LIMITED
•Passion••Compassion••Innovation•

September 03, 2022

Shalby/SE/2022-23/46

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

Sub.: Annual Report for FY 2021-22 – Reg. 34 of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015

Ref : Our letter no. Shalby/SE/2022-23/43 dated August 25, 2022

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 2021-22 including Notice containing the businesses to be transacted at the 18th Annual General Meeting scheduled on Monday, September 26, 2022 at 4:00 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.

The Annual Report FY 2021-22 including Notice of 18th Annual General Meeting has also been uploaded on the website of the Company and the same can be accessible as per link provided below. The Annual Report FY 2021-22 is also being sent to all eligible shareholders whose e-mail IDs are registered with the Company/Depositories.

Link for Annual Report FY 2021-22: https://www.shalby.org/shalby-limited-annual-report-2021-22/

Kindly take the same on your records.

Thanking You,

Yours sincerely,
For **Shalby Limited**

Shah Tushar Dineshchandra
Digitally signed by Shah Tushar Dineshchandra
Date: 2022.09.03 10:36:56 +05'30'

Tushar Shah
AVP & Company Secretary
Mem. No: F7216

Encl: as above

SHALBY LIMITED

•Passion••Compassion••Innovation•

COMMITTED

to a Healthier World

Creating Synergies | Strengthening Capabilities

Annual Report 2021-22

Corporate Information

Board of Directors

Dr. Vikram Shah
Chairman & Managing Director

Mr. Sushobhan Dasgupta
Vice Chairman and Global President

Dr. Ashok Bhatia
Non-Executive Director

CA Shyamal Joshi
Independent Director

Dr. Umesh Menon
Independent Director

Mr. Tej Malhotra
Independent Director

CA Sujana Shah
Independent Director

Audit Committee

Dr. Umesh Menon, Chairman

CA Shyamal Joshi, Member

Mr. Tej Malhotra, Member

CA Sujana Shah, Member

Risk Management Committee

Dr. Vikram Shah, Chairman

CA Shyamal Joshi, 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. Vikram Shah, Member

Dr. Umesh Menon, Member

Corporate Social Responsibility Committee

CA Sujana Shah, Chairperson

CA Shyamal Joshi, Member

Dr. Umesh Menon, Member

Chief Financial Officer

CA Venkat Parasuraman

Company Secretary

CS Tushar Shah

Statutory Auditors

T. R. Chadha & Co., LLP
Chartered Accountants

Internal Auditors

PricewaterhouseCoopers
Services LLP

Bankers

HDFC Bank Limited

IndusInd Bank

IDFC Bank Limited

Kotak Mahindra Bank Limited

Yes Bank

Registrar & Transfer Agent

KFin Technologies 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 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

Corporate Office

Shalby Limited
B-301 & 302, Mondeal Heights,
Opp. Karnavati Club, S. G. Highway,
Ahmedabad - 380 015
Phone: +91 - 79 - 4020 3002
Email: companysecretary@shalby.in
Website : www.shalby.org

What's Inside

To download this report or for any other information log on to **www.shalby.org**

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 because of new information, future events or otherwise.

SHALBY IS COMMITTED TO SHAPING A HEALTHIER WORLD. NEW SYNERGIES ARE BEING CREATED AND OUR CAPABILITIES ARE BEING STRENGTHENED IN LINE WITH THIS COMMITMENT.

We are globally renowned for our orthopedics excellence. This expertise is now being taken to newer cities across the country. Shalby Orthopedics Centre of Excellence (SOCE), which are standalone orthopedic hospitals, are being set up via the franchise route for faster expansion. With service quality steered by Shalby, these SOCEs have a synergistic value. First, it enhances patient access to world-class orthopedic services. Second, it strengthens the Shalby brand and provides patients an interface with our multispecialty hospitals, thus driving greater occupancy at these hospitals for treatment across other specialties.

Our hospital and franchise verticals are creating synergies for our implant manufacturing division. Shalby Advanced Technologies, Inc., our step-down subsidiary in the US, provides quality implants for the captive use of our hospital platform and SOCEs while serving the vast US and Japan market. With our strong focus on strengthening our manufacturing capabilities, we are upbeat about serving customers around the world and distributing implants to other hospitals in India as well.

We take pride in nurturing young talent and imparting training in healthcare through the Shalby Academy. Creating a skilled workforce for serving the healthcare needs of our country and worldwide, the Academy also provides us with a ready talent pool for meeting our growing operations. The synergies and capability-building once again reinforce our commitment to a healthier world.

The challenges that arose due to the severe second wave of the COVID-19 pandemic made our support for patients and communities more important than ever. COVID-19 centres were set up at all our hospitals and our healthcare professionals and workers worked tirelessly in these difficult times. COVID-19 vaccination drives were conducted by our team in the urban and remotest part of the country to build herd immunity.

Our capabilities across key areas are being strengthened. Leading medical professionals are being brought on board to deliver improved health outcomes across specialties. Digital transformation is underway to enhance patient care and experience. The scope of our Homecare services is being enhanced in response to the growing need for affordable medical services at home. We have also strengthened our leadership team for growing the Shalby brand globally.

Shalby has a rich legacy of delivering high-quality yet affordable healthcare services. We will continue to build on this legacy as a healthier world is our unwavering commitment.

Shalby at a Glance

Shalby Limited (Shalby) is among India's leading multi-specialty hospital chains and a fast-growing healthcare group. We have extensive experience in delivering quality and affordable healthcare services. Shalby has particularly established itself as one of the top hospitals in India in joint replacement surgery and is the number one player worldwide for knee replacement surgery.

Leveraging our deep expertise in joint replacement, we are setting up Shalby Orthopedics Centre of Excellence (SOCE) via an asset-light model and penetrating deeper across the country. Further, we have diversified into implant manufacturing with the acquisition of Consensus Orthopedics based in the United States through our step-down subsidiary i.e. Shalby Advanced Technologies, Inc. Shalby Academy, our educational arm, is focussed on creating a strong talent pipeline for the healthcare sector and our own growing operations, through the delivery of quality education and training.

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.

OUR VERTICALS

Shalby Multi-Specialty Hospitals

Hospital Vertical

Operating a growing portfolio of multispecialty hospitals in India, which is driven by a strong team of healthcare professionals and embeds state-of-the-art medical infrastructure.

Shalby Academy

Educational & Training Vertical

Building people capabilities by providing in-house training programs across various healthcare disciplines and also in partnership with renowned healthcare universities.

Shalby Orthopedics Centre of Excellence

Franchise Vertical

Enhancing the accessibility of our orthopedic services by establishing standalone Shalby Orthopedics Centre of Excellence via the franchise route.

Shalby Advanced Technologies, Inc. (US)

Implant Manufacturing Vertical

Diversification into implant manufacturing through the acquisition of Consensus Orthopedics Assets by Shalby Advanced Technologies, Inc., a step-down subsidiary of Shalby Limited.

Our Strengths

- 28 years of experience
- Presence in India and internationally
- Leader in arthroplasty with increased focus on multi-specialty
- Clinical excellence backed by state-of-the-art infrastructure
- Leveraging expertise and reaching unexplored territories through SOCEs
- Diversified into implants manufacturing
- Integrated orthopedic implant ecosystem
- Growing hospital portfolio
- Strong financial track record
- Net cash positive balance sheet to support growth plans

Key Numbers

11
Hospitals

15%
Arthroplasty Market Share*

500+
Doctors

45%
Female Workforce

3,800+
Employees

25%
Revenue 15-Yr CAGR Growth

1,35,000+
Joint Replacement Surgeries Performed Till Date

30%
EBITDA 15-Yr CAGR Growth

* Market share in terms of volume

Note: All figures are as of March 31, 2022, unless specified otherwise

Chairman & MD's Message

Our franchise vertical of Shalby Orthopedics Centre of Excellence (SOCE) is also demonstrating a lot of potential from newer markets.

Dear Shareholders,

In a year that continued to be characterised by the COVID-19 pandemic, I am proud of the role Shalby has played, along with many others in the Indian healthcare sector, in coming together to fight the pandemic. The untiring and dedicated efforts of our healthcare team enabled us to save lives and ensure continuity of patient care. On your behalf of the Board of Directors, I would like to express my sincere appreciation for their contribution.

Your Company also played its part in supporting the nationwide vaccination program, conducting camps in urban as well as remote areas of the country. In accordance with government guidelines, we opened up our vaccination program for all sections of society. Anchored in the firm belief that ensuring the success of the COVID-19 vaccination program is our society's collective responsibility towards building herd immunity in the country, and we set aside commercial considerations in our efforts in this direction. We have administered more than 1,75,000 vaccines during the year and over 2,35,000 vaccinations to date.

The second wave of the pandemic in the country, from mid-March to end-June 2021, was particularly traumatic with a surge in COVID-19 cases and the national healthcare infrastructure stretched to the limit. In these testing times, we stood firmly with patients to provide high-quality health care services, added beds to accommodate more patients, and converted a section of each of our hospitals into a COVID-19 centre. While the COVID-19 wave re-surfaced in the fourth quarter due to the omicron-led variant, this time the impact on human lives was minimal with the nationwide vaccination program serving as the protective shield. During FY 2021-22, we treated 5,100+ COVID-19 patients at our hospitals.

With COVID-19 infections declining from the second quarter onwards, our hospitals witnessed a strong rebound in elective surgeries. The recovery was visible across all Key-specialties, such as arthroplasty, cardiac, oncology, nephrology, and others. We crossed the landmark of 20,000 surgeries, an increase of 70% on a year-on-year basis. Our strong recovery enabled us to deliver impressive results for the full financial year. We delivered our highest-ever hospital revenue of ₹ 6,598 million and generated double-digit EBITDA margins of 21.6%, which is among the highest in the industry. Our occupancy levels improved to 45% from 35% in the previous year. Moreover, our homecare services were well-received by patients. This growing reach and recognition of our homecare services is expected to drive occupancy at our hospitals over the medium and long term.

Our franchise vertical of Shalby Orthopedics Centre of Excellence (SOCE) is also demonstrating a lot of potential from newer markets. Leveraging our expertise and branding across Arthroplasty and Orthopedics, the SOCE with its asset-light model allows for faster market penetration without significant additional capital investment. We are focussing not only metro cities but going deeper into Tier 2 & Tier 3 cities and strengthening Shalby's presence across India. Our target is to open 50 centres across India by FY 2026. We have already signed agreements for five franchisees of which the Udaipur unit was made operational in September 2021.

The backward integration into implant manufacturing, with the acquisition of high-quality implant assets from Consensus Orthopedics based in the US, shares strong synergies with our hospital and SOCE operations. Consensus Orthopedics, now rechristened as Shalby Advanced Technologies Inc. is being driven by a dedicated and professional team. Within a short span since the acquisition, the production capacity has been ramped up by 50%. Our vision is to achieve revenues of USD 100 mn by FY 2028. Towards the end of FY 2021-22, we received the approval for importing these implants into India. This will enable us to meet our captive demand for implants and also serve the needs of other hospitals in India. The soft launch in India has received a promising response.

India is already the pharmacy of the world. The government is now in the closing stages of rolling out the 'Heal in India' initiative to make India the medical hub of the world. Over forty countries have been identified from where India sees higher footfall for medical purposes. As part of this initiative, the government will create a mechanism to make the entire process hassle-free for overseas patients. This includes access to a one-stop tech-heavy portal that provides all the required information. The platform will also provide visa and language support. We believe that the government's thrust on making India a medical hub holds considerable potential for Indian healthcare service providers, including Shalby, to reach out to a wider patient base. Further, there is a huge potential in growing the domestic market in view of increasing access to insurance and efficient healthcare schemes.

Across Shalby, we maintain a steadfast commitment to environmental stewardship, social responsibility and corporate governance. Responsible water management, improving our energy efficiency and ensuring safe waste disposal as per environmental regulations are core to our operations. Our people are central to our success and we remain focussed on improving the support we extend to them, including through capability development, engagement and review of rewards and benefits. Aligned with the larger objective of wealth creation for all involved in the growth of Shalby, we launched an Employee Stock Option Plan (ESOP) during the year. Various community-focussed interventions were also undertaken. A unique initiative in this regard was the launch of Kaushalya, a program under which we educated and trained underprivileged youth in paramedical courses. The first batch of students comprised students from nomadic communities across Gujarat.

In conclusion, I would like to thank all our stakeholders for their continued support. Shalby remains committed to providing patients with high-quality services for the best clinical outcomes and building a healthier world. Hopefully, it appears that the world has emerged from the disruption that the pandemic has created for the past two years. Bolstered by the improving macro environment, we look forward to scaling our reach and delivering better value to our stakeholders and our great nation.

Dr. Vikram Shah

Chairman and Managing Director

Vice Chairman & Global President's Message

With a clear strategic direction and Shalby's well-established presence in the Indian healthcare sector, we are well on course for delivering double-digit growth consistently with sustainable profitability in our hospital vertical including Homecare business.

Dear Shareholders,

I am pleased to report that Shalby Ltd has delivered a robust performance on all key operational and financial indicators during the financial year 2021-22, this has been driven by a significant rise in surgery counts and encouraging growth in our core specialties. Moreover, with our diversification into implant manufacturing, we have emerged as possibly the only fully integrated hospital player in the world.

The fiscal year 2021-22 begun on a grim note with our health infrastructure being overwhelmed by the exponential rise in COVID-19 cases. In these difficult times, we stepped up our efforts as one team to treat COVID-19 patients at our hospitals and through our Homecare services. Post the first quarter, with the pandemic impact waning, our procedural and outpatient volumes started to see a steady recovery. Our health awareness programs, digital campaigns and business development initiatives also reinforced the Shalby brand, leading to higher patient footfalls every month.

Supported by an improving external environment through our focussed, sustained internal efforts, we closed the year on a very strong note. This included crossing the mark of 20,000 surgeries annually; achieving our highest-ever consolidated revenues of ₹ 711.4 crore, a growth of 61.7% on a year-on-year basis; an EBIDTA of ₹ 132.4 crore, up by 38.6% on a year-on-year basis, with a robust margin of 18.6%; and an adjusted net profit of ₹ 54 crore, up by 27.4% on a year-on-year basis. Specialties beyond orthopedics contributed 71% to total revenue, reiterating our transformation into a multi-specialty hospital, even as we continue to maintain our global domination in the orthopedics segment.

Let us now delve deeper into the performance and potential of each of our verticals.

Shalby Multi-specialty Hospitals

Our patient-centric approach and clinical expertise have made Shalby Hospitals one of the most trusted healthcare service providers. We continue to achieve many milestones in clinical excellence and make a difference in people's lives. With a strong rebound in elective surgeries, our occupancy rate increased to 45.6% from 35.7% in the previous year. In addition, we expanded Shalby Homecare services, which catered to 20,000+ cases and completed 61,000+ home visits during the year. Our homecare services enable us to reach out to a fast-growing base of patients and resulted in increased brand recognition. This, we believe, will directly drive the occupancy in our hospitals in the longer run.

We remain focussed on growing our pool of medical professionals and enhancing the expertise of our existing team to drive clinical excellence. Our in-house Learning & Development team are engaged in providing training opportunities to our people and sharpening their talent. Shalby's value-based culture is the fulcrum of its operations and through engagement and training, this organisational culture is being passed on to our new employees as well employees.

In our hospitals, we also treat patients who reach out to us under the various Central and State government schemes. Our emphasis remains on partnering with the government to deliver quality health services that are affordable and accessible.

We are highly cognizant of the need to operate efficiently. Today, we are renowned for operating with the lowest cost per bed while generating the highest EBITDA margin among other players in the hospital industry. This has enabled us to achieve a net cash positive (debt minus cash) balance sheet. Our robust financial position provides additional confidence in the strength of our business model and underpins our ability to invest in future growth. We remain focussed on making prudent capital allocations and maintaining operational excellence.

Shalby Orthopedics Centre of Excellence

We are leveraging our expertise and brand equity in orthopedics by setting up Shalby Orthopedics Centres of Excellence (SOCEs) through the franchise model. This is enabling us to take our world-class orthopedic competencies closer to customers while supporting our growth aspirations.

Our innovative, asset-light business expansion plan has witnessed an encouraging response from partners and patients in its first year of launch. As of June 2022, we have signed five franchisees for the locations of Rajkot, Gwalior, Kanpur, Lucknow, and Udaipur. Our target is to open over 50 Shalby franchise hospitals across India within the next three years, with a special focus on smaller towns and cities. Strict guidelines are being followed while selecting business partners to ensure they can deliver on Shalby's brand promise.

Shalby Advanced Technologies Inc.

In May 2021, Shalby acquired the assets of Consensus Orthopedics which is now renamed Shalby Advanced Technologies, Inc. (SAT). Consensus Orthopedics' implant manufacturing facility in the US has enabled us to backwardly integrate our hospital orthopedic services while serving the huge implant demand from the US, Japan and Latin America. The implant business also positions us to cater to the additional demand from our franchise centres and other hospitals in India and South East Asia.

Within the first year of acquisition, SAT has made commendable progress. We have built a team of experienced professionals to lead the key departments and improved the operational capacity by over 50%. Backed by our consistent R&D efforts, a new product called Tahoe Unicompartmental Knee System (TUKS) was launched in the US earlier this year. We expect this to be a blockbuster product in the coming years due to the very high growth we see in this segment. Sharp focus is also being placed on improving the customer mix from wholesale to retail to serve customers better and drive net price realisations as well.

In February 2022, we received the import licence for procuring a complete range of joint replacement products into India. I am pleased to share that the initial responses to the Shalby – Consensus implants for our hospital consumption have been very promising. For launching our implants in other Indian hospitals, we have commenced building an experienced and capable sales team nationally. We aim to press the pedal on our sales plans from the second half of the current fiscal. Additionally, we are also in an advance discussion phase with distributors in Indonesia to launch our implants in Southeast Asian countries and are in active search for the right partners in Malaysia, Vietnam, Thailand and Philippines as well as countries in the Middle East and Africa.

Outlook

With a clear strategic direction and Shalby's well-established presence in the Indian healthcare sector, we are well on course for delivering double-digit growth consistently with sustainable profitability in our hospital vertical including Homecare business, increasing our geographic footprint by adding orthopedic units under our franchise model and driving solid performance for our implant manufacturing business.

India is an attractive medical tourism destination. While pandemic-induced travel restrictions stalled visits from international patients to the country, the situation has now improved considerably. The COVID-19 vaccination program has helped in controlling the spread of infection, pandemic fears have receded and travel restrictions have now eased. India's medical tourism industry is thus regaining momentum. According to a recent research report, India's medical tourism industry is set to double within the next six years which translates to a CAGR of 15–20%. At Shalby, through the immense patient trust we have garnered over the years and our established brand recognition and clinical excellence, we are well poised to take maximum advantage of these unfolding opportunities.

Closing Statements

As is evident from our progress, our strength of commitment towards a healthier world is unwavering. I am excited about our future, and confident in our ability to deliver strong results from an operational as well as a financial perspective. We are heavily invested in our talent, infrastructure, technology, culture, and growth initiatives that are key essentials to drive our Company's performance to even great heights in the years to come. I sincerely thank you for your continued support in our journey of Passion, Compassion and Innovation.

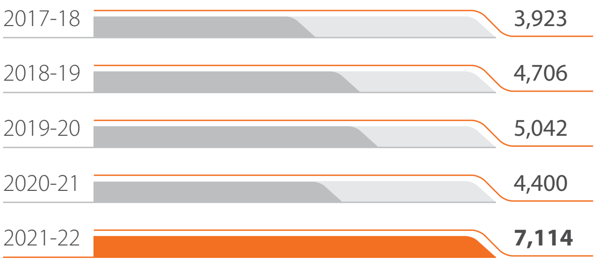
Warm regards,

Sushobhan Dasgupta

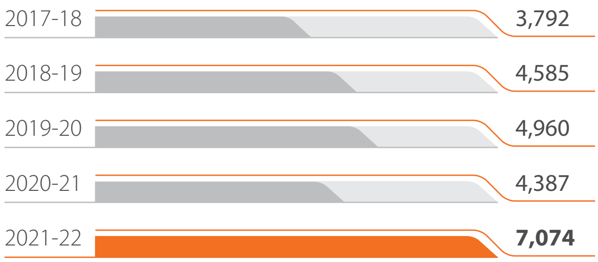
Vice-Chairman & Global President

Financial Scorecard

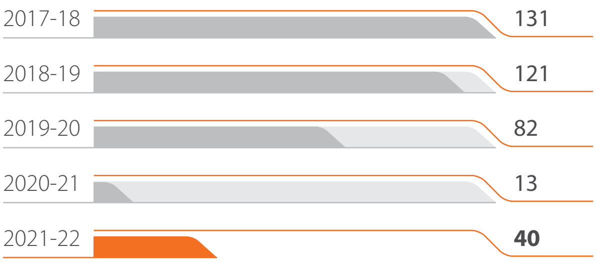
Total Revenue (₹ million)



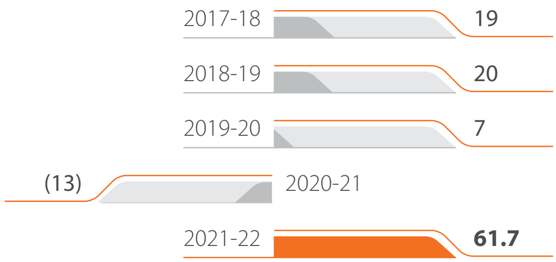
Domestic Revenue (₹ million)



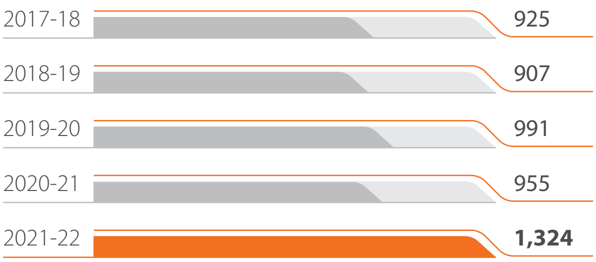
International Revenue (₹ million)



Revenue Growth (%)



EBITDA (₹ million)



EBITDA Margin (%)

Profit Before Tax (₹ million)

2017-18	537
2018-19	504
2019-20	567
2020-21	551
2021-22	**791**

Profit After Tax (₹ million)

2017-18	405
2018-19	321
2019-20	280
2020-21	424
2021-22	**540**

Capital Employed (₹ million)

2017-18	8,553
2018-19	8,408
2019-20	8,833
2020-21	9,149
2021-22	**10,211**

ROCE (%)

2017-18	10
2018-19	7
2019-20	7
2020-21	6.5
2021-22	**11.4**

Net Worth (₹ million)

2017-18	7,615
2018-19	7,798
2019-20	7,992
2020-21	8,347
2021-22	**8,762**

ROE (%)

2017-18	6
2018-19	4
2019-20	3
2020-21	5
2021-22	**6.34**

Note: All numbers are on Consolidated basis

Awards and Accomplishments

Best Hospital, Orthopedic, National Level

Shalby was recognised as the Best Hospital - Orthopedics for the National level at the Economic Times Healthcare Awards 2021.

Excellence in Multi-Specialty Hospital

Shalby Vapi was conferred an excellence award in the realm of multi-specialty hospitals by Divya Bhaskar.

Six Sigma Excellence Award

Shalby Indore was conferred the Six Sigma Excellence Award by Six Sigma Healthcare, New Delhi.

Best Homecare Company, National Level

Shalby Homecare was awarded the Best Homecare Company for the National level at the Economic Times Healthcare Awards 2021.

Best Medical Tourism Centre in Gujarat

Shalby received the 'Best Medical Tourism Center in Gujarat' Award at a function held at Vigyan Bhavan, Science City, Ahmedabad, in May 2022. This is the fifth consecutive year that Shalby is receiving this coveted honour.

WSO Angels Award

Shalby Mohali won WSO Angels Award (Platinum Category) from World Stroke Organization.

Jaipur Hospital Awards

Shalby Jaipur was conferred with two awards: Rajasthan Health Icons Award for Fastest Growing Tertiary Care Hospital of Rajasthan - 2021 and Rajasthan Health Icons Award for Oncology & Allied Services, Centre of Excellence, Oncology – 2021. The awards were given by The Times of India.

Patient Friendly Hospital Award

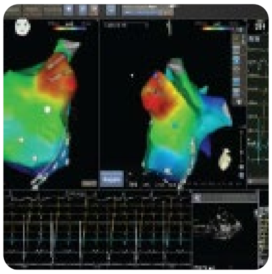
Shalby Ahmedabad was bestowed with the 'Patient Friendly Hospital Award' by the Association of Healthcare Providers of India (AHPI) and it is among the most prestigious healthcare awards in India.

Most Preferred Hospital in Madhya Pradesh

Shalby Indore was bestowed with 'The most preferred hospital in Madhya Pradesh' by News18 MP BizNext 2021, Bhopal

Most Influential and Inspiring Woman Leader in Healthcare

Dr. Darshini Vikram Shah, Director of Shalby Hospitals and Consultant Dentist & Oral Implantologist, was recognised as the 'Most Influential and Inspiring Woman Leader in Healthcare' by Medgate Magazine.



High-definition 3D Mapping Arrhythmia Workshop

Shalby, Indore organised the first high-definition 3D mapping arrhythmia workshop in the state of Madhya Pradesh. 3D mapping is a highly specialised form of treatment for arrhythmia or disorders of the heartbeat. A team of cardiologists performed these procedures on six such patients. This is the first occasion when such advanced technology has been used in the state to treat such heart diseases.

Rajasthan's First Mitral Valve Replacement Minimal Invasive Cardiac Surgery

At Shalby Jaipur, one of our renowned cardiothoracic and vascular surgeon, Dr. Lalit Malik performed the first mitral valve replacement minimally invasive cardiac surgery. This was a very difficult and complex procedure as the patient had undergone two heart surgeries in the past. Besides, he had paralysis on left side of the body for eight years. This successful surgery is a matter of pride not only for Shalby Hospitals Jaipur but for the whole state.




Live Advanced Knee Replacement

Shalby Hospital in collaboration with Jabalpur Orthopedic Association conducted a demonstration of a first-ever live advanced knee replacement surgery. Subsequently, a conference was held with orthopedic surgeons to exchange ideas on the best methods of joint replacement surgeries and on various joint diseases. The conference was chaired by our Chairman, Dr. Vikram Shah, and was attended by more than 125 orthopedic surgeons from Nagpur, Delhi and Indore.




First Joint Implants Museum in India

Shalby's Head of Hip Surgery curated India's First Joint Implants Museum, which was opened in Ahmedabad in July 2022.

A healthier world with quality and affordable healthcare

At Shalby, committed to a healthier world, we provide high-quality yet affordable healthcare services through our growing network of multi-specialty hospitals in India. These services are backed by clinical excellence and patient delight. We also run outpatient departments/clinics (OPDs) across the country and at select international locations, with the aim to make quality healthcare accessible to all.

National Presence

PUNJAB
Mohali – 145 beds

RAJASTHAN
Jaipur – 237 beds

GUJARAT
Ahmedabad
- o SG – 201 beds
- o Krishna – 220 beds
- o Vijay – 27 beds
- o Naroda – 267 beds

Vapi – 146 beds

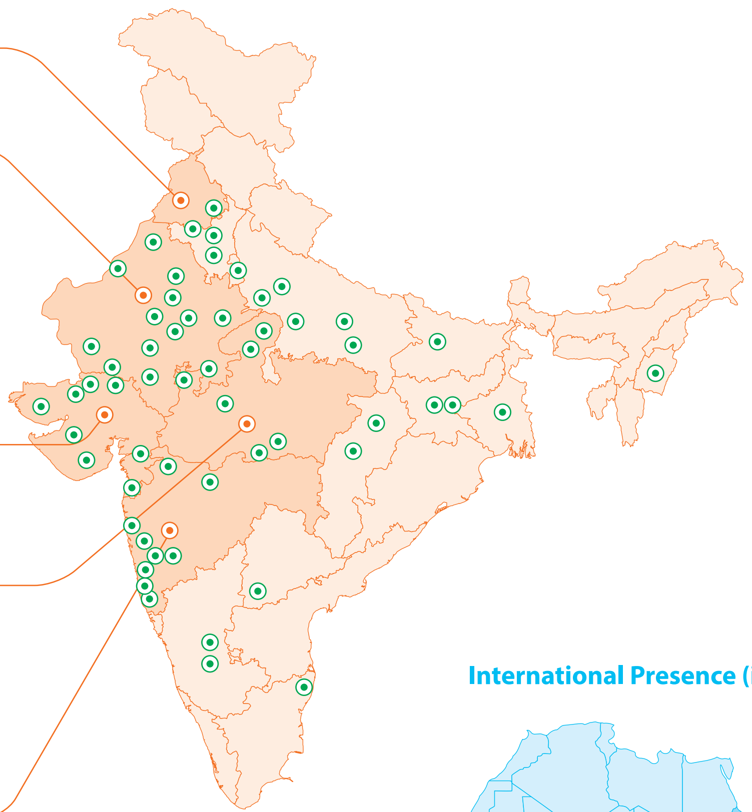
Surat – 243 beds

MADHYA PRADESH
Indore – 243 beds

Jabalpur – 233 beds

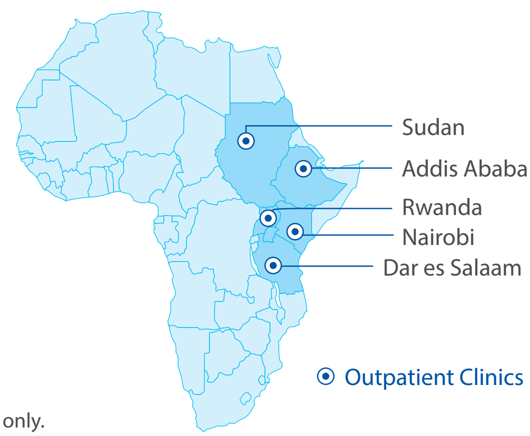
MAHARASHTRA
Ghatkopar (Zynova) – 150 beds

Upcoming Two Units
Mumbai (Santacruz) – 175 beds
Nashik – 146 beds



- Existing 11 Units (2012 beds)
- Upcoming 2 Units (321 beds)
- 59 OPDs across 16 states

International Presence (in Africa)



Note:
Zynova is operating on Revenue sharing business model
9 OPDs are added in Q1 FY23

Map not to scale.
For illustrative purposes only.

Our cutting-edge procedures in joint replacement have earned us global leadership status in the Arthroplasty segment. We have also strengthened our presence across tertiary and quaternary specialties such as Cardiology, Neurology, Oncology, Bariatrics, and Liver and Renal transplants to evolve into a true multi-specialty hospital group.

28 YEARS OF ELITE LEGACY

EXCELLENCE
Proven leadership in healthcare, setting up Centres of Excellence to capture massive opportunities

LEARNING
Laser sharp focus on upgrading the skills of our team and building people capability for ensuring high levels of patient care

INTEGRITY
Highest standards of transparency, accountability and corporate governance

TEAMWORK
A patient-centric focused team with a great blend of experience, diversity, fresh thinking, with proven excellence in service

EMPATHY
Creating an equitable healthcare system keeping the interests of patients and families at the focus

Hospital Accreditations

We are committed to delivering the highest quality of care with our facilities and management systems certified to meet industry-leading standards.

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

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

Chartered Quality Institute (CQI) accreditation

Facts and Figures

11
multi-specialty hospitals across 5 states

2,112^
bed capacity

1,200+
operational beds

#1
in Arthroplasty India or globally

20,240
surgeries conducted in FY 2021-22
↑ 70% YoY

40,603
in-patient count in FY 2021-22
↑ 41% YoY

3,18,455
out-patient count in FY 2021-22*
↑ 22% YoY

563
occupied beds in FY 2021-22
↑ 31% YoY

5,100+
COVID-19 patients treated in FY 2021-22

* Out-Patient count is excluding vaccination count
^ including 150 beds of Zynova

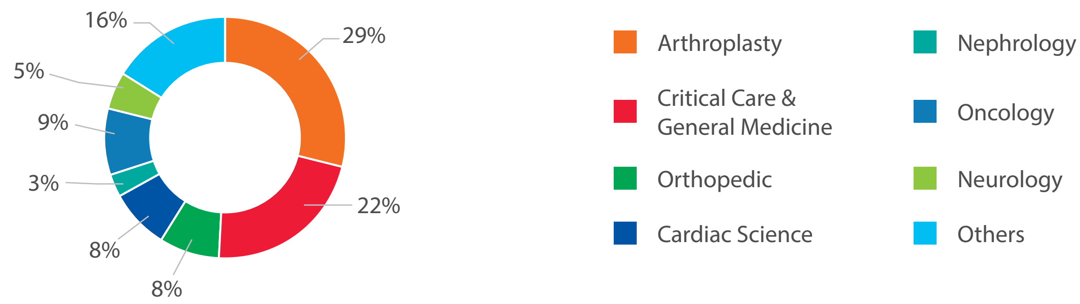
Performance Review

Our Hospital vertical delivered a strong performance for the year. We are particularly proud of the commitment we have shown to treating COVID-19 patients, especially during the second wave when there was a huge surge in caseload. During the peak of the second wave, we were treating more than 100 COVID-19 patients daily at our hospitals. Our team of healthcare professionals worked selflessly and round-the-clock to provide the maximum possible support and care in these unprecedented times. Special COVID-19 packages, diagnostic services and homecare services were made available for the benefit of patients.

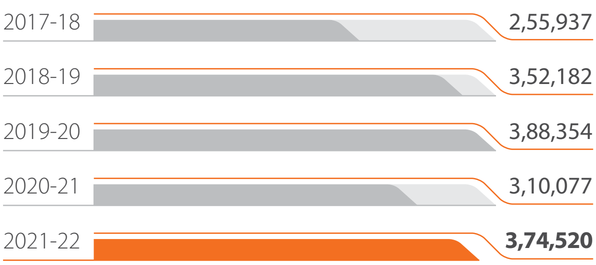
While in the first half of the year, elective surgeries were postponed due to the COVID-19 impact, with COVID-19 cases declining and the pace of vaccination picking up across the country, our hospitals witnessed a strong recovery in elective surgeries in the second half of the year. The impact of the third wave of the pandemic on hospital operations was minimal.

For the full year, a total of 20,240 elective surgeries were performed, an increase of 70% on a year-on-year basis. The recovery was visible across all key-specialties, such as arthroplasty, cardiac, oncology, nephrology, and others. Our in-patient count increased by 41%, primarily driven by increase in non-COVID patients, and visits by international patients resumed with easing of travel restrictions and increased vaccination coverage. Other performance indicators such as No. of Beds, Average Revenue per Operating Bed, and Average Length of Stay also improved further.

Revenue Mix: FY 2022

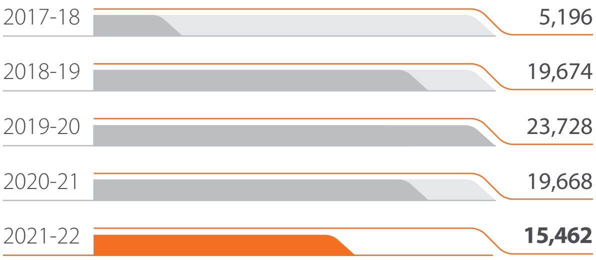


Patients Treated

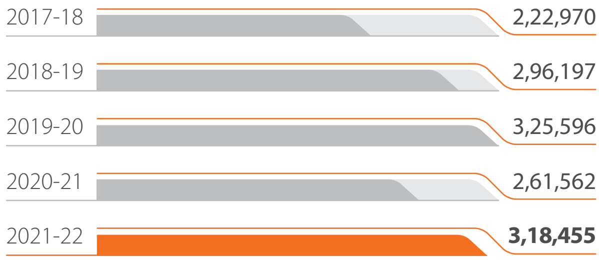


In-patient Count

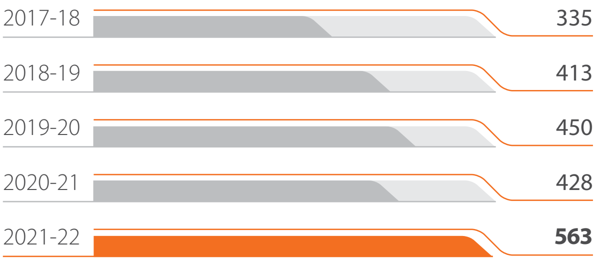
Day Care Patient Count



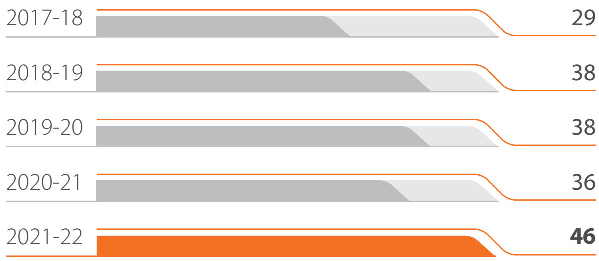
Out-patient Count



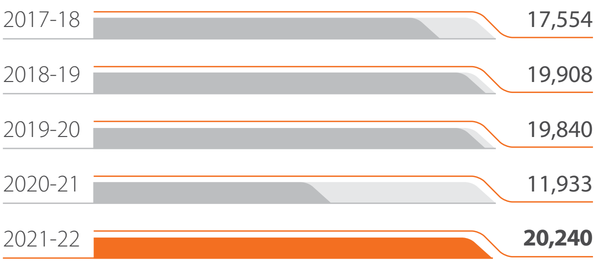
Occupied Beds (Nos.)



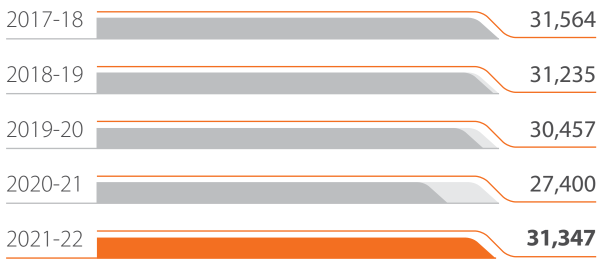
Occupany Rate (%)



Surgeries (Nos.)



Average Revenue Per Operating Bed (ARPOB) (In ₹)



Average Length of Stay (Days)

*without day care

Making our healthcare available in new geographies

We are setting up multi-specialty hospitals at new locations to bring the Shalby experience to more patients. Having established ourselves as a strong brand in the western, central, and north-western parts of India, we are leveraging this brand strength to drive hospital expansion in these geographies.

We currently have two projects underway in Maharashtra - Nashik Hospital and Santa Cruz, Mumbai Hospital. These hospitals are being set up on a revenue-sharing model. The infrastructure and equipment for the Mumbai Hospital are being set up by Shalby. The infrastructure for the Nashik facility is being built by our hospital partner while Shalby will be investing only in the equipment. Both the hospitals will be managed by Shalby.

The structure of the Nashik facility is underway, it is expected to materialise in the current fiscal. The Mumbai facility is progressing on track and is slated to get operational in FY 2026. Investments in these facilities are being made in a phase-wise manner, enabling us to fund the capital expenditure through internal accruals. The high recall value that our brand enjoys in these markets will particularly prove helpful in the faster ramp-up of occupancy levels when we commence operations.

NASHIK HOSPITAL

Business Model
Revenue Sharing Asset Light Model

Project type
Brownfield expansion

Bed Capacity
146

Operating and Management Term
30 years

Operationalisation Year
FY 2023

Estimated Cost
₹ 310 million

SANTA CRUZ, MUMBAI HOSPITAL

Business Model
Revenue Sharing

Project type
Greenfield expansion

Bed Capacity
175

Operating and Management Term
30 + 30 years

Operationalisation Year
FY 2025-26

Estimated Cost
₹ 1,600 million

Huge headroom for growth

Our hospitals are at different stages of their maturity. Of our 1,200+ operational beds, 515 beds are part of our young hospital portfolio having less than five years of maturity, 550 beds are part of the medium-level maturity hospitals, while only 170 beds are part of the highly matured hospital portfolio.

High Maturity (10+ years)	Medium-Level Maturity (5-10 years)	Low-Level Maturity (0-5 years)
170 Operational Beds	550 Operational Beds	515 Operational Beds
Revenue Contribution 26%	Revenue Contribution 36%	Revenue Contribution 38%
EBITDA Margins 37%	EBITDA Margins 18%	EBITDA Margins 16%

Note: Revenue and EBITDA above are at the unit level. All numbers are on a standalone basis and for the year ending FY 2022

We are bringing highly qualified, experienced and reputed doctors on board at all our hospitals. Focus group meetings and regular continuing medical education (CME) activities are being held to increase the knowledge and competence of our existing medical team. Investments are continually being made in the latest clinical technologies. These measures are enabling us to strengthen our in-house capabilities across specialties. We are also conducting health awareness programs and camps and reaching out to our patients through our digital campaigns.

As we progress on our plans, we expect to further strengthen the Shalby brand and achieve strong growth in the number of surgeries conducted across specialties, particularly across our young and medium maturity-level hospitals. This will drive an increase in occupancy levels leading to better operational leverage. We also see significant room to grow even in our mature hospitals, which are operating at over 35% margins.

We have been consistently recording strong growth in the outpatient count, including a high number of new outpatients. These new outpatients also create a strong pipeline of inpatients for the coming years.

GROWTH LEVERS

- Additional 40% of the total bed capacity is available to support organic growth trajectory with limited capex.
- Nashik and Santacruz hospitals within development budget and provide access to important local markets.
- Ongoing diversification of Arthroplasty and Orthopedics with Cardiac Science, Oncology and Neuroscience.
- Investments in high-impact training programs have established a dedicated professional medical base.
- Innovative digital and market awareness continues to reinforce the Shalby brand nationwide.

Infrastructure that makes a healthier world possible

We invest in state-of-the-art medical infrastructure across all our units in pursuit of our commitment to a healthier world. Our advanced surgical equipment not only enables healthcare professionals to screen, diagnose and treat highly critical and complex cases but also helps in reducing the length of hospital stays. During the year, we continued to strengthen our medical infrastructure with the goal of enhancing health outcomes, the quality of healthcare delivery and operational efficiency.

Digital Spine Operation Room at SG Shalby Hospitals, Ahmedabad

We launched a state-of-the-art 'Digital Spine Operation Room' at SG Shalby Hospital, Ahmedabad. This makes the hospital among the very few in Gujarat to have a comprehensive and dedicated Digital Spine Operation Room. The cutting-edge digital technology is supported by an equally efficient in-house surgical team.

Shalby Institute of Rehabilitation Sciences at Shalby Krishna Hospitals, Ahmedabad

The Shalby Institute of Rehabilitation Sciences (SIRS), conceived and managed by medical specialists, was set up at Shalby Krishna Hospitals, Ahmedabad. It is a unique and arguably the only rehabilitation centre providing 24/7 in-house medical and emergency services. SIRS provides rehabilitation services for people of all ages - from children to the elderly. The service suite encompasses rehabilitation from medical diseases to post-surgery therapy. It also provides tailor-made wellness programs like healthy bone initiative, women-specific initiatives, chronic pain management clinic, diet & nutrition, obesity & weight loss clinic, sleep clinic, etc. With a motto of 'freedom from disability, SIRS aims to not only treat but to heal.

3D Neuro/Spine Navigation

Enables clear visualisation and surgical navigation of every segment in the spine and neuro

Cath Lab

For Angiography & Angioplasty

CT Machine

Detecting abnormalities in the body, such as tumours, abscesses, abnormal blood vessels, etc., when they are suspected by symptoms or other tests.

Linear Accelerator

A linear accelerator can be used to treat cancer in virtually any area of the body through radiation therapy.

MRI Machine

Radiology equipment especially useful for looking at soft tissues and the nervous system.

IVUS System

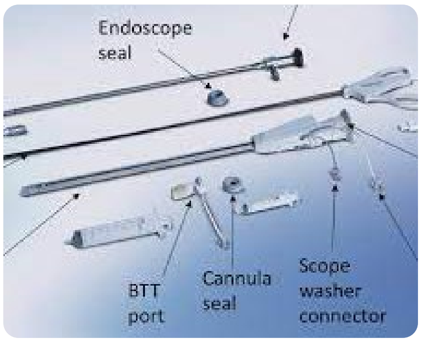
IVUS is an imaging technique that uses a transducer or probe to generate sound waves and produce pictures of the insides of blood vessels.

ECMO Machine

It is similar to the heart-lung by-pass machine used in open-heart surgery. It pumps and oxygenates a patient's blood outside the body, allowing the heart and lungs to rest.

Breast Biopsy System

To check a problem seen on a mammogram, such as small calcium deposits in breast tissue or a fluid-filled mass (cyst).



EVH System

Endoscopic Vessel Harvesting system is at the forefront of technological advances that improve vessel harvesting for coronary artery bypass graft (CABG) surgery.

CRRT System

CRRT is blood purification therapy. During this therapy, a patient's blood passes through a special filter that removes fluid and uremic toxins, returning clean blood to the body.

Empowering health with clinical excellence

At Shalby, we have healthcare experts across specialties. Coming together as an integrated team, they drive clinical excellence and enable our patients to live healthier lives. The deployment of sophisticated equipment and advanced technology further supports their efforts to deliver better patient outcomes. Well-documented processes ensure quality healthcare is unfailingly delivered and strict adherence to global standards is maintained. This firm approach to process documentation enables us to seamlessly scale our hospital operations.

FY 2021-22 highlights

Highly complex hip replacement surgery with ankylosing spondylitis was performed successfully at Shalby Jaipur.

Shalby Jaipur created history with 200 joint replacement surgeries in a month by a single orthopedic surgeon.

An advanced surgery was performed for treating a patient with collarbone fracture, without using plates, at Shalby Ahmedabad.

A ten-month-old baby suffering from a cancerous brain tumour successfully underwent five-hour-long neurosurgery at Shalby Ahmedabad.

Shalby Mohali performed the first-of-its-kind surgery in the northern region that restored the hearing ability of a five-year-old child.

A rare surgery called Paraganglioma (neuroendocrine tumour) was treated at Shalby Surat by a team of super specialty doctors.

Saved the life of a seven-month baby suffering from brain haemorrhage at Shalby Jaipur.

180+
kidney and liver transplants performed by Shalby till date

Departmental review

DEPARTMENT OF ORTHOPEDICS

Overview

Modern sedentary lifestyles have given rise to a huge spike in musculoskeletal disorders, especially in urban India, leading to a massive growth in the orthopedics market. Musculoskeletal disorders can also arise due to congenital issues, injuries, accidents, degenerative wear and tear due to ageing, genetics, and infection. Indians and Asians are 15% more susceptible to orthopedic disorders compared to Americans. Total Knee Replacement (TKR) is a surgical procedure to resurface a damaged knee due to arthritis. Under Total Hip Replacement (THR) surgery, the damaged bone and cartilage is removed and replaced with prosthetic components (also known as implants). TKR and THR have become more affordable in the past few years as the cost-to-patient for surgery has not increased significantly in the last 25 years due to technological improvements. At the same time, the purchasing power of the Indian middle-class has increased substantially, thereby enhancing affordability of treatment.

Shalby's Approach

Shalby Hospitals is one of the largest and a world-renowned tertiary centre for Orthopedics, including all types of joint replacement surgeries, trauma, revisions, scopy, deformity, spine & paediatric and onco-orthopedics. We are a market leader in the joint replacement field with a dedicated and skilful team of doctors and best-in-class facilities. Our team of experts in the field of sports medicine is among the best in the treatment of all types of complex cases. The holistic approach adopted by our team of orthopedic surgeons, specialised train sports medicine physiotherapists and dieticians helps patients to achieve fast recovery.

Our top-class spine surgeons perform Minimally Invasive Spine Surgeries (MISS). This advanced technique not only helps in fast recovery but also ensures restoration of spine movements with pinpoint precision. Our hospitals are among the best spine surgery hospitals in India and treat patients from all over the world with a range of treatments such as spine surgery, back pain treatment, spine infection, keyhole spinal surgery, kyphoplasty surgery, and disc replacement.

Other Highlights & Way Forward

- 60% of all treated cases are complex cases and most of the cases are revision scoliosis & other complex revision surgeries
- Growing at a rate of 20% each year in terms of the number of patients treated & earned revenue
- One of the best orthopedic centres in the country and many doctors from other centres visit us for observer ship
- Planning to start Sports Medicine & Injury clinic at all our units
- Starting Hand transplant program at one of our units
- Planning to start fellowship in Spine Surgery

9,203 Total TKR and THR
surgeries conducted in FY 2021-22

DEPARTMENT OF CRITICAL CARE AND GENERAL MEDICINE

Treating COVID-19 as well as Non-COVID-19 patients with a team of expert doctors and high-tech intensive & critical care unit, and offering the best of the non-surgical lines of treatment for a wide range of diseases.

Shalby's Approach

Critical Care

Shalby Hospitals have world-class infrastructure and renowned doctors. Our staff is deeply aware of the 'Golden Hour' in emergency situations. Assessment and stabilisation of critically ill patients start in 60 seconds in our emergency departments. During the last all COVID-19 waves in India, our critical care department worked tirelessly to save patients' lives.

Dedicated Intensivists 24 x 7

Our team of experienced intensivists are available round the clock for intensive care units.

Internal Medicine/General Medicine

Our team of general physicians are recognised experts in the prevention, diagnosis and treatment of acute as well as chronic diseases. We handle a comprehensive range of adult illnesses following a patient-centric approach.

Our intensivists are well-trained and experienced to treat patients suffering from a diverse range of diseases. Our internal medicine specialists play an important role in treating diverse medical conditions and often diagnose uncommon conditions.

Technology Used

- Latest Ventilators & Bipap Machines
- C Pap and ECMO
- X-ray/USU/CT/MRI/Doppler /ECHO
- 24x7 bedside and Central Haemodynamic monitoring
- Haemodialysis facility & CRRT machine in ICU
- IABP

10,297

Patients treated during FY 2021-22

SHALBY CANCER & RESEARCH INSTITUTE (ONCOSCIENCES)

Providing latest, research-based care to cancer patients by renowned oncologists, onco surgeons and radiation oncologists using state-of-the-art equipment.

Shalby's Approach

We always strive to save human lives and alleviate pain at our state-of-the-art Cancer & Research Institute. The Institute caters to both domestic and overseas patients. Our cancer experts evaluate and treat all types of cancer, from early-stage lesions to advanced-stage metastasis, and the rarest and most challenging cases.

Technology Used

- Ultra-modern Radiation Therapy Units
- Varian Trilogy Linear Accelerator with FFF Technology & Brachytherapy Unit

Services

- Oncology
- Oncosurgery
- Radiation Therapy
- Immunotherapy

11,005

Patients treated during FY 2021-22

DEPARTMENT OF RENAL SCIENCES

Nephrology, Urology & Kidney Transplant

Committed to delivering the best patient care by an expert team of doctors using sophisticated technology.

Shalby's Approach

We aim to provide world-class nephrology and urology prevention, diagnosis and treatment services. We have state-of-the-art facilities for dialysis & CRRT & uro surgeries including Kidney Transplant (Live & Cadaveric)

Facilities

- Dialysis Machine
- CRRT
- Holmium Laser
- Thulium Laser

Procedures & Surgeries

- Dialysis
- AV Fistula
- All types of minor and major uro surgeries
- Kidney Transplant

27
Kidney transplants performed in FY 2021-22

13,229
Patients treated during FY 2021-22 (Nephrology and Urology)

DEPARTMENT OF G. I. HEPATOBILIARY, BARIATRIC SURGERY, LIVER DISEASE & LIVER TRANSPLANT

Excelling patient expectations through expert doctors and the latest technology.

Shalby's Approach

We provide expert surgical gastroenterology treatment and comprehensive services covering the diseases of the pancreas, biliary tract, liver and spleen. A dedicated team of doctors is in place for conducting G.I Oncosurgery. We are planning to develop a **high volume living donor liver transplant program** & ERAS (Enhance recovery after surgery) which has helped in good outcomes. All kinds of medical liver ailments, including cirrhosis, functional & treatable bowel diseases are treated at our hospitals.

Technology & Equipment

- State-of-the-art Operation Theatres
- Harmonic Scalpel
- CUSA

2,877

Patients treated in FY 2021-22

1,311

No. of surgeries performed during FY 2021-22

DEPARTMENT OF CARDIAC SCIENCES

Dedicated to providing world-class cardiac care at affordable cost through our expertise in Cardiology, Cardiothoracic Vascular Surgery and Cardiac Rehabilitation.

Shalby's Approach

Our team of doctors includes full-time leading cardiologists, cardiothoracic surgeons and cardiac anesthetists. We use cutting-edge technology and the latest innovations to offer services that match the global benchmark.

Cardiothoracic & Vascular Surgery Procedures

- CABG surgeries, Valve replacement surgery
- Emergency & Planned Vascular repairs & reconstructions
- Permanent pacemaker
- Thoracic surgery
- Heart Failure Surgeries

Cardiology Procedures

Angiography, Angioplasty, IVUS, Rotablation

Opportunities

Practical application of ECMO therapy in more number of patients with acute cardiac and pulmonology failure

Technology Used

- Advanced Cardiac Cath Labs
- Dedicated Cardiac Operation Theatres
- Fractional Flow Rate (FFR) for better diagnosis
- External Counter Pulsation (ECP) for Refractory Cardiac Failure patients
- Cardiac Electrophysiology for managing Cardiac Rhythm abnormalities
- Non-Invasive Cardiology Program with Stress Test, 2D Echo, Tilt Table Testing, 128 - Slice Dual Source CT scan for CT Coronary Angiography and Nuclear Medicine Department

5,194

Patients treated in FY 2021-22 (Cardiology and CVTS)

DEPARTMENT OF DENTAL COSMETIC & IMPLANTOLOGY

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

Shalby's Approach

For over two decades, we have been focused on treatments related to dental cosmetics and dental implantology. Advancements in technology have created revolutionary transformations in the field of dentistry.

4,318

Patients treated in FY 2021-22

Dentistry Procedures

- Preventive Dentistry: Prophylaxis, placement of sealants, detection of caries
- Restorative Dentistry
- Periodontics: Gum Disease Treatment for Adults & Children
- Dental Implants
- Immediate & Partial Dentures
- Endodontic Dentistry: Root Canal Treatment
- Laser Dentistry
- Oral-Maxillofacial Surgery
- Paediatric Dentistry
- Cosmetic Dentistry Services
- Teeth Whitening
- Dental Crown & Bridges
- Orthodontic Treatment
- Sedation Dentistry

DEPARTMENT OF SPINE SURGERY

Committed to treating a range of spine diseases and improving the quality of life.

Shalby's Approach

Our team of experts, comprising the best of spine surgeons, perform Minimally Invasive Spine Surgeries (MISS). This method not only helps in fast recovery but also ensures restoration of spine movements with pinpoint precision. Our hospitals are among the best spine surgery hospitals in India and treat patients from all over the world with a range of treatments like spine surgery, back pain treatment, spine infection, keyhole spinal surgery, kyphoplasty surgery, and disc replacement.

- Treated a number of international patients.
- 60% of all treated cases are complex cases & most of the cases are revision Scoliosis & other complex revision surgeries.
- Growing at a rate of 20% per annum in terms of the number of patients treated and revenue.
- One of the best centres in the country; many doctors from other centres come for observership.
- Fellowship in Spine Surgery offered.
- Rehab Centre.

Technology Used

- Minimally Invasive Spine surgeries
- Digital Spine Navigation

975

Spine surgeries performed in FY 2021-22

DEPARTMENT OF NEUROSCIENCES

Treating a wide range of neurological disorders and complex tumors with advanced medical equipment and microsurgery.

Shalby's Approach

Our neurologists and neurosurgeons are committed to providing patients the best treatment for neurological disorders and diseases like brain tumors, spinal tumors and degenerative spine disease. We offer the latest treatment for disorders like seizures, epilepsy and Parkinson's disease.

Technology Used

- KARL ZEISS OPMI-vario model Microscope (One of the best operating microscopes in the world)
- Craniotome
- Valleylab diathermy machine
- Xenon overhead operating lights
- Maquet remote operated O.T. Table
- Post-operative neurosurgery ICU backup
- World-class emergency room

Highlights

- Micro-neurosurgical procedures used to treat many chronic neurological procedures
- Treated many post-COVID-19 patients suffering from neurological disorders like GBS, Stroke, Myelitis
- Planning to develop specialty clinics like Headache Clinic, Stroke Clinic etc.
- Dedicated Neuro ICU & Rehab Center

2,252
Patients treated in FY 2021-22

405
Neuro surgeries performed in FY 2021-22

Bringing healthcare home

Shalby Homecare

Many patients find visiting or staying at hospitals difficult due to restricted mobility, old age and other issues. Furthermore, many patients have unique needs, necessitating healthcare that is provided to them at their convenience and in the comfort of their homes. The uncertain times of the pandemic have also intensified the demand for in-home patient-focussed interventions. Committed to caring for all, especially those most vulnerable, we provide Shalby healthcare services in the patient's home, under the umbrella of Shalby Homecare.

Our high-quality in-home healthcare services

- COVID-19 care package and diagnostic services
- Online consultation
- Nursing (incl. critical care) services
- Attendant services
- Physiotherapy
- Pathology
- Medical equipment rentals
- Pharmacy @home
- Home visits by doctors

During the year, we expanded the scope of Shalby HomeCare services, which saw great acceptance among patients . Along with driving patient convenience, our homecare services create strong synergies for our core hospital vertical. It enables us to reach a large patient base and raise brand recognition, which in turn is expected to drive the occupancy at our hospitals in the longer run.

We are also focussing on expanding the scope of our homecare services to include ICU setup at home, chronic disease management, rehabilitation, and personalised and tech-enabled integrated offerings.

20,300+
Homecare cases in FY 2021-22

61,000+
Total Homecare visits in FY 2021-22

Embedding new technologies

We are driving the rapid adaption of better technologies and platforms to support our growing activities and deliver a better patient experience. These solutions are being embraced in multiple areas such as infrastructure, operations, supply chain, and internal and external stakeholder engagement, among others.

SAP Implementation

During the year, we implemented SAP S4/Hana, a cloud enterprise resource planning (ERP) software, across all our units. This was a major accomplishment as the entire project (Project Samanvay) was not only completed in a short span of eight months but the ERP software was also integrated with our Hospital Information System.

This strategic implementation is in line with global practices and will support our aspirations to expand globally. It will enable us to strengthen our financial and operational processes with enhanced database management, administration and security. Real-time data access and advanced analytics will also increase productivity and support better decision-making.

Centralised Laboratory Information System

Committed to continuous improvement in our operations, we launched a centralised cloud-based Laboratory Information System (LIS). Titled Project Suflam, our centralised LIS will drive workflow automation. This will help us to produce standardised pathology and patient reports and send them on a real-time basis across all our units.

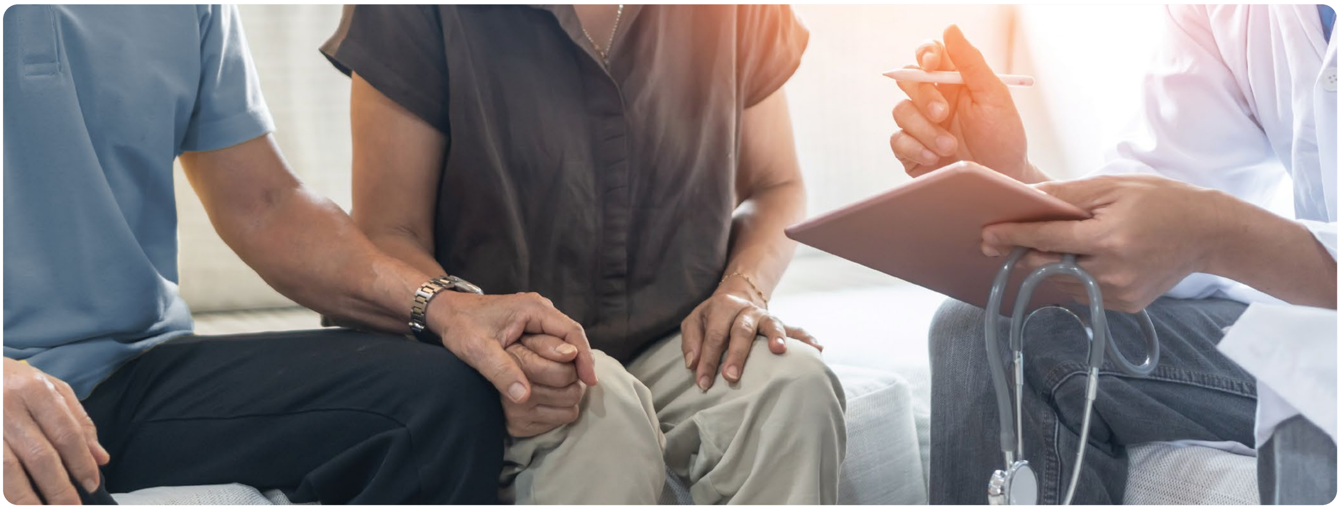
Digital Patient Engagement

We have automated communication across channels to support patient education, appointment management, online consultation, and real-time response, among other things. Artificial Intelligence (AI) and Machine-Learning (ML) powered chatbots have been deployed to drive easy and convenient engagements with our patients. In addition, digital patient engagement is helping us to ease the burden on our staff by reducing avoidable administrative tasks.

Advanced customer relationship management (CRM) software have been implemented to manage patient queries through social media and drive end-to-end seamless interactions. We are continuously improving its features and functionalities to make technology a business enabler. We are also revamping and improvising our website and the mobile application.

Raising health awareness

As part of our commitment to creating a healthier world, we promote awareness of health issues. When people have better health knowledge, we believe they are more motivated to safeguard and manage their own health. Being aware of diseases and their symptoms is particularly essential for prevention, early detection and targeted therapy of serious ailments. Our health awareness campaigns also helps us to drive brand recognition and improve the occupancy levels at our hospitals.



Neurology Awareness Campaign

We conducted an awareness campaign for neurological diseases. More than 300 patients took benefit of this campaign and consulted health professionals for headaches and backaches.

Cardiac Campaign

We organised a cardiac campaign in Jabalpur, Madhya Pradesh. 1,200+ people participated in this campaign. Consulting services were provided to participants and the campaign created more awareness on heart health.

Health Awareness Digital Campaign

We published a series of online health articles on a wide variety of topics like advanced liver care, revisional surgeries for knee replacement, golden hour importance in head injuries, mother & child care, etc. These articles reached around 5 lakh population via different marketing tools.

Weekly Interactions with Community Groups

We held weekly interactions with small groups of people from social organisations and clubs. Under this program, participating members were engaged via health talks, which were often followed by specialist screening.

Orthopedic Camp

We organised a free medical camp for joint replacement and orthopedic consultation services in Bengaluru.

Consultation Camp on Women's Day

On International Women's Day, Shalby Indore launched a free consultation camp through Matritva Care Centre.

550+
healthcare camps held in FY 2021-22

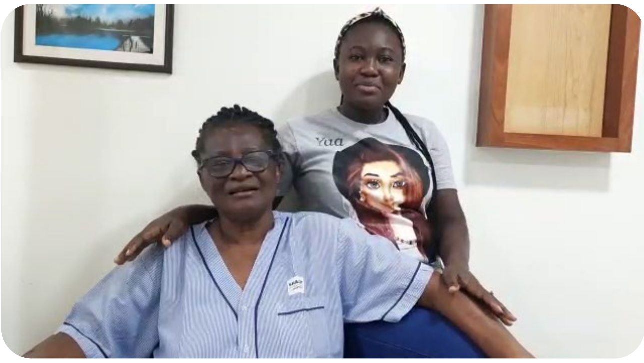
360+
healthcare talks held in FY 2021-22

25+
cities across Rajasthan, Gujarat, MP and Punjab where healthcare camps were held in FY 2021-22

Patient testimonials

Ghana patient's six times failed hip replacement surgery performed successfully at Krishna Shalby Hospitals, Ahmedabad

Elham (patient's daughter): "We are from Ghana. My mother Mrs. Nansata Salifu had been suffering from severe hip pain for long and had got operated six times in Ghana. However, this did not help and her pain persisted. Then we decided to consult Dr. Vikram Shah at Krishna Shalby Hospitals in Ahmedabad. She is feeling much better now after the surgery by Dr. Vikram Shah and has started walking. I thank Dr. Vikram Shah, the team of doctors and the staff here."



Going strong even after 20 years of surgery

Respected Sir Dr. Vikram Shah and Dr. Bharat Gajjar

This is to acknowledge you, your expertise and your work as a Doctor! You have brought light and glory to so many lives – I one of them.

I, Arvindbhai Thakkar, a manufacturer of industrial salt and based in Vadodara, got both my knees replaced by none other than the perfectionist Dr. Vikram Shah. It's been almost 20 years and I have nearly forgotten about the surgery. Results are satisfactory and I can travel the world with his rock-solid moral support – the feeling when he calls me CHAMPION.

Regards,

Arvind Thakkar
Dakornath Group of Companies

Respiratory failure patient's life saved at Shalby Hospitals, Jaipur

Rajendra Singh (patient's son): "My mother is 62 years old. She has had a long history of respiratory disease. She was rushed to Shalby Hospitals Jaipur recently after she had extreme difficulty in breathing and became unconscious. She was immediately attended to in the emergency ward. Hers was a complex case as she had a respiratory failure with low oxygen and high carbon dioxide as well as heart failure due to hypertension. Many doctors from different specialties worked together at Shalby and treated her successfully. I thank Shalby Hospitals for saving her life."

Patient's family showers praise for excellent care and treatment at Shalby Hospitals, Indore

Mr Devinder Pal Singh (patient's brother-in-law): "My bhabhi, Mrs. Mahinder Kaur was operated earlier for spine problem at another hospital, but was still having difficulty in walking. So, we consulted Dr. Prasad Patgaonkar, Spine Surgeon at Shalby Hospitals Indore. Dr. Patgaonkar advised that surgery would not be helpful in her case and treated her successfully with medicines. Since my bhabhi had been in bed for a long time she had also developed a 7 cm large bedsore. She was treated by Dr. Seema Mittal, Plastic Surgeon at Shalby Hospitals with two surgeries for this. She is feeling much better now. We also consulted Dr Siddhant Jain, a Cardiologist at Shalby Hospitals. I am very happy we got very good treatment here for my bhabhi's various ailments."

A healthier world by leveraging our core expertise

At Shalby, we have established ourselves as a leader in Arthroplasty (joint replacement surgery) in India. We command a market share of 15% in this segment, conducting over 12,000 surgeries annually. Since our inception, we have performed more than 1,35,000 joint replacement surgeries. Additionally, we are a leading player worldwide for knee replacement surgery.

While Arthroplasty is our niche, we have also built an excellent reputation for ourselves across the entire spectrum of orthopedics including trauma, arthroscopy, spine, paediatric and onco-orthopedics. We are now leveraging this expertise and brand equity to aggressively scale up our presence in India and serve the huge demand for orthopedic surgeries. To provide a better perspective, India is expected to witness nearly 1.5 million joint replacement surgeries annually, a significant increase from around 2.5 lakh procedures currently.

Shalby Orthopedics Centre of Excellence

The Shalby Orthopedics Centre of Excellence (SOCE) is being set up as a standalone orthopedics hospital via the franchise route. It is envisioned to serve as a dedicated, state-of-the-art, full service, walk-in orthopedics centre for convenient and quality treatment of all orthopedic disorders, accident & trauma as well as sports injuries. Every SOCE is being driven by a highly qualified team of specialists. Further, every SOCE is being equipped with the latest high-definition arthroscopic systems, state-of-the-art operation theatre, ICU and emergency department. This will enable it to offer world-class orthopedic services, including joint replacement surgeries, under one roof at affordable rates.

Our franchise model is unique, innovative and first of its kind with a focus on in-patients. Leveraging Shalby's expertise and branding across arthroplasty and orthopedics, the franchise route creates excellent synergies for faster market penetration without significant additional capital investment. It enables patients who are not keen to travel to gain easy access to Shalby's orthopedic competence and capability closer to home. SOCEs will also strengthen patients' confidence in the Shalby brand and encourage those living in smaller cities to travel for non-orthopedic surgeries to our multispecialty hospitals.

Our creative model will allow us to go deeper into Tier 2 & Tier 3 cities and strengthen our presence across India. The plan is to open over 50 Shalby franchisees by the end of FY 2026. Our focussed markets are Delhi, NCR, Kolkata, Maharashtra, Uttar Pradesh, Chhattisgarh and Assam.

BENEFITS OF SOCE

- Enhances patient access to quality orthopedic services
- Strengthens brand equity of Shalby Hospitals for other surgeries
- Quality of service monitored and controlled by Shalby
- Allows for faster market penetration across India
- Asset-light model for business expansion
- Unique and innovative franchise model

Franchise Format

Under our franchise business, we have adopted two types of formats: Franchise Owned - Shalby Operated (FOSO) model and Franchise Owned - Franchise Operated (FOFO) model. With Shalby Management is directly involved in the screening of key positions in the franchisee hospital, and a panel from Shalby Hospitals conducts interviews for all key positions. All employees at the franchisee are trained on Shalby's standard operating procedures and patient-centric approach to ensure a consistent brand experience across all hospitals.

SOCE Formats

Franchise Owned – Shalby Operated (FOSO) Model

- Franchisee responsible for capex
- Managed and operated by Shalby
- Fixed revenue sharing model

Franchise Owned and Franchise Operated (FOFO) Model (Shalby Management)

- Franchisee responsible for capex and opex operated by franchisee
- Shalby systems and SOPs used
- Fixed revenue sharing model

Progress of SOCE expansion

In September 2021, we launched our first SOCE in the country at Udaipur. This SOCE has been set up via the FOFO model and has been delivering immediate traction and results.

We also re-launched our Vijay unit in Ahmedabad as a dedicated orthopedic specialty centre. The Vijay unit was previously serving as a multi-specialty hospital. This Centre is owned and operated by Shalby Hospitals.

Aligned with our strategy to ramp up local presence through the franchise model, we are actively pursuing opportunities in our focused markets. We have already signed agreements for launching SOCEs in Rajkot, Gwalior, Kanpur and Lucknow. In total, five franchise MoUs have been signed till date. All these centres are being set up through FOSO model.

Our Target

50

SOCEs by FY 2026

A healthier world with our manufacturing capabilities

A greater thrust to our hospital operations and franchise operations of SOCEs is being provided with our backward integration into implant manufacturing. The implant manufacturing vertical is fully in line with our core specialty of arthroplasty.

In May 2021, Shalby acquired high-quality implant assets, patents and customer relationships of Consensus Orthopedics, a company headquartered in California, US. The implants manufactured by Consensus Orthopedics are approved by the US Food and Drug Administration (FDA)[1]. The assets were acquired by Shalby Advanced Technologies Inc., a step-down subsidiary of Shalby Limited.

History of Consensus Orthopedics now Shalby Advanced Technologies Inc. (SAT)

1992

Founded as Hayes Medical, headquartered in El Dorado Hills, California

1992-2010

- Hayes Medical completed its Technology Sales and Licensing Agreements
- Name changed to Consensus Orthopedics

2010-2015

75% growth in the US by forming partnerships with various distributors

2016-2020

Consensus further extended its product portfolio to joints and strengthened the management team

MAY 2021

Shalby Advanced Technologies Inc., acquires assets, inventories and patents of Consensus Orthopedics and becomes a global brand

CORE STRENGTHS

1,20,000*
Component manufacturing capacity per annum

Zero Product Recall
Over 1,00,000 joints (60,000+ knee implants, 40,000+ hip implants)

In-House R&D
With 25+ years of experience in innovation and design

Established Network
Of distributors and surgeons in the US

US FDA
Approved implants

60+
Employee Count

End-to-End
Implant manufacturing

*Potential capacity

Acquisition Synergies

1. Fully synergistic with Shalby's core hospital and arthroplasty business
2. Enables Shalby to procure quality implants at a competitive price for its own consumption in India
3. Facilitates diversification of Shalby's business and revenue mix

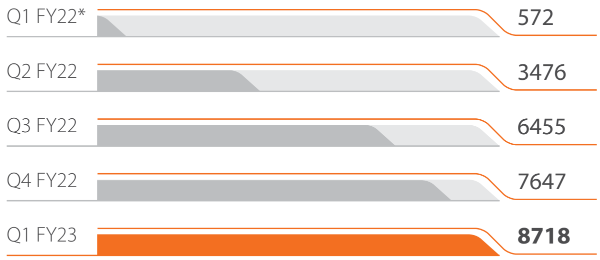
[1]US FDA refers to the United States Food and Drug Administration, a federal agency of the Department of Health and Human Services.

Performance review

Post the acquisition, the leadership team of SAT was seamlessly on-boarded and critical hires were made, including for the shop floor. In a short span, SAT has achieved many internal milestones. The operational capability of the plant has been increased by around 50%, with around 2,500 components being manufactured per month. The implants have been launched under our new brand of Consensus Orthopedics – Shalby Company.

Ramping up production QoQ

No. of Components Manufactured



*Operative only for 45 days

We have been re-engaging with existing customers, surgeons, hospitals and channel partners through regular management field meetings. The sales in the US have been increasing with every passing month, except for a short interval when elective surgeries were postponed due to the omicron variant of the COVID-19 virus. We have also been actively working towards a strategic shift of the sales ratio from wholesale to retail, which helps to serve customers better and results in the better price realisations and profits.

Product innovation

A new knee implant innovation called TUKS (Tahoe Unicondylar Knee System) was launched for the US market towards the end of the fiscal. Developed in conjunction with Dr. Richard Reitman, one of the leading unicondylar knee replacement surgeons in the US, this product launch is a major milestone for Shalby after taking over the ownership of Consensus Orthopedics. This flagship product converges implant design and innovative technology to enhance the surgical experience and improve clinical outcomes beyond traditional devices. TUKS offers exciting opportunities for enabling Shalby for leading the partial knee space with a fixed bearing device coupled with femoral-specific reproducible instrumentation. The initial responses to this product have been encouraging.

Driving geographic expansion

SAT has taken big strides towards re-establishing its market presence and revenue base in core markets of the US, Japan and Latin America. It successfully participated in the conference held by the American Academy of Orthopedic Surgeons in the US, which is the largest orthopedic conference.

SAT's strong focus on growing globally continues with expansion plans being pursued in a phase-wise manner. In the ongoing first phase, it is looking at building a presence in India, South East Asia (Indonesia, Malaysia, Philippines and Vietnam) and South Asia (Bangladesh and Nepal).

In February 2022, Shalby received the approval for importing the complete range of joint replacement manufactured in the US, i.e. Total Knee System and Total Hip System, into India. This will allow Shalby to import implants for internal consumption and also cater to the additional demand for implants from SOCEs and other hospitals in India. The soft launch in India has received an encouraging response.

All the necessary documents for getting regulatory approval for South East Asia markets are also in place. We are in advanced discussion with distributors of Indonesia to launch our implants in that country and are in active search for distribution partners in Malaysia, Vietnam, and the Philippines.

Phase two expansion will cover countries in the Middle East and Europe while Phase three expansion will be directed at East Africa and CIS countries.

Enhancing operational efficiency

Strong focus is being placed on ramping up production, optimising plant capacity and extracting higher efficiencies. The immediate goal is to increase production to around 5,000 components per month by the end of FY 2022-23 to support sales growth in the US and India. Manpower hiring and training of the shop floor personnel are being undertaken to support the rise in production. We are also re-engineering the production process to reduce production costs and are driving improvements in the new variant through instrumentation designing.

Market opportunity for implants

The joint replacement market in India is expected to increase at a CAGR of 15% from USD 0.70 Bn in 2019 to USD 1.37 Bn by 2024. India is slated to become the osteoarthritis capital of the world with a disease burden of 60 million active cases. With increasing health awareness, sedentary lifestyle habits among the population base and fast-paced economic growth, India is expected to witness nearly 1.5 million joint replacement surgeries annually. Globally, as well, the market opportunities for implants are huge as a rise in the geriatric population is driving the demand for joint replacement surgeries. While joint replacement surgeries were impacted due to COVID-19, joint replacement had the highest contribution in the global orthopedics product segments prior to the pandemic.

BUILDING INTEGRATED ORTHOPEDIC IMPLANT ECOSYSTEM

Shalby is a Leader in Joint Replacement with 15% Market Share

- Performed **more than 1,35,000** joint replacement surgeries since inception
- Performs more than **12,000+ surgeries** every year with an aim to perform 15,000+ in FY 2023
- Indian orthopedic industry is expected to witness nearly **1.5 million joint replacement surgeries** annually

Shalby Consensus Engaged in Innovative Implants Manufacturing

- Shalby Consensus to meet the **inhouse demand** for implants
- Asset-light franchise model will also help to boost **Consensus implant demand**
- **Shalby trained doctors** practicing on Shalby manufactured implants are expected to continue to use Shalby Consensus implants

Shalby Orthopedics Centre of Excellence and Franchise Model

- **Standalone hospitals** to provide world-class orthopedic care services to patients
- The orthopedic centres to be equipped with the latest high-definition arthroscopic systems and establish **state-of-the-art joint replacements** facility
- Shalby to monitor and control the quality of the services

A healthier world by nurturing industry talent

The healthcare sector is still struggling with the COVID-19 pandemic's aftershocks. India is currently experiencing a lack of trained health workers, despite being the world's largest supply of healthcare human resources. This necessitates paying more attention to increasing their understanding of technological advancements and industry trends through up-skilling or re-skilling programs incorporated with global standards.

Under Shalby Academy, we are scaling up and strengthening the quality of health workforce education and training. Further, the Academy emphasises imparting job-specific skills that will allow Indian healthcare professionals to compete in a globally competitive workforce.

While bridging India's healthcare skill gap, the training program of the Academy also has synergistic value as it provides us with a qualified talent pool to support our growing operations of multi-specialty hospitals and SOCEs.

Shalby Academy Strengths

- Availability of simulation Lab for experiential learning
- Certified clinical (BLS) trainers
- Equipped with digital LMS platform
- Availability of clinical in-house experts
- Associated with renowned healthcare universities
- Vast alumni network across India

Partnering with several institutes providing programs in healthcare and hospital management

- Indian Institute of Public Health Gandhinagar
- Ganpat University
- IIHMR University
- National Council of Paramedical, Delhi (India)
- Indus University
- UPES — University with a Purpose
- GNLA — Global Nursing Leadership Academy

VARIOUS CATEGORIES OF COURSES

- **Up-skilling Courses for Nurses**
- **Courses in Allied Health Science**
- **Life Saver trainings and programs**
- **Internship and observership programs**
- **Fellowship programs for Doctors**
- **Management programs in healthcare and hospital management**

Partnership with Global Nursing Leadership Academy

Shalby Academy has established a historic collaboration with Global Nursing Leadership Academy (GNLA) to bridge the gap between the healthcare and educational sectors for the benefit of future generations.

GNLA is an online learning hub for professionals who wish to upgrade their healthcare knowledge. The team behind GNLA possesses 11 years of expertise in Medical Training and Continuing Nursing Education, and this has been the inspiration behind developing this structured online learning platform for high-grade training.

This partnership will help students in the following ways:

- Study in a world-class environment
- Curriculum as per international standards – Nursing CPDs
- Learning multiple global nursing protocols
- Interactive Sessions
- Mutual Development & Training
- Faculty Development Programs
- Chances for an internship/hands-on Practical Training at Shalby Hospitals

Shalby Academy highlights for FY 2021-22

- 9 MoUs signed during the year with various Physiotherapy, Allied Health Science, and Nutrition & Dietetic colleges for providing hands-on trainings to students.
- Shalby Academy and Ganpat University, Gujarat entered into an agreement to offer among the first-of-its-kind industry-aligned MBA in Healthcare & Hospital Management in Gujarat.
- Trained more than 1,200 students in various disciplines of physiotherapy, nursing, lab technician, nutrition, clinical, paramedics, hospital management, and pharmacy, as part of the academic outreach.
- Over 200 students completed a certification program on various paramedical courses in affiliation with the National Council of the Paramedic Department (NCPD), Delhi.
- 44 students enrolled for 6 months of Certification Program in Infection Control and Critical Care in affiliation with Ganpat University, Gujarat.
- 16 students completed the postgraduate course in Hospital Management in partnerships with various universities.

>1,200 students
trained in various healthcare disciplines

A healthier world by empowering our people

Our talented and dedicated team members are the lifeblood of Shalby and enable us to pursue our commitment to a healthier world with full vigour. We are continually working towards recruiting and retaining talent, growing their capabilities, and fostering a culture that engages and energises them.

Embracing diversity

We value diversity in our workforce and implement relevant policies and programs to ensure that we are an inclusive and inspiring place. Embracing diversity also accelerates new thinking and ideas. It is also in line with our values to eliminate bias and support equal employment opportunities. We recruit, support and promote our people on the basis of their qualifications, skills, aptitude and attitude. This allows all individuals to maximise their capabilities and thereby enriches our work environment. We have zero tolerance for discrimination and harassment.

Clinical Workforce

Male 48%

Female 52%

Non-Clinical Workforce

Male 74%

Female 26%

Providing training and development opportunities

We place considerable focus on encouraging our people to build their skills and take ownership of their future. Through this, we are also sustaining and growing the capabilities of our Company and driving excellence in our operations. As part of supporting professional capability development, we provided opportunities for participation in international training programs, fellowship programs and knowledge-sharing sessions, among others. We also launched an e-learning initiative through a line of video modules named 'Shalby's Life Lessons'. The objective was to improve soft skills, professional grooming and customer experience.

57,635
Clinical Training Hours

55,055
Non-Clinical Training Hours

1,12,690
Total Training Hours*

*For FY 2021-22

Promoting wellbeing

Besides honing the professional abilities of our people, we seek to promote their well-being. During the year, we organised several wellness programs across multiple areas such as Healthy Eating, Stress Management, Yoga & Zumba Sessions, Counselling Sessions, Free Career Guidance, etc. These sessions were well-attended and received positive feedback.

Recognising contribution

Recognising our people in a fair and meaningful way drives engagement and helps us to attract and retain the talent we need. During the year, we launched an employee stock option scheme for the employees to reward them for their loyalty and performance. This is in addition to the Shalby Medicos Trust, which was created for rewarding the doctors associated with the Group. This is in line with our objective of wealth creation for all involved in the growth of the Company.

Annual Leadership Conclave 2022

At Shalby, we understand the importance of effective strategies to accomplish success. To seek ideas in our short-term and long-term strategic journey, a Leadership Conclave was organised in March 2022. The Conclave was chaired by Dr. Vikram Shah, Chairman & Managing Director, and Mr. Sushobhan Dasgupta, Vice-Chairman & Global President.

During the Conclave, the top leadership team appreciated the efforts put in by the Shalby team during the tough times of COVID-19. It was also agreed to increase our readiness for the probable next wave of the pandemic.

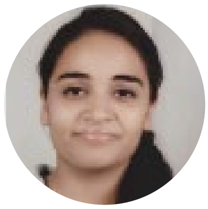
The Conclave served as a powerful catalyst to align leaders, develop solutions for problems, introduce new strategies and fuel collaboration across the organisation. New ideas and initiatives to achieve business goals were discussed. The leadership team shared the best practices of their individual unit/cluster. This served as a guiding light for the entire organisation as we march ahead on the path of healthcare excellence and uphold a standard of quality and performance associated with brand Shalby.

Shalby academy testimonials

Dr Zil Jagubhai Tandel
Tutor, Vedik Dental College, Daman

"I have learned a lot from this Hospital Management course. It was very informative and interesting. I not only gained a broad overview of the scope that this course offers for career development but also benefited from the excellent subject knowledge as part of the curriculum. I have been exposed to various critical areas of hospital management like in-patient and out-patient handling. It has been a great pleasure learning about all facets of hospital management from highly learned and experienced faculties.

This is a much useful course, as a refresher, for someone like me, or for anyone new to the subject. It brought back to memory, many of the lessons I had forgotten. It helps me a lot in my job".



Ms. Pragati Sharma
HR Trainee, Shalby Academy, Jaipur

"I completed my MBA in HR from International College for Girls, Jaipur. I underwent the 'Internship Program in HR' at Shalby Multi-specialty Hospitals, Jaipur and it helped me immensely to understand the nuances of working HR profile, outside the curriculum of my learning. For instance, Training, Employee Engagement, Documentation, Recruitment, Induction and intricate HR process modules covered under this internship were as good as practically handling HR profiles in a corporate set-up. This program bridges the gap between academic learning and practical experience in a real-time working environment.

I highly recommend everyone to join Shalby Academy for getting valuable experience even before taking up a job anywhere. Today, having undergone this program, I can proudly say - I am an experienced fresher".

Shiva Shukla
Staff Nurse, Jash Hospital, Shujalpur, Madhya Pradesh

"I have successfully completed the Certification Course in 'Infection Prevention and Control' from Shalby Academy, Indore. The faculties were extraordinary and the course delivery, through classroom lectures and hands-on training, at Shalby Hospitals, Indore was well orchestrated. Even during the lockdown, we were facilitated by online classes.

I will recommend Shalby Academy to all my known people for furthering their knowledge domain in healthcare".

Anshul Vyas
Staff Nurse, Gurjar Hospital, Indore

"I completed a six-month certification course in 'Infection Prevention & Control' from Shalby Academy, Indore. The course was conducted uninterrupted through regular classes and hands-on training at Shalby Hospitals Indore.

'Infection Prevention & Control' holds utmost significance in the healthcare delivery system all the time, all over the world, and the current pandemic is an illustrious example. I thank Shalby Academy for introducing a unique course like this which will immensely benefit healthcare practitioners like me".

A healthier world by embracing sustainability

We are making Environmental, Social and Governance (ESG) practices intrinsic to our business strategy by implementing a carefully constructed portfolio of initiatives. Our strong ESG focus is aligned with our commitment to making this world a healthier place for the generations to come.

Environmental

Our commitment to sustainability extends to the environmental impacts of our people, operations, products and services. Our focus is on reducing our carbon footprint and optimising resources. We ensure adherence to the local environmental practices and regulations.

Clean water and sanitation

We are conscious of the importance of using water resources judiciously. Our water conservation efforts are focussed on effective management, recycling and reuse of water

- Special attention is given to avoiding leakages in taps and wastage of water in washing and drinking areas
- Use of infrared controllers in water taps as they provide water only when required and switch off automatically
- Recently installed rainwater harvesting system at our upcoming hospital at Santa Cruz, Mumbai
- Wastewater from RO plants is recycled in sewage treatment plant (STP) plants and re-used in the hospitals for suitable purposes, i.e. gardening, flushing and use in the cooling tower

Saving 5-15% of water per tap per year

(Vs FY 2020-21)

Recycling > 20% of the treated wastewater

(Vs FY 2020-21)

Affordable and clean energy

We aim to achieve optimal and responsible usage of energy in our operations. Several energy conservation projects have been implemented across our facilities to power a greener world, including:

- Phasing out of CFL lamps to LED lights
- Introduction of timer-based operation of air handling units to reduce power consumption
- Introduction of motion sensor for lights to reduce power consumption
- All lifts and Operating Theatre (OT) Air Handling Units (AHU) are operated with VFD panels to control AC motor speed
- Energy optimisation practices implemented in transformer operation

Saving ~ 3% of electricity consumption

(Vs FY 2020-21)

Responsible waste disposal

Our operations generate hazardous and non-hazardous waste. Relevant procedures and processes have been adopted to ensure the disposal of waste in a responsible manner and in alignment with the environmental regulations and standards.

- Recyclable waste is collected and disposed of through an authorised recycler
- E-waste generated at the facility is disposed of through an authorised agent
- Biomedical waste disposed in accordance with government guidelines and to ensure minimum generation of radiation within the hospital

Reducing waste by more than **10%** at Group level through recycling

(Vs FY 2020-21)

Around **4,800 Kg** of organic fertilisers produced from our composting process

Social

Our corporate governance philosophy continues to provide a solid basis for protecting the interest of all our stakeholders. We are also committed to achieving the highest standards of integrity, ethics and professionalism through our governance.

COVID-19 healthcare services

In these times of the pandemic, as a healthcare organisation, we considered it our social and moral responsibility to do our utmost to protect communities against the invisible virus. All our hospitals treated COVID-19 patients during FY 2021-22. At the peak of the second pandemic wave in the country, we converted over 76% of our total bed capacity at the Group level for treating COVID-19 affected patients. Apart from installing additional ventilators, monitors and some other minor equipment, all our hospitals were adequately prepared to handle the surge of COVID-19 cases.

Our homecare packages also helped to ease the burden on the country's healthcare infrastructure by reducing overcrowding at hospitals. During the year, through our home care packages, we treated around 1,900+ COVID-19 patients in the comfort of their homes. This contribution made us among the leading healthcare providers in India/Western India to treat COVID-19 cases through teleconsultation.

Along with treating COVID-19 patients at our hospitals and through our homecare facilities, we partnered with Government and NGOs to ensure the vaccination of people. Online vaccine registration was made available for ensuring maximum inoculation and customer convenience. Vaccination camps were also held in the remotest part of India to touch as many lives as possible. During the year, we opened up our vaccination program for children, in accordance with government guidelines. Committed to the cause of vaccination for the larger good of society, we ensured no additional cost was borne by people and there was no profit generated from such services.

5,100
COVID-19 patients treated at Shalby Hospitals

1,900+
COVID-19 patients treated through homecare services

1,75,000+
COVID-19 vaccinations administered during FY 2021-22

2,35,000+
COVID-19 vaccinations administered till date

MyShalby Success Launch Pad

We launched a new initiative to identify fresh talent and provide them with a platform to succeed. 'My Shalby Success Launch Pad', conceptualised by HR leadership team, onboarded 14 talented individuals. The shortlisted candidates underwent a carefully curated and rigorous one-month boot camp at Shalby Krishna, Ahmedabad. They got an opportunity to interact with the top leadership team, cluster heads, unit heads and unit corporate development team. On the completion of successful training, they were awarded with a certificate of completion and they were also given on the job exposure in Ahmedabad Hospitals.

Sharing HR best practices

With the COVID-19 pandemic changing the dynamics of how organisations operate, the role of HR has assumed greater significance for enabling employees to navigate uncertain times

and helping them stay safe and motivated. In partnership with EY India and PeopleStrong, Shalby organised an HR Leadership Conclave – 'HR Best Practices in the New Normal' in December 2021. HR leaders from diverse industries such as healthcare, pharmaceuticals, engineering, technology, education and consulting, etc. shared their ideas on the vital issues such as HR's Role in New Normal, Managing Employee Health, HR Tech 4.0 and Labour Codes. The Conclave was attended by more than 100 HR heads and managers of Ahmedabad corporate world.

Empowering underprivileged youth

Shalby Academy launched Kaushalya, a unique initiative under which underprivileged youth were educated and trained in paramedical courses. The first batch of Kaushalya comprised students (Class 10 and Class 12 pass) from nomadic tribes across Gujarat.

The program was launched in collaboration with Vicharta Samuday Samarthan Manch (VSSM) and Astral Foundation. VSSM is an Ahmedabad-based NGO working towards empowering nomadic tribes through interventions in livelihood, education, housing, rehabilitation, etc. The corporate sponsor for the first batch of Kaushalya was Astral Foundation, the CSR arm of Astral Limited.

The paramedical vocational courses were for the roles of nursing assistants, laboratory technicians, dialysis technicians, MRI & CT Scan technicians, etc. The module included online and offline classes as well as hands-on training at Shalby Hospital. The first batch commenced the course in July 2021 and completed it in June 2022.

Governance

Our corporate governance philosophy continues to provide a solid basis for protecting the interest of all our stakeholders. We are also committed to achieving the highest standards of integrity, ethics and professionalism through our governance.

To this end, we have created a governance framework based on business needs and maintain transparency through regular disclosures with a focus on adequate control systems. This framework comprises the Board of Directors at the apex, with committees of the Board and respective teams working under them.

We have a diverse Board comprising members with different skills, backgrounds and experiences. The multiple perspective and expertise contribute to effective decision-making, organisational efficiency, and sustainable operations.

Allocation of Duties and Responsibilities

We have formulated various committees in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 and relevant statutes. Our Board Committees are:

- Audit Committee
- Risk Management Committee
- Stakeholder Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Management Committee

Behaviour and Business Ethics

Our operations are in compliance with all applicable laws and regulations. The Company officers are expected to carry out their duties with the highest degree of honesty, integrity, and professional ethics.

Fraud and Risk Control Policy

The Company has adopted a Risk Management Policy which inter alia, sets out our approach towards risk assessment, risk management and risk monitoring. The Risk Management Policy is periodically reviewed by the Board. We have an established risk management framework to identify, assess, mitigate and monitor the risks we face as a business and help deliver a balance between risk and opportunity.

Shareholder Rights and Relations Policy

The Stakeholders' Relationship Committee oversees the interest of security holders and expeditious redressal of shareholders' grievances involving transfer and transmission of shares, issue of duplicate certificates, dematerialisation/rematerialisation, etc.

Fair and equitable remuneration

Our remuneration policy is formulated to provide fair and equitable compensation to attract, motivate and retain the directors, executives, senior management, and critical talent. The remuneration payable to the senior management and personnel represents an optimum balance of fixed and incentive performance-related pay. The overall strategy is to create a clear alignment between remuneration and sustainable, long-term stakeholder interests.

Board of Directors

Dr. Vikram Shah

Chairman and Managing Director

Dr. Vikram Shah has nearly three decades of professional healthcare experience across UK, USA and India. He has been serving as the Director of the Department of Knee Replacement at Shalby Hospitals since 1993. 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 the Times of India Group in 2018.

Mr. Sushobhan Dasgupta

Non-Executive Director

Mr. Sushobhan Dasgupta is a strategist with 30+ years of experience in the field of healthcare. He has worked in several developed and emerging markets across several businesses and disciplines including medical technology, orthopedics and consumer health sectors. He is responsible for managing the hospital business and leading the strategic initiatives at Shalby. He is also driving the expansion of Shalby's implant business in India and internationally. He has previously served as the Vice President-Orthopedics, DePuy Synthes at Johnson & Johnson Medical Asia Pacific and has been a member of the Johnson & Johnson Global Orthopedic management team.

Dr. Ashok Bhatia

Non-Executive Director

Dr. Ashok Bhatia is a senior pharma professional with an experience of more than 45 years in India and Emerging Markets. He is a former President of Zydus Lifesciences Ltd, an external advisor to Mckinsey and a guest faculty to IIM Ahmedabad. Currently he is Group CEO of Abacus Pharma (Africa) Ltd.

Mr. Shyamal Joshi

Independent Director

CA Shyamal Joshi, aged 72 years, is an 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, fund raising, acquisition, merger, taxation and accounting. Currently, he holds the position of Director in various other companies.

Mr. Tej Malhotra

Independent Director

Mr. Tej Malhotra, aged 72 years, is an Independent Director of our Company. He holds a bachelor's degree in Mechanical Engineering from Sambalpur University, Odisha. He has over five decades of experience in Green Field Heavy Chemical projects and industries like Soda-ash, Fertiliser, Sulfuric Acid, Copper, Nickel Sulphate, Refinery Rolling Mills, Brass Foundry, Mining & Mineral, Solar Salt and Marine Chemical etc. both in India and abroad. Previously, he held the position of Senior Executive Director at GHCL Limited, Technical Director at Idea Soda Ash and Calcium Chloride Company of Saudi Arabia. He also held senior most position in Soda-Ash division of RSPL Limited. He has been awarded the 'Bhartiya Udyog Ratan' award by the Indian Economic Development and Research Association, the 'Bhartiya Gaurav' award by the World Economic Progress Society and 'Darbari Seth Award 2009' by the Alkali Manufacturers of India for best managed soda-ash plant.

Dr. Umesh Menon

Independent Director

Dr. Umesh Menon, aged 51 years, is an Independent Director of our Company. He holds a B. Com and M. Com from Gujarat University, and an MBA with Specialisation in Finance. He is also a Fellow member of the Institute of Cost Accountants of India. He has been conferred with the Doctorate (PhD) in Management. He has rich experience in the areas of finance and cost accounting. He is an International Expert & Trainer for United Nations Industrial Development Organization.

Mrs. Sujana Shah

Independent Director

Mrs. Sujana Shah, 45, is a Practicing Chartered Accountant for over 2 decades. She further qualified as a Diploma in Information System Audit from Institute of Chartered Accountants of India, New Delhi. She is having varied experience of over 19 years in the fields of finance, audit, direct and indirect taxes, banking and treasury. She being a philanthropist has major inclination towards CSR activities. She had been working as a partner for an eminent Ahmedabad based firm M/s. V. R. Shah & Associates for about 10 years until she was appointed in Shalby Ltd. as an Independent Director along with her Proprietorship firm.

Management Discussion & Analysis

Industry Overview

Indian Healthcare Industry

Healthcare has grown to become one of India's most important industries, both in terms of revenue and employment. Healthcare includes facilities, tests, medical equipment, clinical trials, outsourcing, telemedicine, medical tourism, health insurance, etc. The healthcare sector's expanding coverage, services, and increased spending by both public and private entities are all contributing to the rapid growth of the Indian healthcare industry. According to ICRA research report on Indian Healthcare industry dated 10th June 2022, the Indian healthcare sector is estimated to be valued at USD 110 billion in FY 2021-22 (excluding Indian pharmaceutical exports), with hospitals accounting for the largest share, i.e., 60% to 70%, contributing approximately USD 70 billion. About 18% to 20%, or USD 22 billion, is contributed by the domestic pharmaceutical industry, while the remaining 20% to 22% is split between diagnostics, medical equipment, and medical insurance.

The use of Tele-health among individuals, the production of diagnostic tools and medical equipment, as well as improvements in the public and private health infrastructure, have all increased significantly in India's healthcare sector over the past two years. The necessity to improve India's healthcare infrastructure due to the emergence of COVID-19, was one of the main lessons learned from 2021. The entire sector worked hard to build both its highly skilled employee base and its medical infrastructure during the second wave of COVID-19.

In June 2021, the government launched a credit incentive programme worth ₹ 500 billion to boost India's healthcare infrastructure, allowing enterprises to utilise the funds to expand hospital capacity or acquire medical supplies in small towns and rural areas. The government also announced around ₹ 50,000 crore cover for enhancing health facilities in tier II and III cities, as well as a ₹ 23,220 crore allocation for reforming paediatric care. These credit guarantee programmes were created to offer 50% coverage for growing enterprises and 75% coverage for new projects.

The Indian healthcare industry experienced a robust compound annual growth rate (CAGR) of 14% to 15% between FY 2015-16 and FY 2021-22, led by rising demand for effective healthcare backed by affordability, government policy support, and aggressive greenfield and brownfield hospital chain expansion and expansion of health insurance coverage. Due to hospital chain expansion into retail pharmacies, diagnostics, clinics, and specialised clinic chains, the industry is undergoing integration and retailisation. Retailisation refers to the transformation of healthcare delivery from a physician-centric model to a more patient-centric, consumer-friendly model, similar to how retail goods and services have long been provided to customers. In order to guarantee that everyone has access to medical treatment and to make policy decisions that are based on accurate information, further digitisation and expanded roles for health information technology are both essential. Other reasons that are anticipated to contribute to the growth include unfavourable demographics, and public healthcare spending.

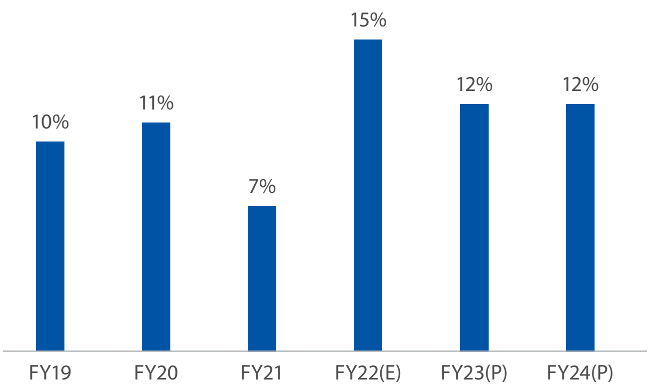
The healthcare sector is anticipated to surpass USD 130 billion by FY 2023-24 owing to prudent hospital development plans, increased investments, higher health insurance penetration, and rising public and private health spending. By FY 2024-25, it is expected that the bed capacities of major hospital chains will have increased by 30%. Hospitals that provide tertiary care and have specialised services are in high demand in India. There is a gap between the number of available beds and the number of required beds in hospitals in India. The public and private sectors will both contribute to closing this gap.

Source: Care Report on Indian Healthcare dated 10th June 2022

Hospital Industry Growth

The demand for hospital services has consistently increased throughout the country, with every class of society expecting higher quality and standards of healthcare, resulting in the healthcare industry's continuing growth. Due to increased occupancy, improved patient mobility as a result of "living with COVID-19" rules, and the resume of non-COVID procedures, the hospital industry revenue is estimated to grow by 15% for FY 2021-22 according to CARE Rating Research. While in FY 2020-21, the hospitals reported modest revenue growth of 7%, mainly because lockdowns were imposed, this had an impact on patient mobility and delayed non-COVID procedures.

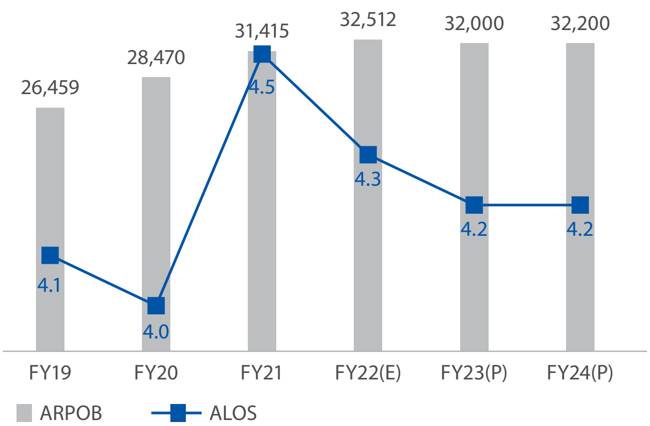
Trend in Revenue Growth Rate



Source: Care Report dated 10th June 2022

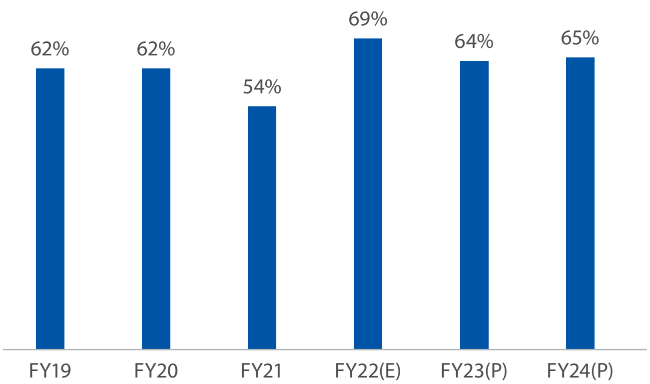
Average revenue per occupied bed (ARPOB) has been anticipated to increase to ₹ 32,512 per day in FY 2021-22 as a result of higher-margin non-COVID operations. The selective and precautionary lockout, restricted patient movement and resumed non-COVID procedures are all reasons why the occupancy rate dramatically increased in FY 2021-22. The average revenue per occupied bed (ARPOB) had climbed to ₹ 31,415 per day, which was almost 20% higher than in FY 2018-19, and the average length of stay (ALOS) had also increased to 4.5 days in FY 2020-21, up from about 4 days in previous years due to difficult COVID cases.

Trend in ARPOB and ALOS



Source: Care Report dated 10th June 2022

Trend in Occupancy Rates



Source: Care Report dated 10th June 2022

For the years FY 2022-23 and FY 2023-24, the occupancy rates are anticipated to return to pre-COVID levels at 64% and 65% respectively. The significant improvement in revenue is being driven by a higher occupancy rate, the release of postponed non-COVID surgeries, an increase in ARPOB, and increased bed capacity on the part of hospital chains. In FY 2022-23 and FY 2023-24, respectively, it is anticipated that growth in hospital revenue will return to pre-COVID levels of 10% to 12%.

SWOT Analysis for Hospital Sector

Strengths

- In India, the number of corporate hospitals is constantly increasing offering world-class medical technology, equipment, and facilities at a lesser cost.
- The number of hospitals, diagnostic facilities, medical experts, and physicians is steadily rising.
- India is also cost-competitive in comparison to countries in South-East Asia and the West. Surgery in India costs around a tenth of what it does in the US or Western Europe.
- Indian health services have a strong presence in advanced healthcare, such as cardiology, organ transplants, replacement surgeries, etc., and have a good reputation and high success rate in surgery.
- The availability of health staff at comparatively lower costs and their ability to speak English gives India's health care sector an extra advantage in attracting foreign investment.
- The scope for investment in India's healthcare sector is expanded by the country's expanding middle class, rising health consciousness, and growing willingness of consumers to pay for quality healthcare and visit institutional providers.

- Insurance penetration and aggressive government programmes are significant growth drivers for the Indian healthcare industry.

Weakness

- A major problem is the rising demand for high-quality healthcare and the lack of an adequate delivery system. India's hospitals and healthcare organisations struggle with using outmoded information and technology due to commercial constraints.
- There is a severe scarcity of medical teaching staff across the nation. Additionally, it is extremely difficult for hospitals in India to locate skilled personnel and specialists, especially for new start-ups, which results in wage inflation and poor quality.
- India continues to fall behind the majority of nations in terms of commercial accessibility. Complicated legal frameworks, time-consuming administrative tasks, red tape, and corruption are a few variables that have an impact on investment.
- In comparison to other types of business, the return on investment in the hospital sector is modest. The majority of capital expenditures for hospitals are made up of land and infrastructure costs. Additionally, it is crucial to regularly update the infrastructure with the most recent developments due to the rapidly evolving nature of medical technology. These elements raise the cost of operating healthcare businesses.
- Brain drain for competent professionals due to high demand around the world poses a significant threat to the country's healthcare talent utilisation.
- The regulatory parameters are not particularly stringent, allowing many casual players to enter the market and increasing inappropriate competition in the healthcare market, leading to a decline in the quality of healthcare services.

Opportunity

- The current dynamics of supply and demand offer a huge opportunity and foundation for investment in India's health sector. Changing demographics, an increase in life expectancy, and increased public awareness have all contributed to an increase in the demand for medical care, which necessitates bigger investment expenditure. With increased insurance coverages and penetration, there is a massive opportunity for the expansion of the healthcare market.
- By 2025, non-communicable diseases are projected to account for more than 75% of India's disease burden, with diabetes (2%), chronic respiratory diseases (11%), cancer (6%) and cardiovascular diseases (24%) accounting for the majority of deaths in India (National Health Profile 2015). These demand massive investment in facilities, education, and other areas.
- In India, there is a significant gap between the supply and demand of health services, which has led to a demand for additional hospitals and infrastructure to cater to the wider population. Further, there is a huge need for specialty and tertiary care hospitals, particularly in rural and small towns. The construction of hospitals and other necessary healthcare infrastructure would encourage international investors to enter the Indian healthcare market. The expansion of Indian healthcare infrastructure is followed by a strong demand for medical equipment such as X-ray machines, CT scanners, and electrocardiographs, among other things, emphasising an opportunity for global firms producing high-quality products in this sector. A large amount of capital is required to manufacture medical and surgical appliances in India, creating an excellent opportunity for foreign firms to invest.
- Medical tourism is another area of opportunity for growth in the health sector. India is becoming well-known throughout the world for its affordable, high-quality healthcare services. According to a report by "Invest India," people are increasingly travelling to India for organ transplants, neurology, orthopedics, and cardiac treatments.
- There is a need to improve service standards to match global norms due to the rise in medical tourism, which is extremely likely through foreign investment.

Threats

- Private investors, primarily foreign investors, may make medical education extremely expensive and out of reach for many individuals. However, there is a significant risk that wealth will become the only requirement for becoming a doctor.
- Pharmaceutical industries as well as the economy are anticipated to be seriously threatened by counterfeit drugs, which include medications that lack active ingredients or have insufficient amounts of active chemicals, forcing patients to undergo prolonged treatments with little improvement.

To advance further and turn India into one of the world's hubs for innovation, manufacturing, and the provision of essential healthcare services, the private sector and the government must collaborate effectively.

Source: International Journal of Health Sciences and Research

Government initiatives

The Union Budget 2022-23 allotted ₹ 86,200 crore to the Ministry of Health and Family Welfare, a nearly 16.5% increase over ₹ 73,932 crore in FY 2020-21. It would be driven by increased expenditures to government-sponsored public health schemes to continue creating sustainable healthcare infrastructure and ensuring system preparedness to address the expanding healthcare needs of the country. The following announcements were made in accordance with the government's ongoing efforts to strengthen the entire health system. The National Digital Health Ecosystem was rolled out consisting of digital registries of health providers and health facilities, unique health identity, consent framework, and universal access to health facilities. This would facilitate communication between patients and health-care providers. Every industry participants, including insurance companies, digital health platforms, hospitals, and others, would be on the receiving end of benefits due to the healthcare budget.

- Budget allocation for Pradhan Mantri Jan Arogya Yojana (PMJAY) stood at ₹ 32 billion in FY 2021-22 and has been budgeted for around ₹ 64 billion in FY 2022-23, which would benefit all major hospitals.
- The allocation to Department of Pharma's proposal for the PLI Scheme increased from ₹ 8 billion to ₹ 22.4 billion for FY 2022-23, with the aim of significantly lowering production costs and making India self-reliant.
- Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was allocated ₹ 10,000 crore, an increase of 43% as compared to last year's budget of ₹ 7,000 crore to boost the medical education infrastructure and set up All India Institute of Medical Sciences (AIIMS) across the country.
- Human Resources for Health and Medical Education was allocated ₹ 7,500 crore, an increase of 56% from last year's budget of ₹ 4,800 crore to further enhance the healthcare professionals in the country.
- The budgeted expenditure of ₹ 72 crore on bolstering the National Centre for Disease Control (NCDC) Branch has been approved to improve disease surveillance of zoonotic illnesses and other neglected tropical diseases.
- About ₹ 37,000 crore has been allocated for National Health Mission (NHM), registering a 1.2% increase over FY 2021-22.
- Allocation for Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) stood at ₹ 6,412 crore, an increase of 0.2% compared to last year's budget ₹ 6,400 crore.
- To help the Ayushman Bharat Digital Mission (ABDM) and create a more modern and inclusive Digital India, the allocation for ABDM has been enhanced to ₹ 200 crore for constructing the National Digital Health Ecosystem. As of April 5, 2022, there are 117,771 Ayushman Bharat-Health and Wellness Centres (AB-HWCs) throughout India.
- A new allocation of ₹ 404 crore has been announced to build hospital-based or stand-alone blood centres in order to boost blood transfusion services.
- About ₹ 5,156 crore has been allotted as part of the newly announced PM Ayushman Bharat Health Infrastructure Mission (PM-ABHIM) in October 2021 to build health infrastructure and improve primary, secondary, and tertiary care services.
- The Pradhan Mantri Garib Kalyan Package, which was launched in October 2021 to provide insurance to healthcare personnel fighting COVID-19, was allotted ₹ 226 crore, a 72% decrease over ₹ 813 crore in Budget 2021-22.
- Budget 2022-23 allotted about ₹ 3,201 crore to the Department of Health Research, registering a 4% increase over the revised estimates of ₹ 3,080 crore for FY 2021-22. A fresh allocation of ₹ 690 crore under PM-ABHIM is provided as part of this to ensure biosecurity preparation, strengthen multi-sectoral pandemic research, and institutionalise the 'One Health' platform.
- For mental health counselling, a National Tele Mental Health Program will be launched. This would feature a network of 23 tele-mental health excellence centres, with NIMHANS (National Institute Of Mental Health And Neuro Sciences) serving as the centre and the International Institute of Information Technology-Bangalore (IIITB) providing technological support.
- As part of the central government's 'Digital India' plan, 748 e-Hospitals were constructed across India as of April 5, 2022.

Tax Incentives

- All healthcare, education and training services are exempt from GST.
- Increased tax holiday under Section 80-IB for private healthcare providers in non-metro cities with a minimum of 50 beds.
- A deduction of 250% is allowed for approved expenditures incurred on running technology that enables healthcare services such as telemedicine and remote radiology, and artificial hearts are exempt from the normal customs duty of 5%.
- The benefit of Section 80-IB has been extended to new hospitals in rural areas with 100 beds or more. For the next five years, such hospitals are eligible to a full profit deduction.
- Section 35AD of income tax – capex on new hospitals will be allowed as 100% deduction.

National Nutrition Initiative

- The Union Cabinet approved the establishment of the National Nutrition Mission (NNM) to monitor, supervise, set targets, and steer nutrition-related actions across ministries.
- Every year, the initiative aims to reduce stunting by 2%, undernutrition by 2%, anaemia by 3%, and low birth babies by 2%.
- Over 100 million people are expected to benefit from the programme, which will cover all states and districts.
- The government announced intentions to start 'Mission Poshan 2.0' in the Union Budget 2021-22 to unite the 'Supplemental Nutrition Programme' with the 'Poshan Abhiyan' (Nutrition Mission) in order to improve nutritional results throughout 112 aspirational districts.

Initiatives in Tele-medicine

- State Telemedicine Network (STN): The National Health Mission (NHM) under Program Implementation Plan (PIP) has offered support to states and union territories to develop a dependable, pervasive, and high-speed network backbone.
- In May 2021, the 'Services e-Health Assistance & Tele-consultation (SeHAT)' portal was launched to provide telemedicine services to armed forces personnel and veterans. The 22-crore ABHA holders can link and store their health records created using eSanjeevani directly in the health lockers of their choice due to the integration of eSanjeevani with ABDM. The flagship telemedicine service of the Union health ministry, eSanjeevani, has registered more than 3 crore tele-consultations by completing 1.7 lakh digital consultations on March 25, 2022.

Source: KPMG

Growing Public Private Participation (PPP)

The country's healthcare requirements have seen a significant transformation as a result of the recent rapid growth of the Indian economy, favourable demographics, and socioeconomic diversity of the Indian population. The private and public sectors have worked together over time to address the nation's healthcare requirements and improve India's performance on important health metrics including life expectancy and infant mortality. The Indian healthcare system is currently faced with the issue of improving service quality, providing fair access for all, and strengthening its capacity to address the evolving illness incidence profiles. The public and private sectors must work together to find appropriate public policy initiatives that will encourage the financing and provision of healthcare and, as a result, expand people's access to healthcare. The significance of effective policymaking cannot be overstated, because public policy determines how healthcare resources and funding are collected, distributed, and utilised in a country, as well as how far services are developed, distributed, and accessed.

The PPP model will aid in strengthening the Indian healthcare system in a number of ways, including the following:

- **Infusing Expertise:** Modernising medical facilities in order to build an effective healthcare system can considerably benefit from the private sector's experience and management skills in creating and maintaining successful firms.
- **Mutual Financial Gains:** The private sector may raise significant sums of money to construct world-class healthcare facilities that benefit the general public. The public sector is also capable of providing the necessary accessibility and subsidies. The general public benefits from a good PPP model that lowers costs since it might result in cheaper taxes.
- **Accessibility:** PPP would provide the government with the funds necessary to provide healthcare for the broader Indian population living in both urban and rural locations. Additionally, a long-term, viable model will be delivered.
- **Offers Affordable Healthcare:** To attain universal health coverage and offer high-quality care at a fair price, PPP employs a high volume, low margin model.
- **Technical Excellence at Its Finest:** Telehealth, a cutting-edge innovation embraced by private players, can make healthcare available to rural areas of India.
- **Specialist Physicians:** Modifications in government policy may be able to help India generate more specialists, which would assist the country address the lack of physicians and doctors. The Centre's choice to revive Post Graduate Diploma in Medicine programmes is a significant step in the right direction.

The strong growth rate continues to entice investors towards the healthcare sector. Apart from capital infusion, PE (Private Equity) brings other benefits to the Indian healthcare sector. While marquee deals raised deal prices, increased PE volumes pushed overall deal volumes in CY20 and CY21. Private equity inflow increased to USD 2,354 million in CY20 and slowed to USD 2,056 million in CY21. However, the number of transactions in the sector has increased from 31 to 40 in CY 2021. Hospitals have received the majority of such investments and medical device productions have been also in demand in recent times.

Healthcare Delivery

The COVID-19 pandemic has forced the health sector to quicken the deployment of virtual care and facilitate a shift to digital care. With virtual care and telemedicine, clinical and operational models can be permanently altered, resulting in increased effectiveness, more individualised health management, and better patient outcomes. According to CRISIL report, the entire healthcare delivery industry is anticipated to grow at a CAGR of 15%–17% to reach ₹ 7.67 trillion by FY 2024-25 majorly due to renewed momentum from PMJAY and a shift in government focus to the healthcare sector. It is anticipated that private players will continue to hold the majority of the treatments market share in terms of value. The share controlled by private players is projected to increase from 58% in FY 2020-21 to approximately 73% in FY 2024-25.

Procuring accessible and inexpensive healthcare for India's ever-growing population has long been a bottleneck in the system, and with the rise of COVID-19 pandemic, healthcare professionals are racing against the time to offer the best care possible. Health-tech businesses have also contributed by providing cutting-edge technology to overcome significant obstacles such as telemedicine, digital records, remote monitoring, and fitness applications.

The doctor-to-population ratio in India is 1:854, which is higher than the World Health Organisation's standard of 1:1000. The country has 34.33 lakh registered nursing personnel and 13 lakh allied and healthcare professionals. According to the National Medical Commission (NMC), as of June 2022, there were 3,08,009 allopathic doctors registered with State Medical Councils and the National Medical Commission. As on March 31, 2021, there were 1,56,101 and 1,718 Sub Centres (SC), 25,140 and 5,439 Primary Health Centres (PHCs) and 5,481 and 470 Community Health Centres (CHCs) respectively which are functioning in rural and urban areas of the country. As on November 2021, 2.89 lakh dentists, 32.63 lakh nurses, and 13 lakh allied and healthcare professions are also registered in the country. The government has made considerable actions to further improve the country's access to physicians. As of November 2021, there are 89,875 UG (Under Graduate) seats, a 75% increase as compared to 51,348 seats recorded in 2014. There are 60,202 PG (Post Graduate) seats as on November 2021, up from 31,185 seats in 2014, registering a 93% increase.

Greenfield hospital projects are being introduced by the Centre and several State governments, while specialised hospitals and medical colleges are being upgraded with OPD annexes. About 157 new medical colleges have been approved and 71 are already operational under the Centrally Sponsored Scheme for Establishment of New Medical College by Upgrading District/ Referral Hospital. MBBS and PG seats would be increased through the Centrally Sponsored Scheme for strengthening or upgrading Existing State Government/Central Government Medical Colleges. Super Specialty Blocks will be built as part of the Central Sector Scheme to upgrade Government Medical Colleges. There have been 75 projects related to medical colleges approved in all, and 55 have been finished. About 22 AIIMS have received approval under the Central Sector Scheme for the establishment of new AIIMS, out of this in 19 AIIMS, undergraduate courses have already begun.

COVID-19 Impact

The COVID-19 pandemic has emerged as the most significant public health crisis since past two years. India's efforts to control the pandemic were based on a people-centred, government-wide, and societal-wide strategy, and they managed to draw on both recent scientific knowledge and past experiences in managing public health crises. India's strategy aims to stop the illness from spreading while enhancing essential capabilities to lessen the pandemic's effects on both health and non-health, especially on the most vulnerable groups in society. In response to the pandemic, India's government adopted a number of proactive and prompt moves very early on. Some of the important interventions included efforts at points of entry, a statewide lockdown, and a focus on test, track, isolate, and treat. These efforts not only prevented the COVID-19 virus from spreading throughout the nation, but they also gave the government enough time to develop the public health infrastructure needed to properly control the pandemic.

The Government of India made proactive and preventative measures to respond to the pandemic and began preparing the health system to address all elements of COVID-19 management. For FY 2021-22, the Ministry of Finance estimated expenditure on COVID-19 vaccination at around ₹ 39,000 crore. The Ministry has budgeted about ₹ 5,000 crore for COVID-19 vaccination in FY 2022-23. Moreover, as a preventative step, India will begin delivering free COVID-19 booster doses to healthcare staff, frontline workers, and senior citizens over the age of 60 from April 10, 2022.

A great strategy for expanding the vaccine programme has been to prioritise the frontline workers, health care providers, and other vulnerable populations in stages. All adults are now able to receive the COVID-19 vaccine. Children between the ages of 15 and 18 began receiving vaccinations on January 3, 2022. Various states and UTs began implementing the 'Intensified Mission Indradhanush 3.0' campaign in March 2021, with the goal of reaching children and pregnant women who were ignored or left out of the usual immunisation programme due to the COVID-19 pandemic. Through a mission style intervention, the goal is to expedite the entire immunisation of children and pregnant women.

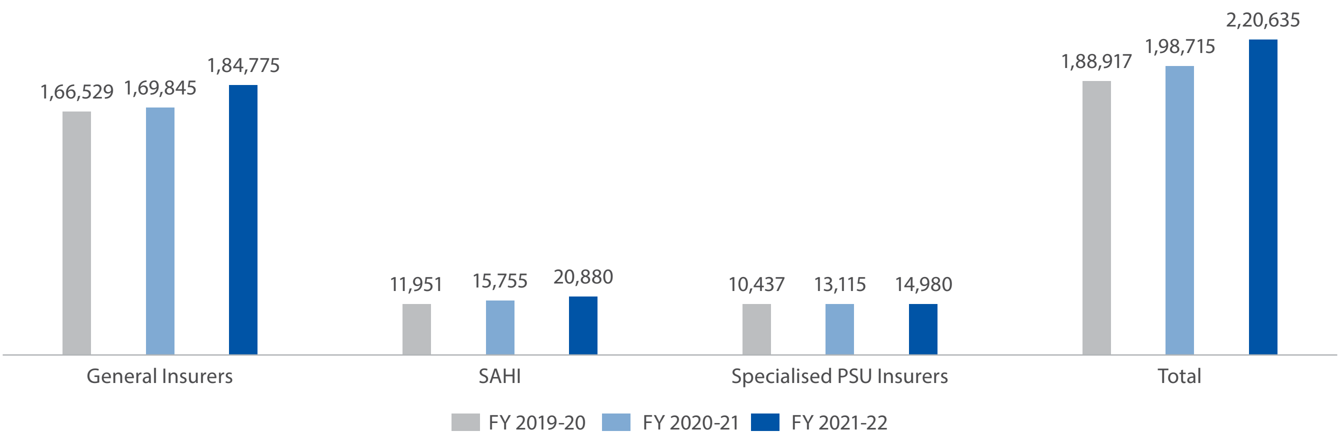
Source: Ministry of Health and Family Welfare Annual Report 2021-22

Health Insurance Industry

In the past two years, India's health insurance market has witnessed a major transformation. Customers' perceptions of the category and the necessity of having health insurance have changed significantly. The pandemic has made everyone aware of life's uncertainties and their lack of preparedness in the event of a health-related calamity. Health insurance premiums have been the primary driver of the non-life insurance market since the inception of COVID-19.

Health insurance contributes a significant part of the total insurance pie in the country. The market share of the health insurance segment has increased from 30.10% in FY 2019-20 to 32.08% in FY 2020-21. Premium underwritten by Standalone Private Health Insurers (SAHI) FY 2021-22 increased by 32.5% from ₹ 15,755.2 crore in FY 2021-21 to ₹ 20,880 crore in FY 2021-22, demonstrating the continued growth of health insurance in FY 2021-22. The consumer interest in the health insurance sector is expected to keep the growth trajectory of healthcare insurance sector intact. The rising cost of hospitalisation has been the primary driver of this transformation, making health insurance an attractive option. Consumers have also come to understand that purchasing a comprehensive policy is the wiser course of action because it provides a holistic healthcare strategy with larger coverage against diseases, pre-existing disorders, or even future lifestyle concerns. As a result, a lot of consumers now see health insurance as a necessary investment that provides a comprehensive level of health coverage.

Premium (within India) Underwritten by General and Health Insurance (in ₹ Crore)

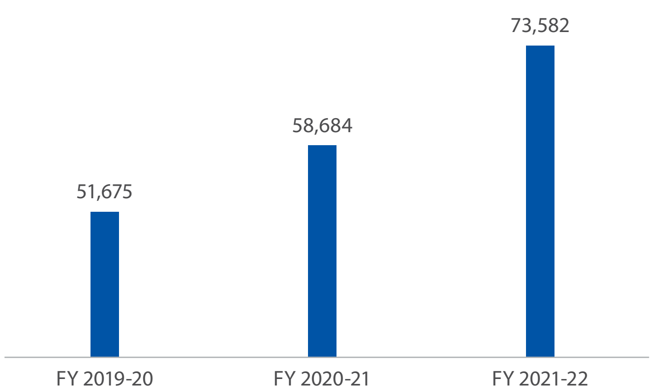


Source: IRDAI

In an effort to use digital technologies to promote healthcare inclusion and enhance health outcomes, the non-profit Swasth Digital Health Foundation established the Swasth Alliance. This would allow for the establishment of a digital backbone for integrated healthcare delivery in India.

Since the start of the COVID-19 pandemic, the non-life insurance industry has been driven primarily by health insurance premiums. In FY 2021-22, the health segment grew by 25.4%, which is nearly double the 13.6% growth observed in FY 2020-21. The health insurance segment's market share increased from 27.4% in FY 2019-20 to 33.4% in FY 2021-22. Also the health insurance premium grew from ₹ 51,675 crore in FY 2019-20 to ₹ 73,582 crore in FY 2021-22.

Health Insurance Premiums (In ₹ Crore)



Source: IRDAI

A report by NITI Aayog claims that nearly 95 crore individuals or 21.5 crore families are eligible for or covered by health insurance while 40 crore people, or at least 30% of the population, are devoid of health insurance. Hence, there is a significant opportunity for expansion and population penetration of health insurance. The sector's expansion is fuelled by the availability of a wide range of products that offer a variety of health coverage options, based on the needs of the clients and also the specific products for seniors and kids. Healthcare prices have risen above the means of the poor due to a higher medical inflation rate of more than 15%. It is anticipated that growing consumer knowledge of the advantages of health insurance would lead to additional market growth. Moreover, the awareness among the people living in rural areas is also increasing which will fuel the expansion of health insurance in India.

2,112
Total bed capacity

25,000+
Patients per month

1,600+
Surgeries per month

3,800+
Human resource (doctor + staff)

59
Outpatient Clinics across India
Updated with FY22 Data

Company Overview

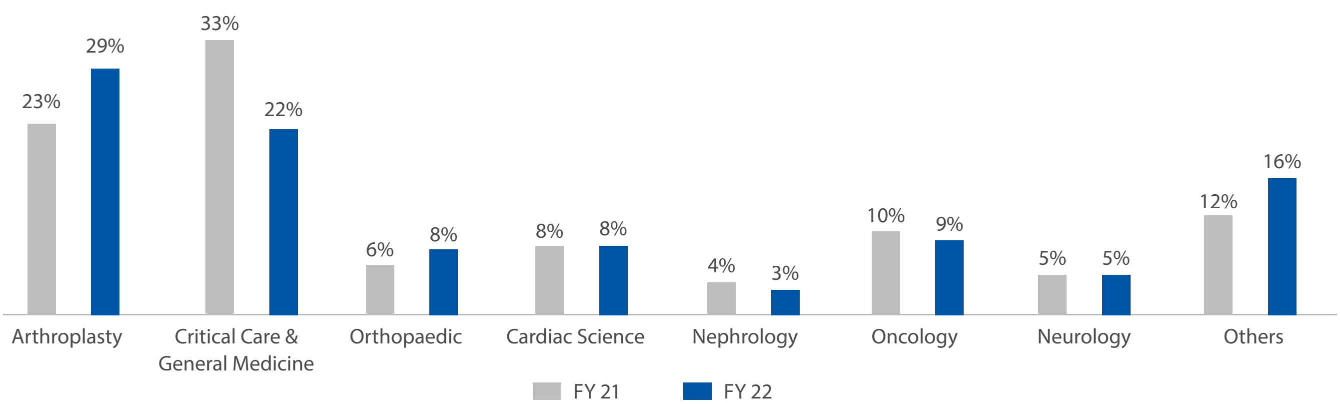
Company background

Established in 1994, Shalby Hospitals Limited (hereafter referred to as "Shalby" or "the Company") is India's leading multi-specialty hospital founded by Dr. Vikram Shah with over 28 years of experience in providing quality and economical healthcare. Having started in Ahmedabad, Gujarat, it currently runs a pan-Indian chain of 11 multispecialty tertiary hospitals across 5 states with a total bed capacity of more than 2,000. Shalby employs more than 3,800 skilled physicians, surgeons, and support personnel who have spearheaded the Company's expansion. They have extensive subject knowledge and significant industry experience. The Company is one of the leading player in joint replacement surgery with a 15% market share in private hospitals that do joint replacement surgery and a 5% market share overall. Shalby is also the top player in the world for knee replacement surgery. The hospital is taking advantage of this market niche and developing an asset-light approach in India.

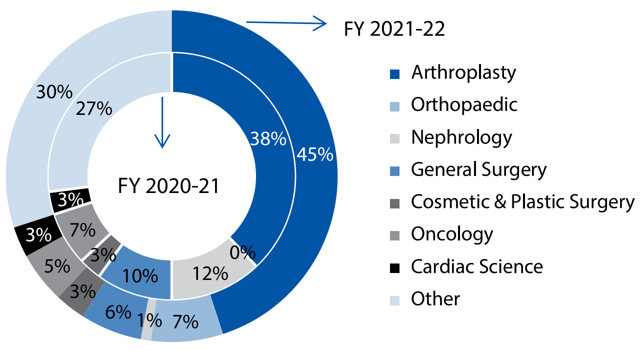
The Company has at present 11 state-of-the-art facilities across the country and also intends to open two more facilities in Maharashtra with a combined capacity of 321 beds. Shalby has 50 outpatient clinics in 15 states. Additionally, the Company has increased its presence in the international market by opening outpatient clinics in Africa in Sudan, Addis Ababa, Rwanda, Nairobi, and Dar es Salaam. Shalby is well-positioned for further expansion and has great brand recognition in its core markets. The Company is not only a leader in offering high-quality healthcare services at competitive prices, but it is also well-known internationally for its expertise in joint replacements. The Company's facilities are equipped with cutting-edge technology and a highly qualified staff of medical professionals, including doctors and nurses. Shalby Hospitals' dedication to a competent and ethical approach to healthcare services is primarily focussed on the patient welfare.

Hospital's Specialities

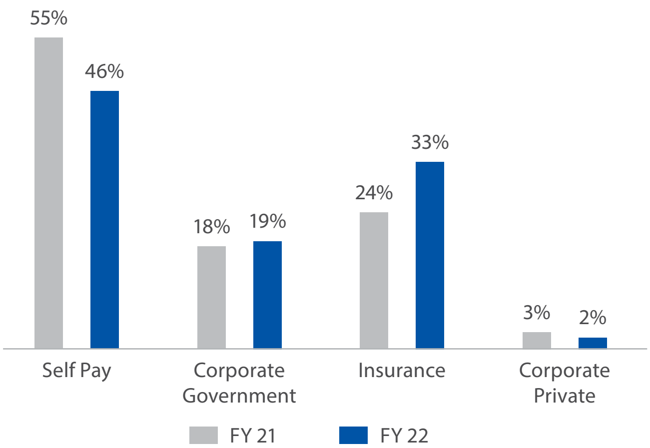
Revenue by Hospital Speciality



Number of Surgeries by Speciality



Revenues by end Patient



Key Competitive Strengths

- **Global leader in joint replacement surgery**
  Shalby is the leading provider of knee replacement surgery worldwide. Approximately 45% of the Company's surgeries are arthroplasty procedures. Shalby maintained its leadership in the arthroplasty market by performing 9,203 procedures in FY 2021-22. Shalby also became the first hospital in Gujarat to do Spine and Orthopedic Surgery using Image-Intensified Television. According to Global Data, a leading data and analytics company, the knee reconstruction market in India is expected to grow at a compound annual growth rate of about 9% between 2021 and 2030, driven by growing number of trauma cases, rapidly ageing population and increasing prevalence of obesity. The Company is capitalising on its niche position in the category and growing its footprint across India on an asset-light basis.

- **Powerful brand equity**
  With nearly three decades of experience, Shalby has become the healthcare industry's go-to brand, particularly in the orthopedic surgery market. Shalby has strong brand reputation in the Indian market owing to the use of modern, advanced technologies, world-class infrastructure, high-quality healthcare services, and a track record of successfully performing surgeries on patients of all ages throughout India. About 3,74,520 patients received healthcare services from the Company in FY 2021-22.

- **Optimum facility utilisation and cost reduction**
  The Company has outperformed the industry because of a distinctive business model that focusses on maximising Capex and Opex while providing best-in-class services. The skilled internal planning staff at the Company works to ensure the following while strategising new facilities and operations:

  o Well-planned architecture and interior design

  o Efficient utilisation of space

  o Prudently acquiring top-notch but affordable equipment

  o Centralised procurement leads to cost savings

  o Optimising space in OT rooms with a high OT to bed ratio

The Company works either on a fully owned or an O&M (Operations and Maintenance) revenue sharing model, eliminating the need for fixed rent or security deposits. The Company's growth is focussed on increasing operating efficiency and profitability through strategic real estate usage, unique building design, smart floor space utilisation, and centralised large-scale medical device and consumable procurement. The Company's cost per bed is ₹ 3.5 million, which is much less than ₹ 7.5 to ₹ 15 million that other private hospitals pay for each bed. This innovative approach has thus led to significant cost reduction and profitable expansion costs of ₹ 3.5 million, which are far lower than the ₹ 7.5 – ₹ 15 million per bed incurred by other private hospitals. Thus, this innovative method has led to significant cost reduction and profitable growth.

- **Professional team with expertise**
  The Company has well-trained and experienced in-house professional team with extensive industry knowledge and domain skills of more than 3,000 qualified doctors, surgeons, and other support workers responsible for its robust growth.

- **Extensive experience in outpatient clinics (OPD)**
  The Company's OPD clinics provide patients with specialised consultation. With more than 15 years of expertise in OPD clinics, Shalby has built a strong reputation in both domestic and international markets The Company also offers OPD training to local doctors in and around Ahmedabad. The Company formulates an expansion strategy for OPD clinics based on current patient trends. When the Company expands its footprint, the strength of its brand recall helps to reduce branding costs.

- **Robust balance sheet**
  Despite significant commercial expansion over the past decade, the Company has maintained a strong balance sheet over the years. This is due to the asset-light expansion plan, which is supported by stable-free cash flow from legacy hospitals in Ahmedabad. The net cash position provides a competitive advantage over peers, resulting in smooth expansion supported by a strong balance sheet.

Key Business Strategies & Developments

Focussing on an asset-light business model, capital rationalisation, and planned expansion are all part of the Company's growth strategy.

- **Distinct asset-light business model**
  Studying patient trends and developing a market for its services are two steps the Company takes to increase its footprint in new markets. The Company has developed considerable brand equity thanks to its wide chain of OPD clinics scattered across the nation. These clinics serve as feeders by providing preoperative advice and postoperative care. Thus, the Company is able to research market trends around these OPD clinics and create multi-specialty hospitals in already established, highly viable markets with high levels of brand recognition. The Company has planned to reduce branding expenses connected to entering new markets by employing this method.

- **Expanding geographic footprints**
  The Company is strategically expanding in newer states to increase commercial operations, by leveraging its strong brand equity, orthopedic knowledge, and existing OPD infrastructure. Shalby is currently constructing two hospitals in Maharashtra with a combined total capacity of 321 beds consisting of about 175 beds capacity in Mumbai (Santacruz) and about 146 beds capacity in Nashik. Additionally, the Company sends internal physicians to establish orthopedic offices and perform orthopedic procedures in new regions. The Company uses a franchisee model to grow its orthopedic and joint replacement businesses, thereby avoiding huge capex investment and creating an asset-light business strategy.

- **Specialisation growth**
  The Company is a market leader in orthopedics and well known for its knee replacement operations. Oncology and neurology, cardiac science, critical care, as well as quaternary treatments such organ transplants for the liver, heart, lungs, and kidney for organic growth, are all prospering due to improved capabilities. The Company is exploring the homecare area in order to achieve diversification in the services segment in line with current demand. Moreover the Company has also planned inorganic growth plans for its business expansion. The Company has formed a team of skilled executives to lead its key divisions, which increased operational efficiency by about 50%, and is now concentrating on improving more of its clientele base from wholesale to retail. Shalby obtained an import permit in February 2022 to sell the Total Knee System and Total Hip System in India, as well as the full range of joint replacement products. This will enable Shalby to meet the additional demand for implants from the franchise centres and other hospitals in India in addition to importing them for internal use. Additionally, the Company recently introduced a new knee implant called the TUKS (Tahoe Unicondylar Knee System) for the US market, and the initial responses have been encouraging. The implant manufacturing industry is fully synergistic to our primary hospital and arthroplasty businesses.

- **Shalby Homecare**
  The pandemic profoundly changed how people lived and also changed how the healthcare industry operated, with affordable homecare becoming quite popular. The Company provides "Homecare" healthcare services in the comfort of patients' homes to facilitate a quick recovery from sickness and disabilities. The goal is to provide an "invisible hospital" based at home. In total, 20,342 homecare cases and 61,250 homecare visits were reported by the Company for FY 2021-22. Due to its high potential and economical solutions, the service saw positive consumer traction.

- **Mars Medical Devices Limited**
  Through its wholly-owned subsidiary Mars Medical Devices Limited, the Company intends to produce medical devices by utilising the government's "Atmanirbhar Bharat" campaign. The Company will be able to protect its supply chain and significantly cut expenses due to this backward integration strategy.

Growth Drivers

The largest service industry in India is healthcare, which offers high-quality treatment to the country's population of almost 1.3 billion people. By 2022, the Indian healthcare industry is expected to reach USD 130 billion. Several game-changing growth trends have emerged in the recent decade. The biggest growth trend affecting and advancing the healthcare sector is the fusion of engineering and medicine. Expanding healthcare coverage through government schemes and private insurance, improving services, and increasing expenditure by public and private stakeholders are key factors driving growth in India's healthcare industry. The following trends are being addressed by new developments in the healthcare market such as an increase in lifestyle diseases, an ageing population, a demand for affordable healthcare services, health monitoring through diet, nutrition, and wellness testing, as well as technology penetration and government incentives.

- Human-centred approach and Remote Care

  Healthcare Providers would use information about a person's habits, social determinants, genomics, and preferences in addition to traditional medical data to affect that person's healthy behaviours and outcomes. Anytime, anywhere care is supported by consumer-focussed virtual health technologies and remote care models. Apps, wearables, and environmental sensors collect and distribute allowed data across the healthcare system. The exponential growth of health care data demands the development of a new ecosystem focussed on the needs of the individual, supported by open data models and technical standards, and backed by reliable governance systems. This data-driven connected health environment anticipates consumers' needs, passively monitors their health, and improves the quality and timeliness of their care. AI analytics assist health care organisations in addressing operational challenges such as waste across workflows, supply chains, and duplicative procedures, as well as in anticipating clinical risks.

- Rapidly growing Orthopedic Healthcare Market

  The Orthopedic Implants Market is expected to grow due to an increase in the global senior citizen population. According to the WHO, the average age of the global population was 37.3 years in 2000 and is expected to rise to 45.5 years by 2050. Patients in their forties and fifties are increasingly opting for orthopedic implants due to lifestyle issues such as early burnout and a lack of exercise. The growth of the orthopedic implants market is expected to be aided in the coming years by an increase in average age. According to Data Bridge Market Research, the Orthopedic Implants Market was valued at USD 45,053 million in 2022 and is expected to reach USD 68,359.6 million by 2029, at a CAGR of 5.35% from 2022 to 2029. Companies in the global orthopedic implants market provide solutions to provide support to injured tissues and bones, allowing the patient's body to function more smoothly. The global orthopedic implants market is expected to benefit from increased demand for less invasive and cost-effective joint replacement surgery methods in the coming years.

- Ever increasing Medical Tourism

  Medical tourists travel for medical treatments such as dental care, neurological care, and cardiovascular care. An increase in the number of orthopedic operations is driving the market. The demand for orthopedic implants is growing as the number of traumas, accidents, and injuries rises. Furthermore, bone density issues and middle-age bone diseases are on the rise. All of these factors are expected to boost the growth of the orthopedic market in the coming years. The affordability and accessibility of high-quality healthcare services, as well as assistance from tourism departments and local governments, are key factors driving the global medical tourism market's growth. Furthermore, the availability of cutting-edge medical technologies in medical tourism hubs around the world is expected to drive market growth. On the contrary, a larger hospital network under insurance coverage for cashless transactions is expected to help the global medical tourism market grow. According to global newswire report, in 2020, the global medical tourism market was worth USD 11.56 billion. The market value is expected to rise 21.1% between 2021 and 2028, from USD 13.98 billion in 2021 to USD 53.51 billion in 2028.

- Private health insurance growth

  The expansion of the private health insurance market is one of the most notable developments in the global healthcare ecosystem, and it is changing the fundamental relationship in the country between patients, providers, and insurers. In India, the National Health Protection Scheme is known as Ayushman Bharat. The government guarantees that this scheme would then cover over 10 crores of poor and vulnerable families by providing up to ₹ 5 lakh per family per year for secondary and tertiary hospitalisation. The Ayushman Bharat-National Health Protection Scheme would then incorporate the Central government's already-implemented schemes, Rashtriya Swasthya Bima Yojana (RSBY) and the Senior Citizen Health Insurance Scheme (SCHIS). This scheme has a straightforward registration process, and beneficiaries can easily obtain cashless benefits from any private or government hospital in the country. In India, the COVID-19 pandemic has helped to increase demand for and appeal of supplemental private healthcare insurance. By encouraging the use of various health and wellness-related apps to promote healthy lifestyles and frequently rewards structure utilisation, the Indian insurance industry is responding creatively.

Financial Overview

Financial and Operational Performance

During FY 2021-22, the Company's consolidated revenue stood at ₹ 7,114 million, against ₹ 4,400 million in FY 2020-21, which is mainly due to strong recovery of elective surgeries which continues to drive the core specialty revenues. Profit before Tax (PBT) stood at ₹ 792 million compared to ₹ 551 million in FY 2020-21. The Company's PAT increased to ₹ 540 million from ₹ 424 million in the previous year. During the year, the Company's outstanding balance of loans stood at ₹ 1,550 million.

Operational Highlights

Particulars	FY 2020-21	FY 2021-22
Bed capacity (Nos.)	2,012	2,112
Operational beds (Nos.)	1,200	1,235
Average Length of Stay (Days)	3.22	4.12
Occupancy (Beds)	428	563
In-patient Count (Nos.)	48,515	40,603
Out-patient Count (Nos.)	2,61,562	3,18,455

Significant Financial Ratios

Ratios	FY 2020-21	FY 2021-22	Difference	Reason
Debtors Turnover	0.21	0.14	-36%	Due to higher sales
Interest Coverage	16.21	14.14	-11%	Due to additional debt
Current Ratio	3.24	2.52	-20%	Due to current portion of debt
Total Liability/Equity Ratio	0.19	0.36	87%	Due to incremental debt
Operating Profit Ratio	13.62	12.17	-145%	Due to Implant business

Key Risks & Mitigation Strategies

The Company is subject to a number of risks as a result of internal and external causes, for which it has developed mitigation strategies to minimise the impact on business operations.

- **Legal Risks**

  As a participant in the healthcare industry, the Company is subject to a number of laws and regulations. The Company faces regulatory risks including pricing caps on surgeries, implants, stents, etc. because laws and legal processes are subject to frequent modification. To remain compliant and satisfying, patient's expectations on expenses and care present challenges for the Company. The business activities of the Company are also impacted by economic policies like demonetisation, GST, and taxes.

  Risk Mitigation: The Company closely monitors regulatory developments and makes an effort to predict regulatory changes based on changing industry trends. To reduce the impact of regulatory risks, Company primarily focusses on optimisation of costs and the increase operational efficiency.

- **Scarcity of qualified personnel**

  Superior healthcare services must be provided by a skilled and qualified team of professionals. There is a shortage of skilled experts, doctors, nurses, and paramedics due to the inadequate infrastructure for medical education. The availability of medical specialists in urban and rural areas is likewise noticeably unbalanced. This affects the Company's capacity to offer top-notch healthcare services.

  Risk Mitigation: The Company's "Shalby Academy" provides top-notch educational opportunities for paramedical students and other healthcare workers, taught by professionals in the field. Students receive training in challenging surgeries and effective healthcare delivery. The majority of the specialists trained in this academy are absorbed in the Company's hospitals, protecting them from a talent shortage.

- **Capital-intensive business**

  The hospital industry is very capital-intensive due to expensive land and building expenses, steadily rising construction prices, legal and approval fees, and the purchase and upkeep of cutting-edge medical equipment. The high expense of medical professionals further increases the financial burden. These elements increase the risk of return on investment.

  Risk Mitigation: The Company's one-of-a-kind business model, which makes maximum use of real estate to grow operations, allows it to keep capex costs under control. It has an in-house staff of architects and designers for construction and utility planning, allowing it to break even faster than competitors. The systematic procurement of medical equipment at competitive prices aids in the reduction of operational costs and the increase of profits. The Firm expands its orthopaedic and joint replacement businesses through a franchisee model, avoiding significant capex investment and by developing an asset-light business strategy.

- **Concentration Risks**

  The Company suffers geographical concentration risk because half of operations are concentrated in a single Indian state of Ahmedabad in Gujarat.

  Risk Mitigation: To reduce the risk of regional concentration, the Company has strategically established its new facilities in states other than Gujarat. The Company added 5 hospitals with a combined capacity of 908 beds in various states. Shalby is also in the midst of expanding the present facility in Maharashtra by 50 beds and adding two additional hospitals with a combined total capacity of 321 beds. The goal of this strategy is to decrease revenue concentration from a single state.

Business Outlook

The healthcare industry's development prospects are strong as the core growth elements remain strong, notwithstanding the tough climate brought on by the COVID-19 pandemic. The Company's global presence and service offerings are expanding as part of its ongoing expansion plan. Shalby is trying to expand its services in newer cities, due to a significant unmet Tier-1 and Tier-2 cities need for specialty services. The Company's innovative services, such as the care card and homecare, have also done well, and the Company is still committed to broadening the scope of these offerings.

The Company is constructing two new facilities in Maharashtra likely to be completed in next few years. The facilities are located in Mumbai (Santacruz) with 175 beds and another in Nashik with 146 beds. Shalby has grown and developed into a comprehensive multi-specialty hospital network supported by patient satisfaction and clinical competence. In FY 2021-22, with 200 Joint Replacement operations performed by a single orthopedic physician in a single month, Shalby Jaipur made medical history.

In total, 28 kidney and liver transplants were successfully done by the Company in FY 2021-22. Shalby's successful installation of SAP in February 2022 seeks to boost the financial and operational processes by enhancing database management, administration, security, real-time access, and advanced analytics to assist business decisions. With its exceptional service capabilities and extensive domain knowledge, the Company has carved out a strong position in the healthcare market. The Company is continuously innovating, increasing its systems and processes, expanding its reach, cultivating talent, and fortifying its brand in order to provide more patients with the highest quality of healthcare services and to improve the overall patient experience. In the upcoming years, Shalby's strategic initiatives are anticipated to propel the Company's sustainable growth momentum and provide value for all stakeholders.

Regulations and Safety

The healthcare industry is placing more emphasis on adherence to international safety norms as India strives to meet global standards. As a member of the healthcare industry, Shalby continuously strives to comply with the ever-changing norms and regulations. The Company is dedicated to favourably responding to the changing demands of the industry while adhering firmly to even stricter laws.

The Company has adopted a number of efforts as part of its environmental strategy to protect the environment and ensure minimal effect from its operations. The Company is dedicated to focussing on long-term sustainability while exceeding patients' service expectations. Shalby goes the extra mile to uphold quality standards, cut waste generation, and separate recyclable garbage at hospitals. The Company makes sure that all of its practices adhere to the relevant laws and safety regulations. Additionally, it conforms closely to all safety and regulatory regulations.

The Company adopts stringent monitoring processes and keeps records for any potential legal concerns in the future. All of the Company's suppliers are duly certified, ensuring that all tools and gadgets meet the highest legal requirements. Due to its strong corporate governance procedures and regulatory compliances, the Company has obtained the global accreditations from the National Accreditation Board for Testing and Calibration Laboratories (NABL).

Internal Controls

The Company's internal financial controls are robust in all material areas to ensure accurate financial reporting. According to "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 top management makes sure there is an efficient internal control system in place and that it complies with all relevant rules and regulations. The internal control system assures asset protection, dependability and accuracy of financial reporting, and the avoidance of fraud and mistakes. According to the accounting policies, all Company transactions are recorded in compliance with the Indian Accounting Standard (Ind-AS). The Internal Audit Team provides strategic guidance and periodically monitors the important results.

Human Resources Policy

The Human Resources function is critical to business continuity. Identifying and onboarding the right individuals, guaranteeing their continual engagement with the organisation's mission and vision, retaining them with a lively culture, and assuring their career advancement form the strong pillars of the Company. This has become more difficult as demand for qualified healthcare workers in India has increased. To meet these challenges and expectations, the Company has built a robust Human Resources staff in the corporate office and across all operating units. This team includes an experienced team of specialists for the Learning and Development project.

To meet the needs of both internal and external stakeholders, the team has chosen the following Mission Statement, which encapsulates the heart of the organisation's mission.

Information Technology

Shalby is constantly improving patient care by reengineering and streamlining the processes with the aid of technology adoption. The Company has discovered several opportunities to use new technological tools by synchronising business operations, which will help to accelerate business growth. Shalby has stated various projects and successfully accomplished them under great leadership and guidance of management. Some of them are shared as follows:

"Project Samanvay"

The Company has identified the real requirement of ERP system for the growth of operations, hence conceptualised "**Project Samanvay**" for the implementation of SAP in the organisation. The Company has successfully accomplished the project with Go-Live of SAP S4/Hana 2020 in the month of March 2022, with a strong approach across all units in a short span of 8 months along with integration of Hospital Information System. Such strategic implementation is quite in-line of being global and also to strengthen Shalby's financial & operational process by improvising database management, administration, security, real-time access and advance analytics to support the business decisions.

Project SUFALAM

The Company's dedicated information technology team has efficiently deployed the centralised cloud-based Lab Information System across ten hospital units under critical deadlines. This has aided to standardise and centralise the diagnostic reports across hospital units. Consequently, the patients are also benefited by receiving their pathological reports through WhatsApp & SMS immediately after its preparation.

Live Chatbot

AI and ML-powered chat bots and WhatsApp BOTs are used to create simple and practical engagements with the patients as a way to improve patient reach and experience. Patients were able to schedule and manage appointments through this touch point, as well as get answers to a variety of questions.

In addition to the above large projects, Shalby has completed a number of other pivotal developments that have improved the organisation's technological capabilities.

- Advanced CRM systems have been implemented to handle patient enquiries from social media for end-to-end seamless interactions. In order to cut costs, boost productivity, and enhance services, the CRM system is tightly integrated with the call-centre system. The Company has a centralised data storage system with the aid of CRM, allowing us to manage all patient engagements and establish effective communication links. The interaction is sped up, patient data is stored and sorted, instant medical records are provided, schedules are managed, resources are allocated, and human resource capabilities are maximised.
- The Company has made significant use of telemedicine in the area of online consultations to strengthen and streamline frequent interactions with patients. Technology has assisted in the adoption of tech-enabled platforms and has helped us lessen the reliance on paper.

Astonishing digital transformation is making the healthcare system future-ready. The healthcare industry has experienced incredible digital interference and disruption as a result of the fourth 4.0 industrial revolution and the recent pandemic. The use of video consultation for medical treatment is anticipated to increase by more than 80% from its current level with the help of virtual reality and artificial intelligence. The Company firmly believes that these strategic and digital initiatives will have long-lasting, measurable effects in the many years to come. The Company is committed to bringing transformation through continuous learning and the adoption of technological advancements to bring about a culture that fosters innovation.

Cautionary Statement

This Statement contains forward-looking statements about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expressions for future are forward-looking statements. Forward-looking statements should be viewed in the context of many risk issues and event that could cause actual performance to be different from that contemplated in the Directors' Report and Management Discussions and Analysis Report, including but not limited to, the impact of changes in oil, steel prices worldwide, technological obsolescence and domestic, economic and political conditions. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors. The Company disclaims any duty to update the information given in the aforesaid reports.

Directors' Report

Dear Members,

Your Directors are pleased to present the Eighteenth Annual Report on business and operations of the Company along with audited financial statements for the financial year ended March 31, 2022.

FINANCIAL PERFORMANCE SUMMARY

The summarized financial highlight is depicted below;

(₹ in million)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	6,471.60	4,186.69	6,989.45	4,308.96
Other Income	126.35	96.16	124.22	90.62
Total Expenditure (Except Finance cost & Depreciation/Amortization)	5,171.46	3,325.43	5,790.13	3,444.90
Profit before Interest Depreciation and Tax	**1,426.48**	**957.42**	**1,323.54**	**954.69**
Less : Finance Cost	27.90	35.84	59.01	36.19
Depreciation/Amortization	355.02	366.66	428.70	367.95
Exceptional Item	44.37	-	44.37	-
Profit Before Tax	**999.20**	**554.91**	**791.46**	**550.55**
Provision for Taxation (Inclusive of provision for deferred tax)	301.15	126.11	251.75	126.93
Profit After Tax	**698.06**	**428.80**	**539.71**	**423.62**
Other comprehensive income	**(2.94)**	**1.65**	2.23	1.63
Total Comprehensive Income	**695.12**	**430.45**	**541.93**	**425.25**

PERFORMANCE OF THE COMPANY

During the year under review, the revenue from operations of the Company increased to ₹ 6,471.60 million as compared to ₹ 4,186.69 million in the previous year. The EBITDA for the year under review increased to ₹ 1,426.48 million against previous year of ₹ 957.42 million. Your Company has earned Profit after tax of ₹ 698.06 million as against ₹ 428.80 million in the previous year.

During the year under review, the consolidated revenue from operations increased to ₹ 6,989.45 million as compared to ₹ 4,308.96 million in the previous year. The consolidated EBITDA increased to ₹ 1,323.54 million from ₹ 954.69 million in the previous financial year.

DIVIDEND

The Board of Directors has recommended a dividend of ₹ 1/- per equity share (10% on the face value of ₹ 10/- each) on the paid up share capital of the Company for financial year ended on March 31, 2022 amounting to ₹ 1080.10 million, which if declared, at the ensuing Annual General meeting scheduled on September 26, 2022 will be paid to those shareholders whose names appear in the Register of members as at closing hours of business on Tuesday, September 20, 2022 ('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 Wednesday, September 21, 2022 to Monday, September 26, 2022 (both days inclusive).

TRANSFER TO RESERVES

The Board of Directors has not appropriated and transferred any amount out of profit to General Reserves and has decided to retain the entire amount in profit and Loss account.

BUSINESS & STRATEGY

UPCOMING PROJECTS

Nashik Project: The Company had entered into a definitive O&M agreement with Samruddhi Hospital P. Ltd (developer) in the year 2014 for a period of 30 years. Under this arrangement, the developer will construct the hospital building and hand over to your company for investing equipment and technology with an estimated capex of ₹ 310 million to manage the hospital thereto. The project delayed due to the novel Covid-19 pandemic spread across the globe. But we have noticed some progress now and estimated to receive the possession of constructed building during Fiscal 2023 to start the operation of the 146 bedded hospital.

Mumbai Project: The Company is in the process of setting up a State of Art facility with 175 bed capacity in the heart of Mumbai, Santacruz. Your company had entered into a long lease agreement with counterpart to manage the entire operations of hospital wherein the existing structure needs to be demolished completely and a new structure will be constructed with an estimated capex of ₹ 1,600 million. Due to ongoing novel Covid-19 pandemic spread across the globe, the project got delayed and now it is expected to start the operations by Fiscal 2026.

Franchise Business

Shalby has strategically devised a unique asset-light Franchise business model under Shalby Orthopedic Centre Of Excellence (SOCE) brand by leveraging it orthopedic expertise of more than 28 years. In this process, your company has designed two operational models called Franchise owned Shalby operated, and Franchise owned Franchise operated. So far more than we have signed more than 5 MOUs and rebranded our Vijay unit under SOCE. As a core strategy we remain on course to capitalize on our expertise and excellence in orthopedics and aim to have over 50 Shalby franchise hospitals across India within the next 3 years and also accelerating the process of taking over operations in our brand name.

Implant Business

With clear strategic direction, Shalby has ventured into implant (Knee & Hip) manufacturing business by acquiring Consensus Orthopedics, headquartered in California, USA and incorporated Shalby Advanced Technologies Inc. (SAT) in the first quarter of Fiscal 2022. Your company has acquired the entire manufacturing assets which includes plant, equipment and patents along with implant inventory and also inherited a legacy of Zero product recall in the US market. The acquisition does not only enable Shalby to integrate backward our core specialty of orthopaedics but also aid to diversify hospital business as well as revenue mix. Your company is committed to establish a strong footprint into the vast opportunity that exists in the world's largest implant market like US and gradually to enter into South Asian Countries like India, Nepal and Bangladesh and South-East Asian countries like Malaysia, Indonesia, Vietnam, and Philippines & later on Middle East and East African Countries in an organic and phased manner.

These 3 well diversified businesses come together to create a strong ecosystem to carry forward the strong Shalby Legacy of world-class Orthocare for the Indian population.

Information Technology Infrastructure

The healthcare industry driven by value-based patient care, is at a pivotal point with greater emphasis on connectivity, accessibility and reliability as the world is transforming digitally to ensure we don't miss out on life saving critical information. India being a fifth largest economy, is also steppingstone toward becoming a global healthcare center with the government thrust and support in terms of introducing various healthcare schemes and taking other key initiatives to focus on medical tourism. And to achieve this dream government has created a robust digital platform called Medi value travel under "Heal in India" campaign to facilitate international patients to connect with India's leading healthcare service providers.

Shalby is continuously adding value in patient care by reengineering and streamlining the processes with the help of technology adoption. Having a global presence, we have identified various opportunities to implement new technological tools by synchronizing business functions which will help to accelerate business growth. We at Shalby, have stated various projects and successfully accomplished them under great leadership and guidance of management. Few of them are as follows-

"Project Samanvay"

We have identified the real need of ERP system to support the growth of operations, hence conceptualized **"Project Samanvay"** for the implementation of SAP in our organization. We are proud to announce the successful accomplishment of the project with Go-Live of SAP S4/Hana 2020 in the month of March 2022, with a big-bang approach across all units in a short span of 8 months along with integration of Hospital Information System. This strategic implementation is quite in-line of being global and also to strengthen our financial & operational process by improvising database management, administration, security, real-time access and advance analytics to support the business decisions.

Project SUFALAM

Our dedicated information technology team effectively deployed the centralized cloud-based Lab Information System across ten hospital units under critical deadlines. This facilitated to standardize and centralize the diagnostic reports across hospital units. As a results, our patients are also benefited by receiving their pathological reports through WhatsApp & SMS immediately after its preparation. Additionally, these reports are QR code enabled helps to fetch the information any time anywhere.

As a process of strengthening patient reach and experience, AI and ML-powered chat bots and Whatsapp BOT are deployed to build easy and convenient engagements with our patients. This touch point enabled the patients to book and manage the appointments and also answering various queries. As an organization, we believe chatbots are the future because they benefit from rapid data analysis and will also do tasks such as connecting, engaging, and other important tasks that are a perfect alternative much faster that human work.

In addition to above big projects, we at Shalby, have accomplished several other vital developments making organization further technology equipped.

- Implemented advanced CRM systems to manage patient queries from social media for end-to-end seamless interactions. The CRM system is very closely interconnected with our call-center system to reduce operational costs, increase efficiency, and improve our services. With the help of CRM, we have a centralized data storage system which enables us to manage all patient engagements and build strong communicational relationships. This speed up the interaction, helps us store and sort patient data, provides immediate medical records, manages schedules, allocates resources, and optimizes our human resource capabilities.

- In the space of online consultations, we have significantly leveraged telemedicine to streamline and strengthen frequent interactions with patients. Technology has helped us in reducing our dependence on paper and has aided in the adoption of tech-enabled platforms.

  Healthcare system is becoming future ready with amazing digital transformation. With 4.0 industrial revolution and post pandemic we have noticed phenomenal digital interference and disruption in healthcare industry. With the augment of virtual reality and artificial intelligence, the healthcare industry is expected to witness treatment through video consultation to grow by more than 80% from the current occurrence. Moreover, smart EMR system would be assisting to achieve it. Therefore, in the coming era Healthcare would be safer, affordable and accessible. As we go digital, we dissolve artificial layers & boundaries within organization and world as a whole. We at Shalby, are committed to bringing transformation through continuous learning and the adoption of technological advancements to bring about a culture that fosters innovation and strongly believe that these strategic and digital initiatives will bring lasting measurable impacts in many more coming years.

CREDIT RATING

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

SHARE CAPITAL

During the year under review, there was 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 SUBSIDIARIES

As on March 31, 2022, your Company has eight subsidiaries viz. Vrundavan Shalby Hospitals Limited, Shalby International Limited, Yogeshwar Healthcare Limited, Slaney Healthcare Pvt. Ltd., Griffin Mediquip LLP, Shalby (Kenya) Limited, Mars Medical Devices Limited and Shalby Hospitals Mumbai Pvt. Ltd.

Mars Medical Devices Limited has further two subsidiaries, namely Shalby Advanced Technologies, Inc. at Delaware, USA for manufacturing and supply of orthopedic implant, instruments, knee systems and hip systems for which company has acquired assets from Consensus Orthopedics, California, USA and the second one is Shalby Global Technologies Pte Ltd. in Singapore, which are into trading business of said implants and other medical devices. Both these companies are step-down subsidiaries of Shalby Limited.

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 (AOC-1) 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 Investors Section under Annual Report tab at https://www.shalby.org/investors.The financial statements of the Company and subsidiary companies shall be available for inspection by any shareholder(s) during working hours at the Company's Corporate office and that of the respective subsidiary companies concerned.

AWARDS & RECOGNITIONS

During the financial year 2021-22, your company has been awarded with the "Best Medical Tourism Centre of Gujarat Award – 2021, by State Tourism, Government of Gujarat for the 5th consecutive year for servicing International patients and contribution to Medical Tourism, Best Homecare Company for national level at Economic Times Healthcare Awards 2021, Best Hospital – Orthopaedics for national level at Economic Times Healthcare Awards 2021, Fastest Growing tertiary care hospital in

Rajasthan, Patient friendly hospital by Association of Healthcare Providers (India), Best Hospital of the year by Six Sigma Star Healthcare, New Delhi, First ranking in Swatch (clean) Hospital by Surat Municipal Corporation.

ANNUAL RETURN (MGT-7)

Pursuant to section 92(3) read with section 134(3)(a) of the Companies Act, 2013, the Annual return of the Company as on March 31, 2022 is available on the Company's website at https://www.shalby.org/wp-content/uploads/2019/05/Form_MGT_7_2021-22_print-pdf.pdf

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

All the related party transactions that were entered into during the financial year were on arm's length basis and your Company has taken approval of audit committee, Board of Directors and shareholders whenever applicable. 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 was no material transactions carried out with any of the related parties in terms of regulation 23 of SEBI Listing Regulations. The details of the related party transactions are provided in the Annexure- B (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

During the financial year 2021-22, the appointment of Mr. Sushobhan Dasgupta as a Vice Chairman and Global President has been approved by the Shareholders at the 17th Annual General Meeting.

Dr. Umesh Menon, Independent Director, has been appointed for second term w.e.f. December 20, 2021 for a period of 5 years and the members have approved the resolution through Postal Ballot on December 3, 2021.

Mr. Tej Malhotra, Independent Director has been appointed for second term w.e.f. February 23, 2022 for a period of 5 years and the members have approved the resolution through Postal Ballot on December 3, 2021.

Mr. Venkat Parasuraman, has been appointed as Chief Financial Officer in place of Mr. Prahlad Rai Inani w.e.f. February 2, 2022. As on March 31, 2022, Dr. Vikram Shah, Chairman & Managing Director, Mr. Venkat Parasuraman, Chief Financial Officer and Mr. Tushar Shah, Associate Vice President and 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. Sushobhan Dasgupta (DIN: 06381955), 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 five times during the year under review, on May 05, 2021, May 14, 2021, August 09, 2021, October 26, 2021 and February 02, 2022. 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 Committee
ii. Risk Management Committee.
iii. Stakeholder Relationship Committee
iv. Nomination and Remuneration Committee
v. Corporate Social Responsibility Committee
vi. Management Committee

The details with respect to the composition, 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. The Company has constituted Risk Management Committee on August 9, 2021.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company 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

Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed briefly in the Corporate Governance Report, which forms part of this Annual Report. Your Company's Policy on remuneration for the Directors, Key Managerial Personnel and other employees and 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/2017/10/Nomination-Remuneration-Policy_final-v2.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 Obligations and Disclosure Requirements), Regulations, 2015. The Report on Corporate Governance for FY 2021-22, 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-v2.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 and CEO/CFO Certificates thereto, are presented in separate section which forms part of the Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As stipulated under the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as part of the Annual Report. While BRSR reporting was purely voluntary for FY 2021-2022, the Company decided to voluntarily comply with the BRSR guidelines.

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-v2.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, 2022, 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 the energy consumption by using energy efficient equipment.

- Use of 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 otherwise they switch off automatically and can save between 5 and 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
- In some of the units, building orientation has been so designed that helps to maximize use of Day Light and to reduce heat gain in order to reduce energy consumption.
- 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 beat gain co-efficient 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.
- Disciplined 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 the 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) Triple 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, Bloodbank refrigerator, Platelet agitator/incubator, Bloodcollection 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.
q) Neuro Microscope
r) Spine Navigation System
s) Cathlab
t) Ivus

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 these equipments have been found to be quite satisfactory.

II. Due to spread of Covid-19 across the globe, company has not imported any equipment during the year under review. However, Company is using latest medical equipment/machinery in its hospital units.

Apart from above, various other small equipment imported from overseas have been installed at various units of Shalby.

III. The expenditure incurred on Research and Development
NIL

(C) Foreign exchange earnings and expenditure:

(₹ in million)

Particulars	2021-2022	2020-2021
Earnings in Foreign Currency	42.56	13.08
CIF Value of Imports	-	-
Expenses in Foreign Currency	-	1.54

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 - C.

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 the said annexure. In terms of provisions of section 136 of the Companies Act, 2013, the said annexure is open for inspection at the registered office of the Company during the office hours. 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.

INSURANCE

The Company's plants, properties, equipments and stocks are adequately insured against all major risks. The Company has also taken Directors' and Officers' Liability Insurance Policy to provide coverage against the liabilities arising on them.

RISK MANAGEMENT

The risks are measured, estimated and controlled with the objective to mitigate its adverse impact. Your company's fundamental approach to risk management includes, anticipate, identify and measure 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 said policy is available at https://www.shalby.org/wp-content/uploads/2017/10/Risk-Management-Policy_Clean-final-v2.pdf

VIGIL MECHANISM

The Company has established a vigil mechanism and accordingly framed a Whistle Blower 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 Whistle Blower to report genuine concerns or grievances and provide for strict confidentiality, adequate safeguards against victimization of Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in appropriate cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board pertaining to whistle blower policy. The said Vigil Mechanism and Whistle-Blower Policy is available at https://www.shalby.org/wp-content/uploads/2017/10/Vigil-Mechanism-and-Whistle-blower_policy-v2.pdf

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of the Act, your Company has constituted a CSR Committee, which comprises of Mrs. Sujana Shah, Chairperson, Dr. Umesh Menon, Member and Mr. Shyamal Joshi as its members as on March 31, 2022. 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/2017/10/Corporate-Social-Responsibility-CSR-Policy-v3.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 - D.

OTHER DISCLOSURES AND INFORMATION

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

   Your Company has adopted a Policy on 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 1 complaint received which was investigated and resolved and there were no complaints pending at March 31, 2022.

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 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 Covid-19 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. Due to the temporary suspension of services of elective surgeries and travel restrictions of overseas patients for some time during FY 2021-22, business operations of the Company are slightly impacted, though the same is not likely to have a continuing impact on the business of the Company in the long run.

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 to be held in 2023.

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, 2022 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. PricewaterhouseCoopers Services LLP. 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. Internal Auditors present their report in every meeting of Audit Committee.

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, 2022 and their remuneration was ratified by members at the 17th 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 2022-23. 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, 2023 at a remuneration of ₹ 1,10,000/- 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. Chintan I Patel, Practicing Company Secretary (Mem No. 53253, PCS No. 20103) to conduct the Secretarial Audit of the Company for the year ended March 31, 2022. The Secretarial Audit Report for the FY 2021-22 is annexed to this Report as Annexure – E. 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.

In response to observation made by Secretarial Auditor w.r.t. non-compliance with Minimum Public Shareholding as per regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors have noted that one of the promoters of the Company, Shah Family Trust has sold 58,10,000 Equity Shares of the Company representing 5.38% of the total issued and paid up Equity Share Capital of the Company on April 26, 2021 ("T day") (for non-retail Investors only) and April 27, 2021 (for Retail Investors and for non-Retail Investors who choose to carry forward their un-allotted bids) through a separate, designated window of BSE Limited (the "BSE") and National Stock Exchange of India Limited ("NSE") in accordance with the "Comprehensive Guidelines on Offer for Sale (OFS) of Shares by Promoters through the Stock Exchange Mechanism" issued by Securities and Exchange Board of India. The Company is in compliance with Minimum Public Shareholding in terms of regulation 38 and Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 effective from April 27, 2021.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the whole hearted support and contribution made by all Doctors, nursing/paramedics 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
Chairman & Managing Director
DIN : 00011653

Date : May 25, 2022
Place: Ahmedabad

Annexure A

FORM AOC-I

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

Part - A: Subsidiaries

(₹ in million, except exchange rate)

Sr.	Particulars	Vrundavan Shalby Hospitals Limited	Shalby Kenya Limited	Shalby International Limited	Yogeshware Healthcare Limited	Griffin Mediquip LLP	Mars Medical Devices Limited	Slaney Healthcare Private Limited	Shalby Mumbai Hospitals Private Limited	Shalby Advanced Technologies Inc.	Shalby Global Technologies Pte. Ltd
1	Date from which it became subsidiary	12 August 2011	09 June 2011	05 September 2012	11 October 2012	23 July 2012	03 April 2020	05 September 2020	10 December 2020	23 March 2021	03 May 2021
2	Financial Year ended	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022	31 March 2022
3	Country	India	Kenya	India	India	India	India	India	India	USA	Singapore
4	(i) Reporting Currency	INR	KSH	INR	INR	INR	INR	INR	INR	USD	SGD
	(ii) Exchange Rate	1	0.66	1	1	1	1	1	1	75.8071	55.88
5	Share capital /Partner capital	18.00	0.07	0.50	7.35	8.57	250.00	0.10	0.10	295.32	45.10
6	Reserves and Surplus	47.64	-7.03	-0.36	-7.22	-	-5.86	19.21	-0.08	-112.74	-36.69
7	Total Assets	66.08	0.75	0.22	0.17	138.89	415.60	63.63	0.07	1,562.92	19.97
8	Total Liabilities	0.44	7.71	0.08	0.04	130.32	171.46	44.32	0.04	1,380.33	11.56
9	Investments	-	-	0.09	-	-	339.91	-	-	-	-
10	Turnover (including other income)	0.02	0.49	0.16	0.07	264.97	0.04	212.58	-	310.72	-
11	Profit / (Loss) Before Taxation	-0.57	-2.46	0.11	-1.40	3.99	-3.40	5.14	-0.05	-169.60	-36.38
12	Tax Expenses	-	-0.40	-	-	0.86	-	1.61	-	-51.47	-
13	Profit / (Loss) after tax	-0.57	-2.05	0.11	-1.40	3.13	-3.40	3.52	-0.05	-118.13	-36.38
14	Other Comprehensive Income	-	0.01	-	-	-	-	0.06	-	5.39	-0.31
15	Total Comprehensive Income Net of Tax	-0.57	-2.04	0.11	-1.40	3.13	-3.40	3.59	0.05	112.74	-36.69
16	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
17	% of shareholding	100.00	100.00	100.00	94.68	95.00 *	100.00	100.00	100.00	100.00 by MMDL	98.76 by MMDL

* 95% holding by Shalby Limited and 5% by company's subsidiary Shalby International Limited

Notes

a) Shalby Advanced Technologies, Inc. is 100% subsidiary and Shalby Global Technologies Pte. Ltd, is 98.76% subsidiary of Company's subsidiary Mars Medical Devices Limited

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

Part - B: Associates & Joint Ventures - Nil

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman and Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN:00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date : May 25, 2022

Annexure B

FORM 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 2021-22 :** Nil

2. **Details of material contracts or arrangement or transactions at arm's length basis for FY 2021-22**

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 is situated 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 arm's length price for 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 arm's length price for 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.	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. 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 arm's length price for comparable leased properties.	20-12-2016	NA	06-02-2017

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 FY 2020-21, Dr. Vikram Shah has waived his Professional Fees due to Covid-19 Pandemic. Dr. Vikram Shah has waived his Professional Fees, except OPD consultation fees during FY 2021-22.	05-02-2014 28-01-2016 07-05-2018 02-02-2022	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.	05-02-2014 07-05-2018	NA	NA
Commission							
1	Zodiac Mediquip Limited, Promoter Company	Commission	2 years upto 31/03/2022	Commission of 50% of OPD fees for patients consulted by Shalby specialist at Mumbai premises owned by Zodiac Mediquip Limited	03-02-2020	NA	NA
Rent Expenses/Income							
1	Zodiac Mediquip Limited, Promoter Company	Guest House expenses	2 years upto 31/03/2022	Rent of ₹ 1500/- per day per guest for using Ahmedabad premises at Parth Bunglows as Guest House, which is owned by Zodiac Mediquip Limited	03-02-2020	NA	NA
2	Griffin Mediquip LLP, Subsidiary	Rent Income	11 Months with auto renewal	Rent income for using Company's premises at Indore, Krishna, Indore, Jabalpur and Mohali	09-01-2018	NA	NA
3	Slaney Healthcare Private Limited, Group Company	Rent Income	5 Years upto 04/12/2023	Rent income for using Company's premises at Naroda	09-01-2018	NA	NA
Purchase or sale of Medical, Material and Consumables							
1	Griffin Mediquip LLP, Subsidiary	Purchase of medical material and consumables	Ongoing	Purchase of surgical, consumable, implants, stents etc. from Griffin Mediquip LLP at nominal profit margin	05-01-2016	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 President for 5 years wef October 5, 2019. Total remuneration paid during FY 2021-22 : ₹ 5.60 mn.	25-05-2019	NA	26-08-2019

For and on behalf of the Board

Dr. Vikram I. Shah
Chairman and Managing Director
(DIN: 00011653)

Place : Ahmedabad
Date : May 25, 2022

Annexure C

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 2021-22	₹ 1,44,471
2.	Ratio of remuneration of each director to the median remuneration of employees of the company for FY 2021-22	**Ratio**
	a. Dr. Vikram Shah	N.A., since not drawing any salary
	b. Mr. Sushobhan Dasgupta (w.e.f. May 17, 2021)	N.A., since not drawing any salary
	c. Mr. Shyamal Joshi	1.07
	d. Dr. Umesh Menon	1.04
	e. Mr. Tej Malhotra	0.87
	f. Dr. Ashok Bhatia	0.69
	g. Mrs. Sujana Shah	1.04
3.	Percentage increase in remuneration of each director, CFO, CEO & CS in financial year 2021-22	% increase in FY 2021-22 as compared to FY 2020-21
	a. Dr. Vikram Shah, Chairman and Managing Director	NA
	b. Mr. Sushobhan Dasgupta, Non-Executive Director (w.e.f. May 17, 2021)	NA
	c. Mr. Shyamal Joshi, Non-Executive & Independent Director	(23%)
	d. Dr. Umesh Menon, Non-Executive & Independent Director	(28%)
	e. Mr. Tej Malhotra, Non-Executive & Independent Director	(30%)
	f. Dr. Ashok Bhatia, Non-Executive Director	(32%)
	g. Mrs. Sujana Shah, Non-Executive & Independent Director	(23%)
	a. Mr. Prahlad Rai Inani, Chief Financial Officer (upto 13-12-2021)	Not comparable, since employed for part of the current year
	b. Mr. Venkat Parasuraman, Chief Financial Officer (w.e.f. 2nd February 2022)	Not comparable, since employed for part of the current year
	c. Mr. Tushar Shah, AVP & Company Secretary	Not comparable, since employed during part of the previous year
4.	Percentage increase in median remuneration of employees in the financial year 2021-22	22.52%
5.	Number of permanent employees on roll of the company as on 31-03-2022	2,490
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 2021-22 was 6.52%. Not comparable for Managerial Personnel since they were employed during the part of the year
7.	**Affirmation :** It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.	

Note: None of the directors have received any remuneration, other than sitting fees

Annexure D

CSR Annual Report for financial year 2021-22

1. Brief outline on CSR Policy of the Company:

The CSR activities we pursue is in line with our stated Vision and Mission, focused not just around our 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 is available at https://www.shalby.org/wp-content/uploads/2017/10/Corporate-Social-Responsibility-CSR-Policy-v3.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. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Sujana Shah	Chairperson/ Non-Executive & Independent Director	1	1
2	Mr. Shyamal Joshi	Member/ Non- Executive & Independent Director	1	1
3	Dr. Umesh Menon	Member/ Non-Executive & Independent Director	1	1

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

https://www.shalby.org/wp-content/uploads/2017/10/Corporate-Social-Responsibility-CSR-Policy-v3.pdf

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

Not Applicable.

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

Sl. No.	Financial Year	Amount available for set-off for succeeding financial years	Amount required to be set-off for the financial year, if any
1	2020-21	₹ 2.05 million	-
2	2021-22	₹ 0.05 million	-
	Total	₹ 2.10 million	-

6. Average net profit of the company as per section 135(5): ₹ 547.75 Million

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 10.95 Million

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

(c) Amount required to be set off for the financial year, if any: ₹ Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 10.95 Million

8. (a) CSR amount spent or unspent for the financial year 2021-22

Total Amount Spent for the Financial Year	Amount Unspent (₹ in Million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
11.00	-	-	-	-	-

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in Million)	Amount spent in the current financial Year (₹ in Million)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Million)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
Not Applicable												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ in Million)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Augmenting Education to Girl Child and construction of Gaushala building for cattle upkeep, Cow Fodder support to old age cows	Promoting Education & Animal Livelihood enhancement	Yes	Gujarat, Anand City Gujarat, Godhara City Gujarat, Bhavnagar		6.00	No	Shri Hiraba Charitable Trust	CSR00015900
2.	Spread awareness about Drug usage in Youth	Promoting Health awareness	Yes	Gujarat, Ahmedabad		5.00	No	High on Life	CSR00005367
	Total					11.00			

(d) Amount spent in Administrative Overheads: ₹ Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 11.00 Million

(g) Excess amount for set off, if any: ₹ 2.10 Million

Sl. No.	Particular	Amount (₹ in Million)
(i)	Amount available for set-off from earlier year	2.05
(ii)	Two percent of average net profit of the company as per section 135(5)	10.95
(iii)	Total amount spent for the Financial Year	11.00
(iv)	Excess amount spent for the financial year [(ii)-(i)]	0.05
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(vi)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.10

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

Sl. No.	Preceding Financial Year	Amount (₹ in Million) transferred to Unspent CSR Account under section 135 (6)	Amount (₹ in Million) spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount (₹ in Million) remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (₹ in Million)	Date of transfer	
Not Applicable							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount (₹ in Million) allocated for the project	Amount (₹ in Million) spent on the project in the reporting Financial Year	Cumulative amount (₹ in Million) spent at the end of reporting Financial Year	Amount (₹ in Million) Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

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

For and on behalf of the CSR Committee and the Board

Sd/-
Sujana Shah
(DIN: 08100410)
Chairperson of CSR Committee

Sd/-
Dr. Vikram Shah
(DIN: 00011653)
Chairman and Managing Director

Place : Ahmedabad
Date : May 25, 2022

Annexure E

FORM NO. MR-3

Secretarial Audit Report

(For the financial year ended March 31, 2022)

[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,
The Members

SHALBY LIMITED
Opp: Karnawati Club,
Sarkhej Gandhinagar Highway, Nr. Prahladnagar Garden,
Ahmedabad-380 015, Gujarat

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, 2022 ("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, 2022 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'):-

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

4. 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;

5. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; **(Not applicable for the period under review)**;

6. 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;

7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable for the period under review)**;

8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable for the period under review)**;

9. The Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable for the period under review)**

10. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

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

1. INDUSTRY SPECIFIC REGULATIONS

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

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

c) Drugs and Cosmetic Act, 1940.

d) Narcotic Drugs and Psychotropic Substances Act, 1985

e) Pharmacy Act, 1948

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

g) Ethical Guidelines for Biomedical Research on Human participants, 2006

h) Transplantation of Human Organs Act, 1994

i) Atomic Energy Act, 1962

j) Atomic Energy (Radiation Protection) Rules, 2004

k) Central Government Health Scheme, 1954

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

m) Radiation Surveillance Procedures for Medical Application of Radiation 1989

n) Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994

o) Medical Termination of Pregnancy Act, 1971

p) Consumer Protection Act, 1986

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

r) The Gujarat emergency Medical Services Act. 2007

s) Shops & Establishment Act, as may be applicable

2. FOOD SAFETY REGULATIONS

a) Food Safety and Standards Act, 2006

3. ENVIRONMENT REGULATIONS

a) Environment (Protection) Act, 1986

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

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

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

e) Biomedical Waste Management Rules, 2016

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

4. HUMAN RESOURCE RELATED REGULATIONS

a) Contract Labour (Regulation & Abolition) Act, 1970

b) Employees Compensation Act, 1923

g) Employees' Provident Funds and Miscellaneous Provisions Act, 1952

h) Employees' State Insurance Act, 1948;

i) Equal Remuneration Act, 1976;

j) The Maternity Benefit Act, 1961;

k) Minimum Wages Act, 1948;

l) Payment of Bonus Act, 1965;

m) Payment of Gratuity Act, 1972;

n) Payment of Wages Act, 1936;

o) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

p) Shops and Commercial Establishments Act

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India;

b) 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 subject to following Observations;

- The Company has not Complied with Minimum Public Shareholding under Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with chapter II, Regulation 31 of SEBI (Issue of Capital and Disclosure requirements) Regulation, 2018 for the quarter ended March 31, 2021 and for the period from April 1, 2021 to April 26, 2021 for the quarter ended June 30, 2021. National Stock Exchange of India Limited and BSE Limited have issued notice for non-Compliance for quarter ended March 31, 2021 and for the period from April 1, 2021 to April 26, 2021 and levied fine of ₹ 5,31,000 and ₹ 1,53,400/- (including GST), which have been paid by the company to both the stock exchanges on July 5, 2021 and September 20, 2021 respectively.

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 are :

During the year, the Company has passed following Special Resolutions through Annual General Meeting and Postal Ballot for seeking approval of Members

1. Appointment of Mr. Shyamal Joshi (DIN: 00005766) as an Independent Director

2. Reappointment of Dr. Umesh Menon (DIN: 00086971) as an Independent Director for second term w.e.f. December 20, 2021.

3. Reappointment of Mr. Tej Malhotra (DIN: 00122419) as an Independent director for second term w.e.f. February 23, 2022.

4. Approval of Shalby Limited Employees Stock Options Scheme 2021 ("Shalby ESOP 2021").

5. Approval of grant of stock options to the employees of Group Company including Subsidiary or its Associate Company, in India or Outside India, of the Company, or of a Holding Company of the Company under Shalby Limited Employees Stock Options Scheme-2021.

6. Approval acquisition of Equity Shares by way of Secondary Acquisition under Shalby Limited Employees Stock Options Scheme-2021.

7. Making of provision of money by the company for purchase of its own shares by the Trust / Trustee for the benefit of employees under Shalby Limited Employees Stock Options Scheme-2021.

Chintan Patel
Practicing Company Secretary
Mem no. 53253 | C.O.P. No. 20103
Peer Review No. 1755/2022
UDIN : A053253D000412183

Place: Ahmedabad
Date: May 25, 2022

APPENDIX- A

To,
The Members

SHALBY LIMITED
Opp: Karnawati Club,
Sarkhej Gandhinagar Highway, Nr. Prahladnagar Gardern,
Ahmedabad-380 015, Gujarat

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me 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 provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Chintan Patel
Practicing Company Secretary
Mem no. 53253 | C.O.P. No. 20103
Peer Review No. 1755/2022
UDIN : A053253D000412183

Place: Ahmedabad
Date: May 25, 2022

Annexure F

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members

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

Sub: Certificate with regard to directors debarred or disqualified

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Shalby Limited** having **CIN L85110GJ2004PLC044667** and having registered office at Shalby Hospitals, Opp: Karnawati Club, Sarkhej Gandhinagar Highway, Nr. Prahladnagar Garden, Ahmedabad-380015, Gujarat (hereinafter referred to as **'the Company')**, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Dr. Vikram Shah	00011653	30/08/2004
2	Mr. Shyamal Joshi	00005766	01/06/2010
3	Dr. Umesh Menon	00086971	20/12/2016
4	Mr. Tej Malhotra	00122419	23/02/2017
5	Dr. Ashok Bhatia	02090239	23/10/2017
6	Mrs. Sujana Shah	08100410	07/05/2018
7	Mr. Sushobhan Dasgupta	06381955	17/05/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Chintan Patel
Practicing Company Secretary
Mem no. 53253 | C.O.P. No. 20103
UDIN : A053253D000411314

Place: Ahmedabad
Date: May 25, 2022

Corporate Governance Report

Shalby Philosophy on Corporate Governance

Corporate Governance is a set of principles, processes and system which governs the Company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. 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. The Board also ensures that the Company's management and employees operate with the highest degree of ethical standards through compliance with the Code of Conduct adopted by the Company.

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, 2022, the Board of Directors comprises of seven directors, out of which six are Non-Executive Directors and one is Executive Director (Promoter Director). Out of six Non-Executive Directors, four 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 director as on March 31, 2022. The Board structure is in compliance with the provisions of Companies Act, 2013 and Regulation 17 of Listing Regulations.

During the year under review, there were some change in composition of the Board of Directors.

i) Appointment of Mr. Shyamal Joshi as an Independent Director w.e.f. May 17, 2021 for his first term of 5 years and regularized and approved by Shareholders at the 17th Annual General Meeting held on September 27, 2021.

ii) Appointment of Mr. Sushobhan Dasgupta, as an Additional Director (Non-Executive) designated as Vice Chairman and Global President w.e.f. May 17, 2021 and regularized and approved by Shareholders at the 17th Annual General Meeting held on September 27, 2021.

iii) Appointment of Dr. Umesh Menon as an Independent Director of the Company for his second term w.e.f. December 20, 2021 and approved by Shareholders by passing resolution through Postal Ballot on December 3, 2021.

iv) Appointment of Mr. Tej Malhotra as an Independent Director of the Company for his second term w.e.f. February 23, 2022 and approved by Shareholders by passing resolution through Postal Ballot on December 3, 2021.

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, 2022, our Company's Independent Director, Mr. Shyamal Joshi is also an Independent Director in 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. Dr. Vikram Shah is also the Managing Director in Mars Medical Devices Limited, a wholly-owned unlisted subsidiary of the Company.

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 (as per Regulation 26 (1) of the Listing Regulations) across all the public companies in which he/she 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, 2022 are set out below;

Sr.	Name & DIN	Category	Age in years	Date of Initial appoint-ment	No. of Director-ships including this listed entity^	No. of Membership and Chairmanship of committees including this listed entity*		No. of equity shares held
						Member-ship	Chairman-ship	
1	Dr. Vikram Shah DIN: 00011653	Executive Chairman & Managing Director (Promoter)	59	30/08/2004	6	1	0	77,35,493
2	Mr. Sushobhan Dasgupta[%] DIN: 06381955	Non-Executive (Non-Promoter)	59	17/05/2021	1	0	0	Nil
3	Mr. Shyamal Joshi DIN: 00005766	Non-Executive Independent	72	01/06/2010	8	5	2	Nil
4	Dr. Umesh Menon DIN: 00086971	Non-Executive Independent	51	20/12/2016	3	2	1	2,000
5	Mr. Tej Malhotra DIN: 00122419	Non-Executive Independent	71	23/02/2017	2	1	0	1,755
6	Dr. Ashok Bhatia DIN: 02090239	Non-Executive (Non-Promoter)	68	23/10/2017	2	0	0	300
7	Mrs. Sujana Shah DIN: 08100410	Non-Executive Independent	45	07/05/2018	2	1	0	Nil

^ including private and foreign companies

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

[%] Joined w.e.f. May 17, 2021

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/ expertise / competencies as identified by the Board of Directors

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. Sushobhan Dasgupta and Dr. Ashok Bhatia
Project Management	Mr. Tej Malhotra & Dr. Vikram Shah
Marketing, Strategy & patient satisfaction	Mr. Sushobhan Dasgupta, Dr. Ashok Bhatia & Dr. Vikram Shah
Cost analysis	Dr. Umesh Menon & Dr. Vikram Shah
Account & Finance	Mr. Shyamal Joshi & Mrs. Sujana Shah
Information technology	Dr. Vikram Shah, Mr. Sushobhan Dasgupta and Mr. Tej Malhotra
Talent Management & Leadership	Dr. Vikram Shah, Mr. Sushobhan Dasgupta and Dr. Ashok Bhatia
Compliance & risk	Dr. Vikram Shah, Mr. Shyamal Joshi & Mrs. Sujana Shah

II. Meetings of Board of Directors

During the year, five meetings of the Board of Directors were held on May 05, 2021, May 14, 2021, August 09, 2021, October 26, 2021 and February 02, 2022 the maximum gap between any two consecutive board meetings was less than one hundred and twenty days. In view of precarious situation due to outbreak of Covid-19 pandemic during the year 2021-22, the Ministry of Corporate Affairs vide its various notifications has given major relaxation with respect to holding of Board Meeting through physical presence of Directors by amending Rule 4 of Companies (Meeting of Board and its Powers) Rule, 2014 relaxed and allowed approval of unaudited/audited financial results through Video Conferencing Facility. Some meetings of Board of Directors of the Company were held through Video Conferencing Facility during the year 2021-22. 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 2021-22 and last Annual General Meeting are set out below;

Name of Director	No. of Board Meeting held and attended	Status of attendance at the last AGM held on September 27, 2021
Dr. Vikram Shah	5/5	Yes
Mr. Shyamal Joshi	5/5	Yes
Dr. Umesh Menon	5/5	Yes
Mr. Tej Malhotra	5/5	Yes
Dr. Ashok Bhatia	5/5	Yes
Mrs. Sujana Shah	5/5	Yes
Mr. Sushobhan Dasgupta[%]	4/4	Yes

[%] Joined w.e.f. May 17, 2021

III. Separate Meeting of Independent Director

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 March 30, 2022 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 about 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 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 2021-22 are available on the Company's website at https://www.shalby.org/wp-content/uploads/2017/10/Familiarization-Program-Imparted-to-Independent-Directors.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 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

All the Directors of the Company have confirmed that they have not been debarred or disqualified by Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs or such other statutory authority from being appointed or continuing as directors of the Company and Company has obtained a certificate from Mr. Chintan I Patel, Practicing Company Secretary certifying that none of directors of our Company has been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI, Ministry of Corporate Affairs or any such statutory authority as stipulated under Regulation 34(3) of the Listing Regulations.

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 2021-22 are as under.

(₹ in million)

Name of Director	Category	Salary	Perquisites	Sitting fees	Total
Dr. Vikram Shah	Executive Chairman & Managing Director	Nil*	Nil	Nil	Nil
Mr. Sushobhan Dasgupta	Non-Executive Vice Chairman and Global President	Nil	Nil	Nil	Nil
Mr. Shyamal Joshi	Non-Executive & Independent	Nil	Nil	0.15	0.15
Dr. Umesh Menon	Non-Executive & Independent	Nil	Nil	0.15	0.15
Mr. Tej Malhotra	Non-Executive & Independent	Nil	Nil	0.13	0.13
Dr. Ashok Bhatia	Non-Executive	Nil	Nil	0.10	0.10
Mrs. Sujana Shah	Non-Executive & Independent	Nil	Nil	0.15	0.15
Total		**Nil**	**Nil**	**0.68**	**0.68**

* Dr. Vikram Shah does not draw remuneration in his capacity as Managing Director. However, as per agreement entered into with him by the Company, he is entitled for Professional Fees, but due to covid-19 pandemic for indefinite period, he had voluntarily waived his Professional Fees, (except OPD consultation fees) for financial year 2021-22 and he has been paid fees only for OPD consultation during financial year.

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 the 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. All Independent Directors and Non-Executive Directors (except Mr. Sushobhan Dasgupta) are paid sitting fees of ₹ 20,000/- for attending each meeting of the Board and ₹ 5,000/- for attending each meeting of committee.

III. Service Contracts, notice period, severance fees

The Shareholders, at the 17th Annual General Meeting held on September 27, 2021 have approved:

i) Appointment of Mr. Shyamal Joshi as an Independent Director

ii) Appointment of Mr. Sushobhan Dasgupta, appointed as additional director and then as Vice Chairman and Global President at the 17th Annual General Meeting.

The Shareholders have approved resolutions through postal ballot on December 3, 2021 relating to:

i) Appointment of Dr. Umesh Menon as an Independent Director w.e.f. December 20, 2021 for his second term

ii) Appointment of Mr. Tej Malhotra as an Independent Director w.e.f. February 23, 2022 for his second term

There is no other pecuniary relationship or transaction of Non-Executive Directors vis-à-vis the Company. The Company's shareholders have approved Employee Stock Option Scheme-2021 through postal ballot and the Company have Employee Stock Option Scheme in place, however, no stock options have been granted to any employee or director of the Company during financial year 2021-22.

None of the Directors are eligible for any severance fees.

B. AUDIT COMMITTEE

The name of Audit and Risk Management Committee was changed to Audit Committee w.e.f. August 9, 2021 as the Company has formed separate Risk Management Committee on that date, pursuant to SEBI circular dated May 5, 2021.

I. Composition and attendance

As on March 31, 2022, the Audit Committee comprises of (4) four members. All the members of Audit Committee are Non-Executive and Independent Directors.

The Committee met four times during the year viz. May 05, 2021, August 09, 2021, October 26, 2021 and February 02, 2022. The maximum gap between any two Committee Meetings was less than one hundred twenty days. The details of Composition of the Committee as on March 31, 2022 and attendance for meetings held during the year is set out below;

Name of member	Status in Committee	Dates of Committee meetings				No. of meeting held and attended
		05-05-2021	09-08-2021	26-10-2021	02-02-2022	
Dr. Umesh Menon	Chairman	Yes	Yes	Yes	Yes	4 / 4
Mr. Shyamal Joshi	Member	Yes	Yes	Yes	Yes	4 / 4
Mr. Tej Malhotra	Member	Yes	Yes	Yes	Yes	4 / 4
Mrs. Sujana Shah	Member	Yes	Yes	Yes	Yes	4 / 4

The Chairman of the Audit Committee has attended the last Annual General Meeting held on September 27, 2021.

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 of the Company acts as the Secretary to the Committee.

The Committee mandatorily reviews information such as internal audit reports related to internal control, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

III. Terms of Reference

The Audit Committee reviews the matter falling in its terms of reference and addresses larger issues that could be vital concern 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 includes matters pertaining to 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 as per roles and powers as defined, Risk Management framework and other relevant matters.

C. NOMINATION AND REMUNERATION COMMITTEE

I. Composition and attendance

As on March 31, 2022, the Nomination and Remuneration Committee comprises of three Non-Executive Directors, all the members of the committee are Independent Directors. The composition of the Nomination and Remuneration Committee is in compliance with the provisions of section 178 of the Companies Act, 2013, rules made thereunder and Regulation 19 of the Listing Regulations.

The Committee met three times during the year viz. on May 14, 2021, October 26, 2021 and February 02, 2022.The Composition of Committee and attendance for committee meetings held during the year is set out below:

Name of member	Status in the Committee	Dates of Committee meetings			No. of meeting held and attended
		14-05-2021	26-10-2021	02-02-2022	
Dr. Umesh Menon	Chairman	Yes	Yes	Yes	3/3
Mr. Shyamal Joshi	Member	Yes	Yes	Yes	3/3
Mrs. Sujana Shah	Member	Yes	Yes	Yes	3/3

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 person 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 criteria for the performance evaluation of the Directors includes (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 2021-22, 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 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 dividend, refund, annual report etc.

I. Composition and its attendance of members

The Committee comprises of three directors as on March 31, 2022, out of which Chairman is Non-Executive Director. The committee has met once during the year viz. May 05, 2021. The composition of the Committee as on March 31, 2022 and its attendance is set out below:

Name of member	Status in Committee	Dates of Committee meetings 05-05-2021	No. of meeting held and attended
Mr. Shyamal Joshi	Chairman	Yes	1/1
Dr. Umesh Menon	Member	Yes	1/1
Dr. Vikram Shah	Member	Yes	1/1

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

M/s. Kfin Technologies. Ltd., Hyderabad is Registrar and Share Transfer Agent of the Company to carry out the share transfer and other related work. Mr. Tushar Shah, AVP & 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, 2022 are set out below;

Particulars	No. of complaints
Opening as on April 1, 2021	0
Received during the year	25
Resolved during the year	25
Pending as at March 31, 2022	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, 2022 out of which Chairman is Non-Executive and Independent Director. The Committee met once viz. May 05, 2021 during the year under review. The composition of the committee and attendance is set out below;

Name of member	Status in the Committee	Date of Meeting 05-05-2021	No. of meeting held and attended
Mrs. Sujana Shah	Chairman	Yes	1/1
Mr. Shyamal Joshi	Member	Yes	1/1
Dr. Umesh Menon	Member	Yes	1/1

F. RISK MANAGEMENT COMMITTEE (RMC)

SEBI has amended Listing regulations on May 5, 2021 which inter alia includes mandatorily constitution of Risk Management Committee by the Board of Directors for Top 1000 companies, which requires our company to form Risk Management Committee in order to bring well-organized approach to manage the various types of risks associated with day to day business of the Company and minimize adverse impact on its business objectives. Accordingly, Risk Management Committee was formed w.e.f. August 9, 2021.

Earlier, the functions of Risk Management was carried out by Audit and Risk Management Committee upto August 9, 2021.

I. Composition and its attendance

The Committee comprises of three directors as on March 31, 2022. The Committee met three times during the year. viz. on May 5, 2021 and August 9, 2021 (along with Audit And Risk Management Committee) and on February 02, 2022 during the year under review. The composition of the committee and attendance is set out below;

Name of member & Status in Audit and Risk Mgt. Committee	Date of meeting and attendance		Name of Member and Status in Committee	No. of meeting held and attended
	05-05-2021	09-08-2021		02-02-2022
Dr. Umesh Menon, Chairman	Yes	Yes	Dr. Vikram Shah Chairman	Yes
Mr. Shyamal Joshi, Member	Yes	Yes	Mr. Shyamal Joshi Member	Yes
Mrs. Sujana Shah, Member	Yes	Yes	Mrs. Sujana Shah Member	Yes
Mr. Tej Malhotra, Member	Yes	Yes	-	-

The CFO and other functional heads are invitees to the Committee meetings. The Company Secretary of the Company acts as the Secretary to the Committee.

II. Terms of Reference

The Terms of Reference to Risk Management include framework for identification of internal and external Risk, including financial, operational, sectorial, sustainability, information technology and cyber security risk, measures of risk mitigation, overseeing of Risk Management policy, including evaluation of adequacy of risk management, ensuring appropriate methodology, process and systems are in place, review of Risk Management Policy, appointment and removal of Chief Risk Officer, etc.

G. Other Committees

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

H. 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	Venue	Special resolutions passed
31/03/2021	27/09/2021 At 4:30 p.m.	Through Video Conferencing	Appointment of Mr. Shyamal Joshi (DIN: 00005766) as an Independent Director
31/03/2020	14/09/2020 at 3:30 p.m.	Through Video Conferencing	None
31/03/2019	26/08/2019 at 10:00 a.m.	H. T. Parekh Hall, The Ahmedabad, Management Association, ATIRA Campus, Ahmedabad 380015	Variation in terms of Objects of Initial Public Offering.

ii. Details of Special Resolution passed through postal ballot:

Following special resolutions were passed through postal ballot on December 3, 2021

1) Reappointment of Dr. Umesh Menon (DIN: 00086971) as an Independent Director for second term w.e.f. December 20, 2021.
2) Reappointment of Mr. Tej Malhotra (DIN: 00122419) as an Independent director for second term w.e.f. February 23, 2022.
3) Approval of Shalby Limited Employees Stock Options Scheme 2021 ("Shalby ESOP 2021").
4) Approval of grant of stock options to the employees of group Company including Subsidiary or its Associate Company, in India or Outside India, of the Company, or of a Holding Company of the Company under Shalby Limited Employees Stock Options Scheme-2021.
5) Approval acquisition of Equity Shares by way of Secondary Acquisition under Shalby Limited Employees Stock Options Scheme-2021.
6) Making of provision of money by the company for purchase of its own shares by the Trust / Trustee for the benefit of employees under Shalby Limited Employees Stock Options Scheme-2021.

Three special resolutions are proposed to be passed in the ensuing Annual General meeting.

I. Disclosures

i. Management Discussion Analysis

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

ii. Related Party Transactions

All the related party transactions that were entered into during the financial year were on arm's length basis and your Company has taken approval of audit committee, Board of Directors and shareholders whenever applicable. 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 policy for determining 'material' subsidiaries and policy on dealing with Related Party Transactions. The said policies are hosted on the Company's website at https://www.shalby.org/wp-content/uploads/2017/10/Related-Party-Transaction-Policy-v4.pdf and https://www.shalby.org/wp-content/uploads/2017/10/Material-Subsidiary-Policy-v2.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.

There was no stricture issued by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during any time in the past.

v. Whistle Blower Policy / Vigil Mechanism

The Company has a Whistle-Blower 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 Whistle-Blower Policy is available on the website of the Company at https://www.shalby.org/wp-content/uploads/2017/10/Vigil-Mechanism-and-Whistle-blower_policy-v2.pdf

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

The Company is exposed to foreign exchange risk to some extent as portion of revenue of the Company is generated from international operations in Middle East and Africa. 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 all the mandatory requirements of Regulation 34 of the Listing Regulations. The Company has also followed non-mandatory requirements relating to financial statements with unmodified audit opinion on financial statements and direct reporting by internal auditor to Audit Committee etc.

viii. Details of utilization of funds raised through preferential allotment or qualified institutions placement under reg. 32(7A) of Listing Regulations.

This regulation is not applicable to the Company, as the Company has not raised any funds through preferential allotment or through qualified institutions placement.

ix. Dividend payment, Unclaimed Dividends and Unclaimed Shares

Dividend for the financial year 2021-22, if approved by the shareholders at the AGM, will be paid on or after October 01, 2022 to the shareholders.

Financial Year	Date of declaration of dividend	Dividend per share ₹	Due date for transfer to IEPF	Amount not claimed as on March 31, 2022
2018-19	August 26, 2019	0.50	01-Nov-2026	46,442.50
2019-20	September 14, 2020	0.50	15-Nov-2027	74,301.09
2020-21	September 27, 2021	1.00	28-Nov-2028	99,547.18

No amount of unclaimed dividend 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, 2022 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, 2022.

xi. Amount of fees paid to Statutory auditors

Your Company has paid total fees of ₹ 3.11 million for all services rendered by statutory auditors of the Company. The subsidiaries of your Company have paid fees of ₹ 0.78 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 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 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, one complaint was received during the year and the same was disposed-off. There were no complaints pending at March 31, 2022.

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 upgraded to "ICRA A+(Stable)" by ICRA Limited and the outlook on the long term rating is "Stable".

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

xiv. Legal Entity Identifier Code

The Reserve Bank of India has mandated vide its circular dated November 2, 2017 existing large corporate borrower having total exposure of ₹ 50 cr. 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 during the year in accordance with said RBI circular.

J. 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 (English and Gujarati editions).

b. **Disclosure to Stock Exchanges**: The Company also timely disseminate 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 in Investors' section on the Company's website.

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 are also available on the website of the Company.

K. General Information for Shareholders

a) Annual General Meeting and Book Closure:

Date, time and venue of AGM: Monday, September 26, 2022 at 4:00 p.m. through video conferencing facility

Book Closure Period: Wednesday, September 21, 2022 to Monday, September 26, 2022 (both days inclusive)

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

c) **Financial Results**:
First Quarter Results: on or before August 14
Half Year Results: on or before November 14
Third Quarter Results: on or before February 14
Annual Results: on or before 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 2022 -23 to the BSE and NSE within the stipulated time.

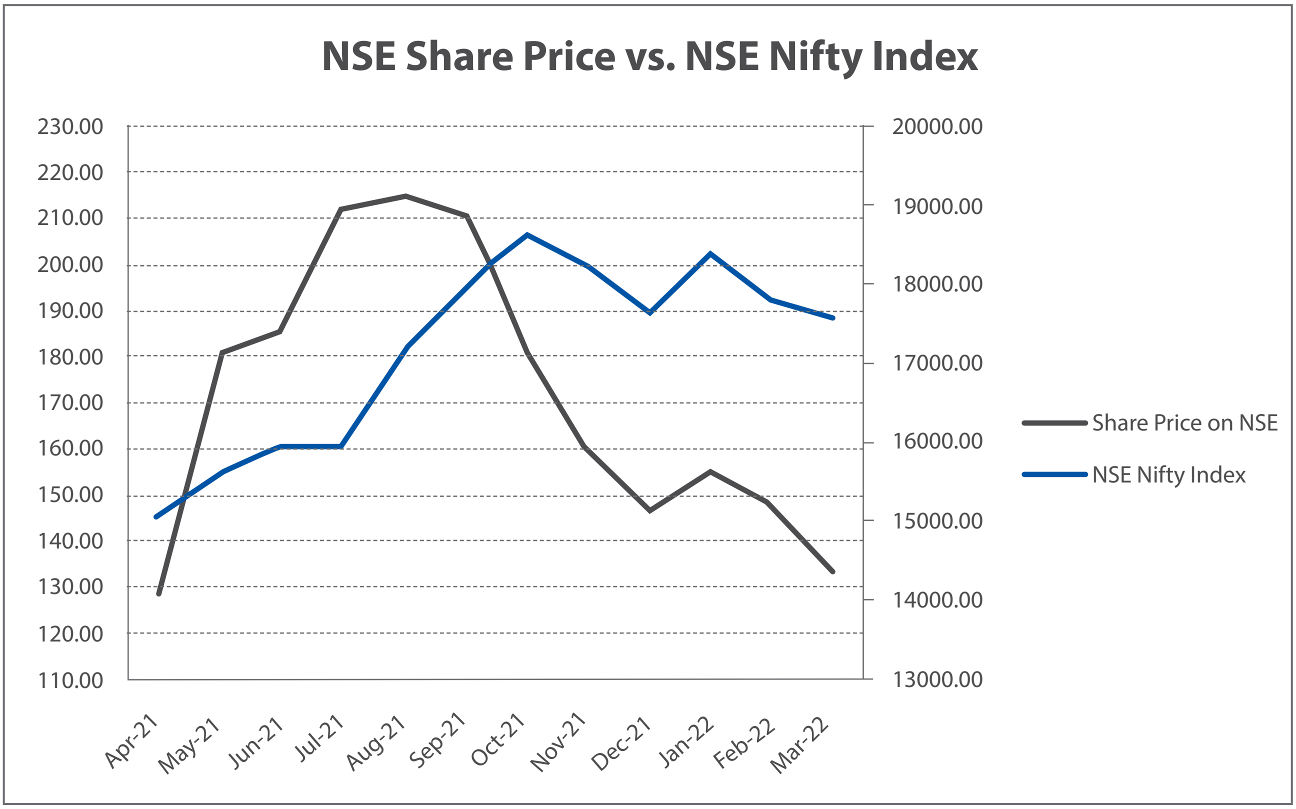
f) **Payment of Depository Fees:** Annual Custody / Issuer fee has been paid within due date based on the invoices received from Depositories.

g) Market Price data: The monthly high and low market price of equity shares traded on NSE and BSE during FY 2021-22 is set out below;

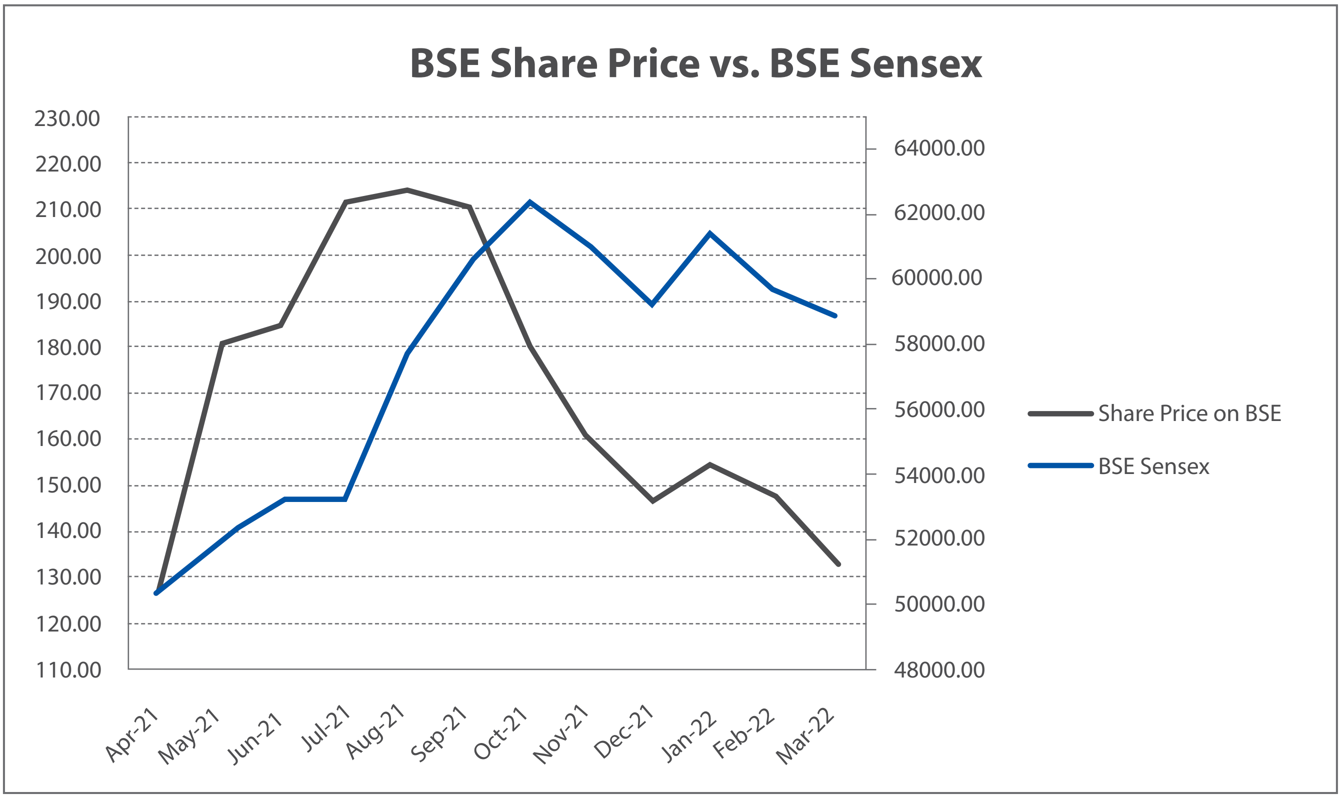
Month	NSE				BSE			
	Share Price		Nifty Index		Share Price		BSE Sensex	
	High ₹	Low ₹	High	Low	High ₹	Low ₹	High	Low
Apr-21	128.40	101.20	15044.35	14151.40	128.35	98.90	50375.77	47204.50
May-21	180.90	122.30	15606.35	14416.25	180.60	123.00	52013.22	48028.07
Jun-21	184.70	153.10	15915.65	15450.90	184.70	153.35	53126.73	51450.58
Jul-21	211.45	175.20	15962.25	15513.45	211.25	174.80	53290.81	51802.73
Aug-21	214.40	177.00	17153.50	15834.65	214.00	158.00	57625.26	52804.08
Sep-21	211.20	175.00	17947.65	17055.05	210.90	175.05	60412.32	57263.90
Oct-21	181.25	145.00	18604.45	17452.90	181.30	145.30	62245.43	58551.14
Nov-21	159.90	135.30	18210.15	16782.40	159.70	134.50	61036.56	56382.93
Dec-21	146.50	125.00	17639.50	16410.20	146.35	125.05	59203.37	55132.68
Jan-22	154.70	134.20	18350.95	16836.80	155.00	134.10	61475.15	56409.63
Feb-22	148.00	112.40	17794.60	16203.25	147.50	112.40	59618.51	54383.20
Mar-22	132.90	112.85	17559.80	15671.45	132.95	112.90	58890.92	52260.82

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

Monthly High price of Shalby on NSE vs. Nifty Index



Monthly High price of Shalby vs. BSE Sensex



h) Distribution of equity holding as on March 31, 2022

No. of shares each of the face value of ₹ 10/- each	Shareholders		Equity Shares	
	Nos.	% of total shareholders	No of Shares	% of total shares
Upto 500	52,916	94.83	4,410,908	4.08
501 – 1,000	1,443	2.59	1,155,850	1.07
1,001 – 2,000	682	1.22	1,035,345	0.96
2,001 – 3,000	219	0.39	563,591	0.52
3,001 – 4,000	104	0.19	371,990	0.34
4,001 – 5,000	97	0.17	458,736	0.43
5,001 – 10,000	146	0.26	1,045,616	0.97
Above 10,000	193	0.35	98,967,734	91.63
Total	**55,800**	**100.00**	**108,009,770**	**100.00**

i) Shareholding Pattern as on March 31, 2022

Sr.	Category	No. of shares held	% of shares held
I	**Promoter and Promoter Group Shareholding**		
	Indian	79,948,348	74.02
II	**Public Shareholding**		
	Institutional		
	Foreign Portfolio Investor	4,267,136	3.95
	Others	22	0.00
	Non-Institutional		
	Individual and HUFs	14,113,862	13.07
	Directors & Directors Relatives	4,055	0.00
	Bodies Corporate	7,903,970	7.32
	NRIs	606,404	0.56
	Clearing Members	165,723	0.15
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.

j) Lock-in of Equity Shares

As on March 31, 2022, no shares were under lock-in period

k) Share Transfer system: The Company has very negligible shares in physical mode. The Company has appointed M/s. Kfin Technologies Ltd as its Registrar & Transfer Agent. No physical shares have been received for transfer of shares during the year. The Company has filed yearly certificate mandated under regulation 40(9) read with SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59, dated April 13, 2020 with the Stock Exchanges.

a) Dematerialization of Shares & Liquidity

During the year 2021-22, no request has been received for dematerialization / rematerialization.

As on March 31, 2022, total 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 74(5) of SEBI (Depositories and Participants) Regulations, 2018, 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 2021-22 have been filed with Stock Exchanges within statutory timeline and the said 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 outstanding GDRs, ADRs, Warrants, Options or any convertible instrument as on March 31, 2022.

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) Out Units

State	Unit	Address
Gujarat	SG Shalby	Shalby Hospitals, Opposite Karnavati Club, SG Highway, Ahmedabad-380015
	Krishna Shalby	Krishna Shalby 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	Near Haridarshan Cross Road, Naroda, Ahmedabad-382325
	Shalby Vapi	Near Cinepark, Vapi Silvassa Road, Vapi, District Valsad
	Shalby Surat	TP No.12 (Adajan), FP No.29, Near Navgun College, Rander Road, Surat-395009
Madhya Pradesh	Shalby Indore	Race Course Road, RS Bhandari Marg, Zanjeerwala Square, Indore
	Shalby Jabalpur	Plot B, Scheme No.5, Ahinsa Chowk, Kanchnar City Road, Vijay Nagar Colony, Jabalpur-482002
Punjab	Shalby Mohali	Silver Oak Hospital, Phase-IX, Sector-63, SAS Nagar, Mohali
Rajasthan	Shalby Jaipur	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

Apart from above, company has various OPD centers and SOCE centers.

f) Address for communication

Registered Office: Shalby Hospitals, Opp. Karnavati Club, S. G. Highway, Ahmedabad – 380015. Gujarat, India. Tel. No. +91 79 40203000, Fax: +91 79 40203120, Email: companysecretary@shalby.in

Corporate Office : Shalby Limited, B-301 & 302, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad 380015. Gujarat, India. Email: companysecretary@shalby.in

Registrar & Transfer Agent : Kfin Technologies 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

L. 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. The insiders have submitted the required disclosures to the Company.

M. 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, 2022 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, 2022, 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**

Place : Ahmedabad
Date : May 25, 2022

Dr. Vikram Shah
Chairman & Managing Director

N. Mobile Application for Shareholders :

Members are requested to take benefit of mobile application - KPRISM https://kprism.karvy.com launched by our Registrar & Transfer Agent M/s. Kfin Technologies Limited 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.

O. Company's Recommendations to the Shareholders

The Company has 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 get immediate transfer. 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 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

Date : May 25, 2022
Place: Ahmedabad

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No.: L85110GJ2004PLC044667 Nominal Capital: ₹ 1,177,500,000/-

To,
The Members

Shalby Limited
Opp: Karnawati Club, Sarkhej Gandhinagar Highway,
Nr. Prahladnagar Garden, Ahmedabad-380015, Gujarat

I have examined the compliance of conditions of corporate governance by **Shalby Limited,** for the year ended on March 31, 2022 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to 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 Subject to following Observations:

- The Company has not Complied with Minimum Public Shareholding under Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with chapter II, Regulation 31 of SEBI (Issue of Capital and Disclosure requirements) Regulation, 2018 for the quarter ended March 31, 2021 and for the period from April 1, 2021 to April 26, 2021 for the quarter ended June 30, 2021. National Stock Exchange of India Limited and BSE Limited have issued notice for non-Compliance for quarter ended March 31, 2021 and for the period from April 1, 2021 to April 26, 2021 and levied fine of ₹ 5,31,000 and ₹ 1,53,400/- (including GST), which has been paid by the company to both the stock exchanges on July 5, 2021 and September 20, 2021 respectively and compliance u/r. 38 have been made by the Company.

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.

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Chintan Patel
Practicing Company Secretary
Mem no. 53253 | C.O.P. No. 20103
Peer Review No. 1755/2022
UDIN: A053253D000412183

Place: Ahmedabad
Date: May 25, 2022

Business Responsibility and Sustainability Report

BRSR Section A: General Disclosures

Details of the listed entity

1.	**Corporate Identity Number (CIN):**	L85110GJ2004PLC044667
2.	**Name of the Listed Entity:**	Shalby Limited
3.	**Year of Incorporation:**	2004
4.	**Registered Office Address:**	Shalby Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380 051, Gujarat, India
5.	**Corporate Address:**	B-301, B-302, B-310 & B-311, Mondeal Heights, Opp. Karnavati Club, SG Highway, Ahmedabad- 380015
6.	**E-mail:**	companysecretary@shalby.in
7.	**Telephone:**	(079) 40203000
8.	**Website:**	https://www.shalby.org/
9.	**Financial year for which reporting is being done:**	April 1, 2021 to March 31, 2022
10.	**Paid-up Capital:**	₹ 1,08,00,97,700
11.	**Name of the Stock Exchange(s) where shares are listed:**	Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**	Dr. Vikram Shah, Chairman & Managing Director (DIN: 00011653) and Dr Nishita Shukla, Group COO
		Contact number- +91 79402 03000
		E-mail ID: DrNishita.Shukla@shalby.org
13.	**Reporting boundary:**	Disclosure of Shalby BRSR is on standalone basis

Products / services

14. Details of business activities (accounting for 90% of the turnover):

Description of main activity	Description of business activity	% of turnover
Hospital and Medical Care	Hospital Activities	100

15. Products / Services sold by the entity (accounting for 90% of the entity's turnover):

Sr.	Product / Service	NIC Code	% of total turnover contributed
	Hospital Services	**86100**	**100%**

Operations

16. Number of locations where plants and / or operations / offices of the entity are situated:

Locations	Number of plants	Number of offices / Units (incl. OPD centres)	Total
National	NA	75*	75
International	NA	5**	5

* The Company has its hospital units at Ahmedabad, Vapi, Surat, Indore, Jabalpur, Mohali, Jaipur and Mumbai, 62 OPD centers at various locations in India, 2 SOCE and a Corporate office at Ahmedabad.

**The Company has OPD in Sudan, Addis Ababa, Rwanda, Nairobi and Dares Salaam.

17. Markets served by the entity:

a) Number of locations:

Locations	Number
National (no. of states)	15 states
International (no. of countries)	5 countries

b) What is the contribution of exports as a percentage of the total turnover of the entity?

Ans- 0.6%

c) A brief on types of customers:

Hospital Services- Individual, Government, Corporate, Insurance, TPA
Implant business – Distributors and Surgeons
Pharmaceuticals- Hospital and Distributors

Employees

18. Details as at the end of financial year:

a) Employees and workers (including differently abled):

Particulars	No.	% of total
Employees		
Permanent	**2490**	
Male	1349	54.18%
Female	1141	45.82%
Other than Permanent	**1336**	
Male	766	57.34%
Female	570	42.66%
Total Employees	**3826**	
Male	2115	55.28%
Female	1711	44.72%
Female		

WORKERS: The Company is not into the business of manufacturing activity and hence not required to employ any workers.

b) Differently abled employees and workers: During the Financial Year 2021-22, the Company did not have any differently abled employees or workers. However, the Company believes in equitable opportunity for all, hence is always open to hiring such people.

19. Participation / Inclusion / Representation of women:

	No.	% of total
Board of Directors	**7**	
Female	1	14%
Key Managerial Personnel	**2**	
Female	0	0%

20. Turnover rate for permanent employees and workers:

	Turnover rate in FY2022	Turnover rate in FY2021	Turnover rate in FY2020
Permanent employees	**59.2%**	**54.7%**	**59.2%**
Male	30.6%	29.3%	32.9%
Female	28.6%	25.4%	26.2%
Permanent workers	The Company is not into the business of manufacturing activity and hence not required to employ any workers.		
Male			
Female			

Holding, Subsidiary and Associate Companies (including Joint Ventures)

21. Names of holding / subsidiary / associate companies / joint ventures:

Sr.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / subsidiary / associate / joint venture	% of shares held by listed entity	Entity (A) participate in the business responsibility initiatives of the listed entity
1	Mars Medical Devices Limited	Subsidiary	100.00%	Yes
2	Slaney Healthcare Private Limited	Subsidiary	100.00%	Yes
3	Shalby Hospitals Mumbai Private Limited	Subsidiary	100.00%	Yes
4	Yogeshwar Healthcare Limited	Subsidiary	94.68%	Yes
5	Vrundavan Shalby Hospitals Limited	Subsidiary	100.00%	Yes
6	Shalby International Limited	Subsidiary	100.00%	Yes
7	Shalby (Kenya) Limited	Subsidiary	100.00%	Yes
8	Griffin Mediquip LLP	Subsidiary	95.0%	Yes
9	Shalby Advanced Technologies* (SAT)	Step down Subsidiary	100.00%	Yes
10	Shalby Global Technologies Pte Ltd* (SGT)	Step down Subsidiary	98.76%	Yes

* Mars Medical Devices Limited, a wholly-owned subsidiary of the Company, holds 100% equity shares in SAT and 98.76% equity shares in SGT.

The Company holds shares directly in eight subsidiary companies (as mentioned at sr. no. 1 to 8 above).

CSR Details

22. CSR Activities

I. **Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes

II. **Turnover (FY 2021-22) :** ₹ 6,471.60 Million

III. **Net worth (as on March 31, 2022):** ₹ 9,067.23 Million

IV. **Total amount spent on CSR for FY 2021-22:** ₹ 11.00 Million

Transparency and Disclosures Compliances

23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place	FY 2021-22			FY 2020-21		
	If Yes, then provide web-link for grievance redress policy	Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks	Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks
Communities	-	-	-	-	-	-	-
Investors (other than shareholders)	https://www.shalby.org/investors/	-	-	-	-	-	-
Shareholders	Yes https://www.shalby.org/investors/	25	Nil	-	14	Nil	-
Employees and workers	Yes https://myshalby.peoplestrong.com/	45	Nil	-	Nil	Nil	Employees can register their complaints on internal portal, which is not available to general public
Customers	Yes info@shalby.org	-	-	-	-	-	-
Value Chain Partners	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-

We have grievance mechanism in place for all stakeholders.

24. Overview of the entity's material responsible business conduct issues: Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

The Company always thrives to provide services in safe manner. Any material issues with respect to environmental and social matters involving risk, if any shall be dealt with high priority.

BRSR Section B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P3)	Businesses should promote the well-being of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.s
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Businesses should respect, protect and make efforts to restore the environment.
Principle 7 (P7)	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

	Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Policy and management processes									
1	**a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs.**	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies	https://www.shalby.org/wp-content/uploads/2017/10/Business-Responsibility-Policy-v1.pdf								
2	**Whether the entity has translated the policy into procedures.**	Yes								
3	**Do the enlisted policies extend to your value chain partners?**	Other vendors/suppliers/contractors do not participate in Company's BR initiatives.								
4	**Name of the national and international codes / certifications / labels / standards adopted by your entity and mapped to each principle**	–								
5	**Specific commitments, goals and targets set by the entity with defined timelines**	–								

6. **Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met:**

   Collective efforts are taken by the Company and its stakeholders to adopt the policies to ensure a sustainable existence for all.

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure).**

   Environmental sustainability, Social Sustainability, Economic Sustainability, and Governance. As a socially responsible company, we are running various CSR programs for the welfare of people who don't have access to quality health. We are encouraging our team by providing career advancement opportunities and all sorts of support. Providing responsible concern towards an environment where everyone belongs. Ensuring sustainable economic growth and effective governance to uphold accountability to these commitments and proper alignment between our business and social purposes

8. **Details of the highest authority responsible for implementation and oversight of the business responsibility policy (ies):**

   - Dr. Vikram Shah, Chairman & Managing Director (DIN: 00011653) and Dr Nishita Shukla, Group COO
   - Contact number- +91 79402 03000
   - E-mail ID: DrNishita.Shukla@shalby.org

9. **Does the entity have a specified committee of the board / director responsible for decision making on sustainability related issues? If Yes, provide details.**

   Yes. The Directors and Senior Management Team monitors various aspects of Social, Environmental & Governance responsibilities of the Company on a continuous basis. The Company's business responsibility performance is reviewed by the Board of Directors on an annual basis.

10. Details of Review of NGRBCs by the Company.

	Subject for review	Indicate whether review was undertaken by director / committee of the board / any other committee									Frequency (annually / half yearly / quarterly / any other)								
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
a	Performance against above policies and follow up action	The Board/committee assess the BR performance.									The Board/committee assess the BR performance annually.								
b	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with the statutory requirements as applicable.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? If yes, provide name of the agency.

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	The policies are reviewed by the Senior Management Team and amended periodically. The risks factors - existing and potential, both are periodically reviewed by the Internal Auditors and placed before the Board of Directors.								

12. If principles not covered by a policy, provide reasons for the same.

	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
a	The entity does not consider the Principles material to its business	All principles are covered by its respective Policies								
b	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles									
c	The entity does not have the financial or / human and technical resources available for the task									
d	It is planned to be done in the next financial year (Yes/No)									
e	Any other reason									

BRSR Section C: Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	During the year, the Board of Directors and Key Managerial Personnel spent considerable time on various updates comprising of matters relating to business, regulatory, economy and environmental, social and governance.		
Key Managerial Personnel			
Employees other than BoD and KMPs	-	Safety & Skill up-gradation training	Permanent Employees: 96%; Permanent Women Employees: 92%; Casual/ Temporary/Contractual Employees: 86%; Employees with Disabilities: NA
Workers	Not Applicable		

2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

	NGRBC Principle	Name of the regulatory / enforcement agencies judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred?
Monetary		National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE)	Fine ₹ 0.68 Million	The Company was not compliant with Reg. 38 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with respect to Minimum Public Shareholding to at least 25% upto April 26, 2021. Please refer Corporate Governance Compliance Certificate issued by Practicing Company Secretary for details.	No appeal has been preferred
Penalty / Fine					
Settlement					
Compounding fee					
Non-Monetary					
Imprisonment				**NA**	
Punishment					

3. **Of the instances disclosed in question 2 above, details of the appeal / revision preferred in cases where monetary or non-monetary action has been appealed.**

   Not Applicable

4. **Does the entity have an anti-corruption or anti-bribery policy? If Yes, provide details in brief and if available, provide a web-link to the policy.**

   Yes, the Company's Code of Conduct does not allow any employee to engage in practices that are abusive, corrupt or related to bribes

5. **Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:**

   Nil

6. **Details of complaints with regard to conflict of interest:**

   Nil

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
5	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.	100

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? If Yes, provide details of the same.

1. Yes, every Director of the Company discloses his concern or interest in any Company or Companies or bodies corporate, firms, or other association of individuals and any change therein, at the first Board Meeting in which he participates and thereafter at the first Board Meeting held in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, which includes the shareholding, in such manner as prescribed.

2. Further every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement entered into or to be entered into:

   (a) With a body corporate in which such Director or such Director in association with any other Director, holds more than two percent shareholding of that body corporate or is a Promoter, Manager, Chief Executive Officer of that body corporate or;

   (b) With a firm or other entity in which, such Director is a Partner, Owner or Member, as the case may be, discloses the nature of his concern or interest at the meeting of the board in which the contract or arrangement is discussed and does not participate in such meetings.

   The details of the aforesaid transactions are also entered into a register prescribed for the purpose under the Companies Act, 2013 and placed before the board for taking note of the same.

3) Every director of the company discloses his material interest, if any, directly or indirectly, or on behalf of the third parties, in any transaction or matter directly affecting the company at the beginning of every year.

BRSR Section C: Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Since the Company is not into any manufacturing activity, No R&D and Capital Expenditure investments were made.

2. Does the entity have procedures in place for sustainable sourcing? If Yes, what percentage of inputs were sourced sustainably?

Ans: The Company follows sustainable sourcing ensuring quality and safety of material procured from vendors. The Company strives to improve the energy and water footprints by reduction the power and fuel consumption by adopting new techniques and alternate methods i.e., use of infrared controllers in water taps, rainwater harvesting system in our greenfield projects, re-use of wastewater in watering the plants and trees, use of motion sensor for lighting automation. The Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes and internal SOP, hence, we procure the products and services from empaneled vendors who are adhere to Company's quality, social and environmental standards.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste.

Ans: The Company thrives to maintain quality standards, reduce waste generation, and segregate recyclable waste at hospitals. The Company ensures that all its procedures are in keeping with applicable rules and safety regulation. It also strictly adheres to legal and safety requirements. The Company ensures to dispose of bio-medical and other waste in accordance with the government guidelines. Recyclable wastes were collected and disposed of through authorized recycler. E-waste generated at the facility were disposed of through authorized agent. 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 in and around the hospital.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities. If Yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If Yes, provide details in the following format?

Since the Company is not into manufacturing its business activities has nil or minimum impact on environment aspects. However, the Company is diligent on the matter, and would promptly consider / execute the control over the same if its business activities would in any way impact the environment, in future.

2. **If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

	Name of product / service	Description of the risk / concern	Action taken
1	Electricity used in the units & offices	Carbon emissions	Implementation of HVAC efficiency

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Not Applicable, as Company is not into manufacturing its business activities.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.**

Since the Company is not into manufacturing its business activities has nil or minimum impact on environment aspects, there is nil or negligible information which are not measurable.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

The Company operates under service industry.

BRSR Section C: Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent employees											
Male	1349	-	-	1349	100%	-	-	-	-	-	-
Female	1141	-	-	1141	100%	1141	100%	-	-	-	-
Total	**2490**	**-**	**-**	**2490**	**100%**	**1141**	**100%**	**-**	**-**	**-**	**-**
Other than Permanent employees											
Male	766	-	-	-	-	-	-	-	-	-	-
Female	570	-	-	-	-	-	-	-	-	-	-
Total	**1336**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

1b. **Details of measures for the well-being of workers:**

The Company is not into the business of manufacturing activity and hence not required to employ any workers.

2. **Details of retirement benefits, for current financial year and previous financial year:**

Benefits	FY22			FY21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	90.4%*	NA	Yes	88.0%*	NA	Yes
Gratuity	100.0%		Yes	100.0%		Yes
Employee State Insurance (ESI)	27.6%		Yes	28.0%		Yes
Others	-		-	-		-

* some of the employees have not opted for Provident Fund

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

All the hospital units and offices are well equipped for accessibility to differently abled persons.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

We recognize the importance of maintaining a diverse work environment through the creation of a strong and healthy work environment that fosters innovation and shared learning experiences. Our anti-discrimination policy educates employees on discrimination and harassment topics, as well as how to address them and report them when they occur. Diversity metrics are monitored on an ongoing basis, and appropriate measures are in place. We provide equal employment opportunities that allow all individuals to maximize their capabilities and thereby enrich our work environment.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Return to work rate	Retention rate
Permanent employees	The Company is determined as per its retention policy to retain its talented work force.	
Male		
Female		
Total		
Permanent workers	The Company is not into the business of manufacturing activity and hence not required to employ any workers.	
Male		
Female		
Total		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If Yes, give details of the mechanism in brief:

	If Yes, then give details of the mechanism in brief
Permanent Workers	The Company is not into the business of manufacturing activity and hence not required to employ any workers.
Other than Permanent Workers	
Permanent Employees	The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report genuine concerns to the management regarding instances of unethical behaviour, 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 Whistle Blower to report genuine concerns or grievances and provide for strict confidentiality, adequate safeguards against victimization of Whistle Blower who avails of such mechanism and provides for direct access to the Chairman of the Audit Committee, in appropriate cases.
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or unions recognised by the listed entity:

The Company does not have any employee associations. The Company, however, recognises the right to freedom of association.

8. Details of training given to employees and workers:

	FY22					FY21				
	Total (A)	Health and safety measures		Skill upgradation		Total (A)	Health and safety measures		Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees										
Male	1349	1282	95%	1038	77%	1317	1265	96%	1040	79%
Female	1141	1095	96%	901	79%	958	900	94%	766	80%
Total	**2490**	**2376**	**95%**	**1940**	**78%**	**2275**	**2164**	**95%**	**1806**	**79%**
Workers	NA									
Male										
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

	FY22			FY21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1349	1349	100%	1317	1317	100%
Female	1141	1141	100%	958	958	100%
Total	**2490**	**2490**	**100%**	**2275**	**2275**	**100%**
Workers	NA					
Male						
Female						
Total						

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? If Yes, the coverage such system?

Yes, Company provides free medical checkup to it's employees and is NABH & NABL certified.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company follows strict procedures and regular monitoring to ensure compliance with legal and safety requirements. Considering the risks involved, the Company also emphasizes following radiation surveillance procedures and maintenance of all records for legal references.

c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

Employees are trained to report unsafe conditions to their reporting managers.

d) Do the employees / worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes.

11. Details of safety related incidents:

Safety Incident / Number	Category	FY22	FY21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees		
	Workers	-	-
Total recordable work-related injuries	Employees	1	Nil
	Workers	-	-
No. of fatalities	Employees		
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company provides a systematic way to ensure a safe and healthy workplace for all employees
Key measures taken includes –

a. Education on Health and Safety at workplace
b. Training on Disaster Management measures such as Fire Mock Drill etc.

13. Number of Complaints on the following made by employees and workers:

	FY22			FY21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	3	Nil	The complaint was disposed off as per the respective guidelines.	-	-	No complaints were received in FY21.
Health and Safety	1	Nil	The complaint was disposed off as per the respective guidelines.	-	-	No complaints were received in FY21.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
	FY22	FY21
Health and safety practices	100% NABH, PCB	100% NABH, PCB
Working Conditions	100% NABH, PCB	100% NABH, PCB

15. Provide details of any corrective action taken or underway to address safety-related incidents and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

Timely vaccination is given to employees in risk prone area to safeguard their physical health. Periodical POSH refresher training is conducted for male and female employees to safeguard from physical, mental, and verbal harassment. In depth background verification is conducted for relevant employees to protect the company from any unpleasant situation post hiring.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Workers?

Yes, the Company provides accidental death benefit covering all employees through Group Personal Accident insurance Policy.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

HR department obtains a copy of all challan filed by such partners like PF, ESIC etc.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities.

No such incident was reported by any of the employee.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

NO.

5. Details on assessment of value chain partners:
Not Applicable

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   The Company has not so far received any report of significant risk / concern due to nil or minimum exposure to health hazards.

BRSR Section C: Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity**

   Internal and external group of stakeholders have been identified. Presently the given stakeholder groups have the immediate impact on the operations and working of the company. This includes Employees, Shareholders & Investors, Customers, Communities and Vendors.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

	Stakeholder Group	Whether identified as vulnerable and marginalized group	Channels of communication	Frequency of engagement (annually / half yearly / quarterly / others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	Email and Group meetings	As and when required	To maintain employer – employee connect
2	Vendors	No	Email	As and when required	Business
3	Customers	No	SMS/ Website Emails /meetings	Ongoing	Customer Satisfaction / resolution
4	Shareholders & Investors	No	Meetings	Annual	Approval of Resolution

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company has always maintained that a constant and proactive engagement with our key stakeholders enables the Company to better communicate its strategies and performance. A continuous connect enables aligning of expectations, thereby helping the Company to serve its stakeholders better. The Board is periodically reported on various developments and their deliberation / advice is sought upon.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   The Company has still not sought any such consultation. The Company recognises that it is still in a 'learning phase' on various evolving aspects of ESG and hence stakeholder interactions are important.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.**

   CSR activity is applicable to the Company and Company actively participates in the CSR activities. Kindly refer to the Corporate Social Responsibility Report given separately in Annual Report.

BRSR Section C: Principle 5

Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:**

	FY22			FY21		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	2490	2490	100%	2275	2275	100%
Other than permanent	384	384	100%	705	705	100%
Total Employees	**2874**	**2874**	**100%**	**2980**	**2980**	**100%**
Workers	NA					
Permanent						
Other than permanent						
Total Workers						

2. **Details of minimum wages paid to employees and workers:**

	FY22					FY21				
	Total (A)	Equal to Minimum Wage (B)	% (B / A)	More than Minimum Wage (C)	% (C / A)	Total (A)	Equal to Minimum Wage (B)	% (B / A)	More than Minimum Wage (C)	% (C /A)
Employees										
Permanent	**2490**	-	-	**2490**	**100%**	**2275**	-	-	**2275**	**100%**
Male	1141	-	-	1141	100%	1317	-	-	1317	100%
Female	1349	-	-	1349	100%	958	-	-	958	100%
Other than Permanent	**1336**			**1336**	**100%**	**1175**			**1175**	**100%**
Male	766			766	100%	737			737	100%
Female	570			570	100%	438			438	100%
Workers	NA									
Permanent										
Male										
Female										
Other than Permanent										
Male										
Female										

3. **Details of remuneration / salary / wages:**

	Number	Median remuneration / salary / wages of respective category
Male		
Board of Directors (BoD)*	6	₹ 1,37,500/-
Key Managerial Personnel	2	₹ 24,90,153/-
Employees other than BoD and KMP	2,035	₹ 1,76,013/-
Workers	0	NA
Female		
Board of Directors (BoD)*	1	₹ 1,50,000/-
Key Managerial Personnel	0	NA
Employees other than BoD and KMP	1,810	₹ 1,20,140/-
Workers	0	NA

* None of the Board member has received remuneration, except sitting fees as disclosed in Corporate Governance Report.

During the year some of the employees have worked for part of the year.

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has an internal portal which addresses to human rights related issues or concerns. Dedicated URL for the same is https://myshalby.peoplestrong.com/ and Chief Human Resource Officer heads as part of Vigil Mechanism and whistle blower policy have been created where employees and other stakeholders can raise their concerns / issues. Periodic review of the same is done by the Audit Committee

6. Number of Complaints on the following made by employees and workers:

<table>
<tr><th rowspan="2"></th><th colspan="3">FY22</th><th colspan="3">FY21</th></tr>
<tr><th>Filed during the year</th><th>Pending resolution at the end of year</th><th>Remarks</th><th>Filed during the year</th><th>Pending resolution at the end of year</th><th>Remarks</th></tr>
<tr><td>Sexual Harassment</td><td>1</td><td>Nil</td><td>The complaint was disposed off as per the guidelines of POSH Act, 2013</td><td>1</td><td>Nil</td><td>The complaint was disposed off as per the guidelines of POSH Act, 2013</td></tr>
<tr><td>Discrimination at workplace</td><td></td><td></td><td></td><td>Nil</td><td>Nil</td><td></td></tr>
<tr><td>Child Labour</td><td colspan="6" rowspan="4">The Company is not into the business of manufacturing activity and hence not required to employ any workers.</td></tr>
<tr><td>Forced Labour / Involuntary Labour</td></tr>
<tr><td>Wages</td></tr>
<tr><td>Other human rights related issues</td></tr>
</table>

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Company has adopted a Policy on 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 Internal Committee to redress complaints received relating to sexual harassment.

8. Do human rights requirements form part of your business agreements and contracts?

The Company endeavors to cover the human rights requirements in its business agreements and contracts.

9. Assessments for the year:

	% of plants and offices that were assessed
Child labour	NA
Forced / involuntary labour	NA
Sexual harassment	NA
Discrimination at workplace	NA
Wages	NA
Others – please specify	NA

NA: Not Applicable

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

All employees mandatorily submit a copy of govt. ID Proof like Aadhar card to ensure they are not minor. An employment application form is in place to be filled by applicant to ensure he is applying to the job voluntarily and not under any external pressure.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

So far the Company has not received any grievance / complaints with respect to human rights. However, the Company is committed to modify and adopt business process to redress the issues

2. Details of the scope and coverage of any Human rights due diligence conducted.

Various mechanism and policies with respect to Human rights are in place for redressal. The Company follows zero tolerance to child, forced or compulsory labour.

3. Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

All the hospital units and offices are well equipped and is accessible for differently abed visitors.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	-
Discrimination at workplace	-
Child Labour	2 units inspected by labour department.
Forced Labour / Involuntary Labour	-
Wages	-
Others – please specify	-

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at question 4 above.**

   So far, the Company has not received any complaint in the matter, hence no corrective action was taken.

BRSR Section C: Principle 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity:**

Parameter	FY22	FY21
Total electricity consumption (A)	57.12 TJ*	53.15 TJ*
Total fuel consumption (B)	2.11 TJ*	1.56 TJ*
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C)	**59.23 TJ***	**54.71 TJ***

* TJ - Tera Joules

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If Yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken.**

   Not Applicable.

3. **Provide details of the following disclosures related to water:**

Parameter	FY22	FY21
Water withdrawal by source (in kilolitres)		
(i) Surface water	9,932	8,177
(ii) Groundwater	40,965	41,941
(iii) Third party water	395	478
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**51,292**	**50,596**
Total volume of water consumption (in kilolitres)	**51,292**	**50,596**

Water being both vital to protecting patient health and for daily hospital operation we pay special attention to the leakages in tabs, wastage of water in washing and drinking areas is avoided. There are infrared controllers in water taps as they provide water only when required, they get switch off automatically and can save between 5 to 15% of water per tap per year; Rainwater harvesting system is installed at our Greenfield recently, projects to conserve natural resources.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If Yes, provide details of its coverage and implementation.**

As a part of water conservative initiatives, domestic wastewater 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.

5. **Please provide details of air emissions (other than GHG emissions) by the entity:**

Parameter	Unit	FY22	FY21
NOx	The Company is not into any manufacturing activity, and hence there is no emission of hazardous pollutants. There is normal consumption of energy by way of usage of air conditioners and electrical fixtures in stores and offices.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency			

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:**

Parameter	Break-up	Unit	FY22	FY21
Total Scope 1 emissions	CO2	Metric tonnes	The Company is not into any manufacturing activity, and hence there is no emission of hazardous pollutants. There is normal consumption of energy by way of usage of air conditioners and electrical instruments in units and offices.	The Company is not into any manufacturing activity, and hence there is no emission of hazardous pollutants. There is normal consumption of energy by way of usage of air conditioners and electrical instruments in units and offices.
	CH4	Metric tonnes		
	N2O	Metric tonnes		
	HFCs	Metric tonnes		
	PFs	Metric tonnes		
	SF6	Metric tonnes		
	NF3	Metric tonnes		
	Total	**Metric tonnes**		
Total Scope 2 emissions	CO2	Metric tonnes		
	CH4	Metric tonnes		
	N2O	Metric tonnes		
	HFCs	Metric tonnes		
	PFs	Metric tonnes		
	SF6	Metric tonnes		
	NF3	Metric tonnes		
	Total	**Metric tonnes**		
Total Scope 1 and Scope 2 emissions per rupee of turnover				
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		**CO2 equivalent/ Metric tonnes**		
Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? If yes, name of the external agency.	NA			

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

We recognize our responsibility towards the environment and have a clear focus on reducing carbon footprint and optimizing resources. We ensure adherence to the local environmental regulations including the International Finance Corporation (IFC) performance standards, sustainability standards, and the World Bank Group Environment, Health and Safety (EHS) guidelines.

8. Provide details related to waste management by the entity:

	FY22	FY21
Total waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	NA	NA
Bio-medical waste (C)	190.35	228.71
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other hazardous waste. Please specify, if any. (G)	NA	NA
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	NA	NA
Total (A + B + C + D + E + F + G + H)	**190.35**	**228.71**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	**NA**	**NA**
Total		
Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? If Yes, name of the external agency.		

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Ans: Hospitals generate biomedical waste, as a by-product of healthcare services that can potentially pose serious health and environmental impacts if not handled correctly. At Shalby, we take this topic very seriously by putting in place an effective management system of healthcare waste which addresses the basic elements of waste minimization, segregation and identification by sorting into categories including medical, general, recycled and food waste. 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 & nonhazardous waste. 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.

10. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

The Company does not have its operations/ offices around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable.

12. Is the entity compliant with the applicable environmental law / regulations / guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances:

Yes. The Company is in compliance with applicable environment regulations

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

Parameter	FY22	FY21
From renewable sources	-	-
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources	-	-
Total electricity consumption (D)	57.12 TJ*	53.15 TJ*
Total fuel consumption (E)	2.11 TJ*	1.56 TJ*
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	**59.23 TJ***	**54.71 TJ***
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.	NA	

* TJ - Tera Joules

2. Provide the following details related to water discharged:

Not Applicable.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres). For each facility / plant located in areas of water stress, provide the following information:

Not Applicable.

I. Name of the area

II. Nature of operations

III. Water withdrawal, consumption and discharge in the following format:

NA

4. Please provide details of total Scope 3 emissions and its intensity:

The Company is not into any manufacturing activity, and hence there is no emission of hazardous pollutants.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable, as Company does not have its operations/ offices around ecologically sensitive areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

None

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.

The Company has Risk Management Committee for managing business continuity and disasters.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

The Company intends to achieve minimal environmental impact at each of these stages to ensure a sustainability

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

NA

BRSR Section C: Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1a. Number of affiliations with trade and industry chambers / associations.

The Company had no such affiliations for the period under review.

1b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to:

	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1	Confederation of Indian Industry (CII)	National
2	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	Gujarat Chamber of Commerce and Industry (GCCI)	State
4	Ahmedabad Hospital & Nursing Home Association	Regional

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
The Company does not involve in any anti-competitive conduct hence no adverse orders were issued by the regulatory authorities.		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Not Applicable.

BRSR Section C: Principle 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

The Company has not done any impact analysis to assess the impact of the initiatives.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

NA

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has processes in place to receive and redress concerns/grievances received from the employees and other stakeholders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY22	FY21
Directly sourced from MSMEs small producers	5% - 10%	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: question 1 of Essential Indicators above).**

   Not Applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.**

State	Aspirational District	Amount spent (In INR)
Gujarat	Anand City, Godhara City, Bhavnagar	₹ 6 million
Gujarat	Ahmedabad	₹ 5 million

3a. **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups?** NO

3b. **From which marginalized / vulnerable groups do you procure?** NA

3c. **What percentage of total procurement (by value) does it constitute?** NA

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.** NA

5. **Details of corrective actions taken or underway, based on any adverse.** NA

6. **Details of beneficiaries of CSR Projects:**

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Augmenting Education to Girl Child and construction of Gaushala building for cattle upkeep, Cow Fodder support to old age cows	**200 Girl child** **300 cattles**	unidentifiable
To spread awareness about Drug usage in youth	**5,000**	unidentifiable

BRSR Section C: Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company uses CRM system for providing proactive service and communication to the customer. There are various channels available for the customer to connect with the Company which is tracked through CRM. Any service or product performance/ deficiencies trends through store and online interfaces are mapped on database in CRM systems and taken up for necessary action by concerned team members. Customers are updated about the actions taken and the customer service team ensures that necessary actions are being taken for the service requests/grievances.

2. **Turnover of products and / services as a percentage of turnover from all products / service that carry information about:**

Environmental and social parameters relevant to the product	While providing services, Company shares such information.
Safe and responsible usage	
Recycling and / or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY22			FY21		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	No consumer complaints were received					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive trade practice						
Unfair trade practices						
Other						

4. **Details of instances of product recalls on account of safety issues:** There was no such instances.

5. **Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes / No) If available, provide a web-link of the policy.**

   Yes, The Organization has input board affirmed approaches such as Cyber Security Approach, Social Media Security Arrangement, and Data Security Arrangement to guarantee adequate shields are input to anticipate any information spillage.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   The Company has so far not received any report on cyber security and data privacy issues with respect to customers; nor instances of product recalls due to safety issues ; neither has been imposed upon any penalty / action taken by regulatory authorities on safety of products / services

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   www.shalby.org

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.**

   The Company always thrives to provide services in safe manner

3. **Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.**

   The Consumers are well-informed about the above mentioned risks.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?**

   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; 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 coordinator and floor manager in every unit of Shalby Limited; 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.

5. **Provide the following information relating to data breaches:**

   a) **Number of instances of data breaches along-with impact**

      The Enterprise did not witness breach of information throughout the year. Outside organizations have evaluated and affirmed that essential security level checks input by the organization is fitting. The organization moreover has cyber risk protections policies.

   b) **Percentage of data breaches involving personally identifiable information of customers**

      There were no such instances of data breaches during the year

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, 2022, 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 then ended, 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, 2022, 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.

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, 2022 amounts to ₹ 131.92 million. Based on the property valuation report from an independent civil engineer \ registered valuer, 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, 2022. 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 37 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, 2022 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, 2022 to evaluate whether any change was required to management's position on these uncertainties. We evaluated the adequacy of disclosures in the financial statements. Based on the above procedures performed, the results of management's assessment were considered to be consistent with the outcome of our procedures.
3	**Migration of ERP System** During the year, company has migrated its accounting software from "Tally" to "SAP". 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 patient billing, procurement 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 accounting software 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 accounting software. 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the order") issued by the Central Government 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, 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 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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".**

   (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, as amended 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 – Refer Note no 37 to the 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.

      IV. (i) The Management has represented that, to the best of their knowledge and belief, other than as disclosed in the Note 51 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) the management has represented, that, to the best of their knowledge and belief, no funds have been received by the company from any person(s) or entity (ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures, nothing has come to our notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

V. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 20 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

Brijesh Thakkar
(Partner)
Membership No – 135556
UDIN: 22135556AJPNMG5904

Place: Ahmedabad
Date: May 25, 2022

Annexure A to Independent Auditors' Report for the year ended March 2022

(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" section of our Report of even date)

Based on the Audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, we report that:

(i) Property, Plant & Equipment and Intangible Assets

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

B. The Company has maintained proper records showing full particulars, of Intangible Assets.

b) The company has a programme of physical verification to cover all the items of Property, Plant & Equipment 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 Property, Plant & Equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification.

c) The title deeds of all immovable properties (other than those that have been taken on lease) disclosed in the financial statements included in (Property, Plant and Equipment, Capital Work in Progress, Investment Property and non-current assets held for sale) are held in the name of the company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed in the financial statements (as Property, Plant and Equipment, right-of use asset, capital-work-in-progress, investment property and non-current asset held for sale) as at the balance sheet date, the lease agreements are duly executed in favour of the company.

d) The company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

e) No proceeding have been initiated nor pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

(ii) Inventories

a) Inventories were physically verified during the year by the Management at reasonable intervals. The coverage and procedure of such verification by the management is appropriate having regard to size of the company and nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on physical verification of inventories when compared with books of account.

b) The company has been sanctioned working capital limits in excess of ₹ 5 Crores, in aggregate, at any points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising (stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors / other receivables, and other stipulated financial information) filed by the company with such banks are in agreement with the unaudited books of account of the company of the respective quarters and no material discrepancies have been observed.

(iii) Loans given

The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

a) The Company has provided loans or advances in the nature of loans, stood guarantee, or provided security during the year and details of which are given below:

(₹ in Million)

Particulars	Loans	Gurantees*
Aggregate amount granted / provided during the year:		
- Subsidiaries (Including Step Down Subsidiary)	169.08	1,535.23
Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries (Including Step Down Subsidiary)	169.08	1,535.23

(* Given in Foreign Currency and converted into INR @ closing rate)

b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

c) The Company has granted loan which is payable on demand. During the year the Company has not demanded such loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.

d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.

f) The Company has granted loans or advances in the nature of loans which are repayable on demand. Details of which are given below:

(₹ in Million)

Particulars	All Parties	Promoters	Related Parties
Aggregate of Loans			
- Repayable on Demand	169.08	-	169.08
- Agreement does not specify any terms or period of repayment	-	-	-
Total	**169.08**	**-**	**169.08**
Percengate to Total Loans	-	-	**100.00%**

(iv) Compliance of Sec. 185 & 186

The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) Public Deposit

The Company has not accepted deposits or amounts which are deemed to be deposits, during the year. Accordingly reporting under paragraph 3 clause (v) does not arise.

(vi) Cost Records

The company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act in respect of service carried out by the company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete

(vii) Statutory Dues

a) The Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Income-tax, Goods and Service Tax, Customs duty, cess and other material statutory dues applicable to it to the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months as on March 31, 2022.

b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at March 31, 2022 other than as stated below:

(₹ in Million)

Name of the Statue	Nature of the Dues	Amount Unpaid	Period to which it relates	Forum where dispute is pending
Sales Tax	Demand Notice issued by Sales Tax Department	50.49	FY 2009-10	Assistant Commissioner of Sales Tax
		61.80	FY 2010-11	
		73.27	FY 2011-12	
		89.80	FY 2012-13	
		98.86	FY 2013-14	
		4.12	FY 2014-15	
Income Tax	Demand Notice issued by Tax Department	95.31	AY 2013-14	Income Tax Appellate Tribunal
		27.42	AY 2014-15	
		41.40	AY 2015-16	Commissioner of Income Tax

(viii) There are no transactions / previously unrecorded income which are required to be recorded in the books of accounts have been surrendered of disclosed as income during the year in the tax assessments under the Income-Tax Act, 1961

(ix) Appplication & Repayment of Loans & Borrowings:

a) Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) Term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application.

d) On an overall examination of the financial statements of the company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the company.

e) On an overall examination of the financial statements of the company, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The company has not raised any loans during the year, on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly reporting under paragraph 3 clause (ix)(f) of the order does not arise.

(x) Application of funds raised through Public Offer:

a) During the year, company has not raised any funds through Initial Public Offer or Further Public Offer (including debt instruments). Accordingly, reporting under paragraph 3 clause (x)(a) of the order does not arise.

b) The company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year. Accordingly, reporting under paragraph 3 clause (x)(b) of the order does not arise.

(xi) Fraud

We have neither come across any instances of fraud by the company or any fraud on the company noticed or reported during the year, nor have been informed of any such instances by the management. Accordingly, reporting under paragraph 3 clause (xi) (b) & (c) of the order does not arise.

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

(xiii) All the transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.

(xiv) Internal Audit

a) Company has an adequate internal control system commensurate with the size and the nature of its business.

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

(xv) The company has not entered into any non-cash transactions with directors or persons connected with them, during the year. Accordingly, provisions of section 192 of the Act are not applicable.

(xvi) Registration u/s 45-IA of RBI Act

a) The company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, reporting under paragraph 3 clause (xvi)(a),(b)&(c) of the order does not arise.

d) The group does not have any CIC as part of the group. Accordingly, reporting under paragraph 3 clause (xvi)(d) of the order does not arise.

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

(xviii) There has been no resignation of the statutory auditors during the year. Accordinlgy, reporting under paragraph 3 Clause (xviii) of the order does not arise.

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

(xx) Corporate Social Responsibility

The company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of Section 135 of the said Act. Accordinlgy, reporting under paragraph 3 Clause (xx) of the order does not arise.

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

Brijesh Thakkar
(Partner)
Membership No - 135556
UDIN: 22135556AJPNMG5904

Place: Ahmedabad
Date: May 25, 2022

ANNEXURE B THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHALBY LIMITED

(Referred to in Paragraph 2(F) under the Heading of "Report on Other Legal and Regulatory Requirements" section of our Report 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")

We have audited the internal financial controls with reference to Financial Statements of Shalby Limited ("the Company") as of March 31, 2022 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, 2022, 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**
Firm's Reg. No-: 006711N \ N500028
Chartered Accountants

Brijesh Thakkar
(Partner)
Membership No - 135556
UDIN: 22135556AJPNMG5904

Place: Ahmedabad
Date: May 25, 2022

Standalone Balance Sheet

as at March 31, 2022

(₹ In Million)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, Plant & Equipment	5	6,014.66	6,362.22
Capital work-in progress	5	44.82	39.94
Right of Use Assets	6	88.93	96.86
Goodwill	7	81.97	81.97
Intangible Assets	8	96.20	34.73
Intangible assets under development	8	12.54	35.25
Financial Assets			
Investments	9	365.99	117.87
Other Financial Assets	10	25.68	76.06
Income Tax Assets (Net)	11	199.35	156.63
Other non current assets	13	349.60	349.05
		7,279.74	**7,350.58**
Current assets			
Inventories	14	198.30	199.38
Financial assets			
Investments	9	254.92	203.15
Trade Receivables	15	943.00	929.95
Cash and Cash Equivalents	16	494.39	60.23
Other Bank Balances	17	549.87	769.45
Other Financial Assets	10	971.87	490.04
Other Current Assets	13	49.84	68.83
Assets held for sale	18	131.92	131.92
		3,594.11	**2,771.95**
Total Assets		**10,873.84**	**10,122.53**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,080.10	1,080.10
Other Equity	20	7,987.13	7,416.39
		9,067.23	**8,496.49**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	21	253.34	355.00
Lease Liability	22	85.83	92.59
Other Financial Liabilities	23	4.33	5.02
Provisions	24	26.91	20.02
Deferred Tax Liabilities (Net)	12	359.92	229.37
Other Non-current Liabilities	25	103.22	100.35
		833.56	**802.35**
Current liabilities			
Financial Liabilities			
Borrowings	21	159.72	85.33
Lease Liability	22	10.02	8.34
Trade Payables	26		
- Total Outstanding dues to Micro Enterprise & Small Enterprise		-	-
- Total Outstanding dues to Other than Micro Enterprise & Small Enterprise		613.08	594.87
Other Financial Liabilities	23	99.57	52.77
Provisions	24	10.50	5.44
Other Current liabilities	25	80.17	76.95
		973.06	**823.70**
Total Equity and Liabilities		**10,873.84**	**10,122.53**

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
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(₹ In Million)

Particulars	Notes	For the Year ended March 31, 2022	For the Year ended March 31, 2021
INCOME			
Revenue from Operations	27	6,471.60	4,186.69
Other Income	28	126.35	96.16
Total Income		**6,597.95**	**4,282.85**
EXPENSES			
Operative expenses	29	3,791.30	2,330.63
Purchase of stock in trade	30	90.57	68.47
Changes in inventories	31	4.28	5.15
Employee benefits expense	32	783.20	557.38
Finance Cost	33	27.90	35.84
Depreciation and Amortization	34	355.02	366.66
Other Expenses	35	502.12	363.80
Total Expenses		**5,554.38**	**3,727.93**
Profit before exceptional items and tax		**1,043.57**	**554.91**
Exceptional Items	54	(44.37)	-
Profit Before Tax		**999.20**	**554.91**
Current tax		186.28	95.80
Adjustment of earlier years		(12.22)	(17.74)
MAT Credit Entitlement		(158.73)	(76.72)
Deferred tax		285.81	124.77
Total tax expense:		**301.15**	**126.11**
Profit for the year from continuing operations		**698.06**	**428.80**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		(4.51)	2.48
Income tax effect on above		1.58	(0.83)
		(2.94)	**1.65**
Total comprehensive income for the year, net of tax		**695.12**	**430.45**
Earning per Equity Share on face value of ₹ 10/- each	36		
Basic (In ₹)		**6.46**	**3.97**
Diluted (In ₹)		**6.46**	**3.97**

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
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

Standalone Cash Flow Statement

for the year ended March 31, 2022

(₹ In Million)

Particulars		Year Ended March 31, 2022	Year Ended March 31, 2021
A. Cash flow from Operating Activities			
Net Profit before Tax as per Statement of Profit & Loss		999.20	554.91
Adjustments for			
Depreciation and amortisation		341.30	366.66
Finance cost		27.90	35.84
Interest Income			
- on fixed deposits with Bank		(75.24)	(51.22)
Gain on Sale of Investment		(3.65)	(1.70)
Loss/(gain) on sale of property plant & equipment (net)		44.21	9.55
Provision for doubtful debts		84.66	2.18
Investment W/off		1.10	-
Net Loss/(Gain) on foreign exchange fluctuations		(0.16)	
Sundry balances written off		-	6.20
Sundry balances written back		(7.19)	-
Operating profit before working capital changes		1,412.13	922.42
Adjustments for			
(Increase) / Decrease in Inventories		1.08	(51.81)
(Increase) / Decrease in Trade receivables		(97.70)	51.36
(Increase) / Decrease in Other Non current financial assets		(3.35)	(1.14)
(Increase) / Decrease in Other current financial asset		(183.82)	(79.30)
(Increase) / Decrease in Other non current asset		(2.16)	1.89
(Increase) / Decrease in Other current assets		18.99	(14.03)
Increase / (Decrease) in Trade Payables		25.40	(7.31)
Increase / (Decrease) in Provisions		7.44	4.16
Increase / (Decrease) in Other Non current financial liabilities		(0.69)	(1.07)
Increase / (Decrease) in Other Non current liabilities		2.87	(9.25)
Increase / (Decrease) in Other current financial liabilities		54.49	21.21
Increase / (Decrease) in Other current liabilities		3.22	27.74
Cash generated from operations		1,237.91	864.86
Direct taxes Refund / (Paid)		(228.11)	(92.43)
Net Cash from / (used in) Operating Activities	**[A]**	1,009.80	772.43
B. Cash flow from Investing Activities			
Purchase of property, plant & equipment		(346.69)	(208.03)
Net proceeds from Sale of property, plant & equipment		271.15	-
Payment for purchase of investments		(4,230.32)	(172.30)
Proceeds from Sale of Investment		4,182.63	280.48
Investment in Equity Shares of Subsidiary Company		(249.50)	-
(Investment in) / Redemption of Bank Deposit		(94.82)	(466.67)
Interest received		64.36	48.19
Net Cash from / (used in) Investing Activities	**[B]**	(403.19)	(518.32)

Standalone Cash Flow Statement

for the year ended March 31, 2022

(₹ In Million)

Particulars		Year Ended March 31, 2022	Year Ended March 31, 2021
C. Cash flow from financing activities			
Repayment of Borrowing		(86.10)	(181.84)
Proceeds from Short term borrowing		49.96	-
Proceeds from Long term borrowing		8.87	-
Repayment of Finance lease liabilities		(16.51)	(9.90)
Interest paid		(20.68)	(32.48)
Dividend Paid (Including Dividend Distribution Tax)		(108.01)	(54.01)
Net cash from / (used in) Financing Activities	**[C]**	(172.47)	(278.24)
Net Increase / (Decrease) in cash & cash equivalents	**[A+B+C]**	**434.16**	**(24.13)**
Opening balance of Cash and cash equivalents		60.23	84.36
Closing balance of Cash and cash equivalents		**494.39**	**60.23**
Components of Cash and cash equivalent (Refer Note no:-16)			
Balances with scheduled banks		191.50	50.54
Fixed Deposits with maturity less than 3 months		297.05	-
Cash in hand		5.84	9.69
Total		**494.39**	**60.23**

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, 2021	Proceeds	Repayments	March 31,2022
Borrowings	440.33	58.83	86.10	413.06

Particulars	April 1, 2020	Proceeds	Repayments	March 31,2021
Borrowings	622.17	-	181.84	440.33

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
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

Standalone Statement of changes in Equity

for the year ended March 31, 2022

A. Equity share capital

(₹ In Million)

As at April 1, 2020	**1,080.10**
Changes due to prior period errors	-
Restated Balance as April 1, 2020	**1,080.10**
Changes during the year 2020 - 2021	-
As at March 31, 2021	**1,080.10**
Changes due to prior period errors	-
Restated Balance as April 1, 2021	**1,080.10**
Changes during the year 2021-22	-
As at March 31, 2022	**1,080.10**

B. Other equity

(₹ In Million)

Particulars	Reserves and Surplus			Items of OCI	Total equity
	Securities Premium	Capital Redemption reserve	Retained Earnings	Remeasurement of the defined benefit plans	
Balance as at April 1, 2020	4,472.94	5.33	2,578.27	1.30	7,057.84
Changes in accounting policies or prior period errors	-	-	-	-	-
Restated balance as at April 1, 2020	**4,472.94**	**5.33**	**2,578.27**	**1.30**	**7,057.84**
Profit for the year	-	-	428.80	-	428.80
Share Issue Expenses	(17.90)	-	-	-	(17.90)
Dividend paid	-	-	(54.01)	-	(54.01)
Other comprehensive income for the year	-	-	-	1.65	1.65
Balance as at March 31, 2021	**4,455.04**	**5.33**	**2,953.07**	**2.95**	**7,416.39**
Balance as at April 1, 2021	4,455.04	5.33	2,953.07	2.95	7,416.39
Changes in accounting policies or prior period errors	-	-	-	-	-
Restated balance as at April 1, 2021	**4,455.04**	**5.33**	**2,953.07**	**2.95**	**7,416.39**
Profit for the year	-	-	698.06	-	698.06
Share Issue Expenses	(16.37)	-	-	-	(16.37)
Dividend paid	-	-	(108.01)	-	(108.01)
Other comprehensive income for the year	-	-	-	(2.94)	(2.94)
Balance as at March 31, 2022	**4,438.67**	**5.33**	**3,543.11**	**0.01**	**7,987.13**

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
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

Notes to the Financial Statements

for the year ended March 31, 2022

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, 2022 were authorized for issue in accordance with resolution passed by the Board of Directors of the company on May 25, 2022.

Note 2: Basis of Preparation & Compliance with Ind AS

The financial statements of the Company as at and for the year ended March 31, 2022 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 millions except when otherwise stated.

2.3 Current and non-Current classification:

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

Notes to the Financial Statements

for the year ended March 31, 2022

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, 2022 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 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.

Notes to the Financial Statements

for the year ended March 31, 2022

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(a) : 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 Financial Statements

for the year ended March 31, 2022

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 Financial Statements

for the year ended March 31, 2022

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 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 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 Financial Statements

for the year ended March 31, 2022

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
SAP ERP Software	6 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 provision due to the passage of time is recognized as a finance cost.

Notes to the Financial Statements

for the year ended March 31, 2022

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

Company as a lessee

At the date of commencement of the lease, the Company 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 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.

Notes to the Financial Statements

for the year ended March 31, 2022

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.

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

Notes to the Financial Statements

for the year ended March 31, 2022

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.

(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;

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

Notes to the Financial Statements

for the year ended March 31, 2022

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.

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.

Notes to the Financial Statements

for the year ended March 31, 2022

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.

Note 4(b) : Recent Accounting Pronouncements

MCA notifies Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification No. G.S.R 255(E) dated: 23rd March, 2022 and further amended Companies (Indian Accounting Standards) Rules, 2015, which shall come into force with effect from 1st day of April, 2022.

Amendments to existing Ind AS:

The MCA has carried amendments to the following existing standards which will be effective from 1st April, 2022. The Company is not expecting any significant impact in the financial statements from these amendments. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

1. Ind AS 101 – First-time Adoption of Indian Accounting Standards
2. Ind AS 103 – Business Combinations
3. Ind AS 109 – Financial Instruments
4. Ind As 16 - Property, Plant and Equipment
5. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
6. Ind As 41- Agriculture

Notes to the Financial Statements

for the year ended March 31, 2022

Note 5 :Property, Plant and Equipment

Note 5.1 : As at Mar 31, 2022

(₹ In Million)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net carrying Amount
	As at April 1, 2021	Additions	Deduction / Adjustments	As at Mar 31, 2022	As at April 1, 2021	For the year	Deduction	As at Mar 31, 2022	As at Mar 31, 2022
Owned Assets									
Free hold land	399.29	-	-	399.29	-			-	399.29
Buildings	2,917.68	15.10	-	2,932.78	290.26	44.88	-	335.14	2,597.64
Medical Equipment and Surgical Instruments	2,244.99	218.75	19.04	2,444.69	609.15	150.88	6.10	753.93	1,690.76
Plant & Machinery	482.51	39.81	1.27	521.05	125.55	32.15	0.47	157.24	363.81
Electrical Installation	207.21	1.34	0.86	207.69	69.10	20.17	0.35	88.92	118.77
Office Equipment	82.35	4.08	0.43	86.00	54.05	11.52	0.37	65.20	20.80
Computers and Printers	70.20	12.45	0.19	82.45	45.70	9.39	0.15	54.94	27.52
Furniture and Fixtures	424.17	3.63	0.31	427.49	137.01	40.58	0.13	177.46	250.03
Vehicles	81.51	9.75	1.16	90.10	37.86	9.49	0.82	46.53	43.57
		-	-			-	-		
Leasehold Assets		-	-			-	-		
Land	864.55	0.38	333.18	531.75	43.56	4.54	18.81	29.29	502.46
Total	**7,774.46**	**305.28**	**356.44**	**7,723.30**	**1,412.25**	**323.60**	**27.20**	**1,708.65**	**6,014.66**
CWIP									**44.82**

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, 2021

(₹ In Million)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net carrying Amount
	As at April 1, 2020	Additions	Deduction / Adjustments	As at March 31, 2021	As at April 1, 2020	For the year	Deduction	As at March 31, 2021	As at March 31, 2021
Owned Assets									
Free hold land	399.29	-	-	399.29	-	-	-	-	399.29
Buildings	2,893.24	24.44	-	2,917.68	221.03	69.23	-	290.26	2,627.42
Medical Equipment and Surgical Instruments	2,152.43	104.99	(12.44)	2,244.99	460.79	154.91	(6.55)	609.15	1,635.84
Plant & Machinery	485.10	4.68	(7.27)	482.51	95.08	32.44	(1.96)	125.55	356.96
Electrical Installation	203.32	3.89	-	207.21	49.65	19.46	-	69.10	138.11
Office Equipment	75.82	6.54	-	82.35	43.39	10.66	-	54.05	28.30
Computers and Printers	60.44	9.76	-	70.20	39.19	6.52	-	45.70	24.49
Furniture and Fixtures	420.26	3.91	-	424.17	96.81	40.21	-	137.01	287.16
Vehicles	80.37	2.07	(0.92)	81.51	28.94	9.79	(0.88)	37.86	43.66
	-	-	-		-	-	-		
Leasehold Assets	-	-	-		-	-	-		
Land	864.44	0.11	-	864.55	38.37	5.20	-	43.56	820.99
Total	**7,634.70**	**160.39**	**(20.63)**	**7,774.46**	**1,073.23**	**348.40**	**(9.38)**	**1,412.25**	**6,362.22**
CWIP				-					**39.94**

Notes to the Financial Statements

for the year ended March 31, 2022

Note 5.3 : Capital Work In Progress Ageing Schedule

(₹ In Million)

Particulars	Amount as on March 31, 2022 in CWIP for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Capital Work in Progress	9.85	7.57	12.00	15.40	44.82
Total	**9.85**	**7.57**	**12.00**	**15.40**	**44.82**
Project Temporarily Suspended	Nil	Nil	Nil	Nil	Nil

Particulars	Amount as on March 31, 2021 in CWIP for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Capital Work in Progress	12.54	12.00	15.34	0.06	39.94
Total	**12.54**	**12.00**	**15.34**	**0.06**	**39.94**
Project Temporarily Suspended	Nil	Nil	Nil	Nil	Nil

Note 5.4 : The company does not have any project under capital work-in-progress, whose completion is overdue w.r.t to its cost & timeline compared to its original plan.

Note 6 : Right of use assets

Note 6.1 :As at March 31, 2022

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2021	Additions	Adjustments / Deletions	As at March 31, 2022	As at April 1, 2021	For the year	Adjustments / Deletions	As at March 31, 2022	As at March 31, 2022
Building	109.80	5.80	-	115.60	12.94	13.72	-	26.66	88.93
Total	**109.80**	**5.80**	**-**	**115.60**	**12.94**	**13.72**	**-**	**26.66**	**88.93**

Note 6.2 : As at March 31, 2021

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Adjustments / Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Adjustments / Deletions	As at March 31, 2021	As at March 31, 2021
Building	52.77	57.03	-	109.80	5.42	7.53	-	12.94	96.86
Total	**52.77**	**57.03**	**-**	**109.80**	**5.42**	**7.53**	**-**	**12.94**	**96.86**

Note 7 : Goodwill

Note 7.1 : As atMarch 31, 2022

(₹ In Million)

Particulars	Gross carrying amount				Impairment				Net carrying amount
	As at April 1, 2021	Additions	Adjustments / Deletions	As at March 31, 2022	As at April 1, 2021	For the year	Adjustments / Deletions	As at March 31, 2022	As at March 31, 2022
Goodwill	81.97	-	-	81.97	-	-	-	-	81.97
Total	**81.97**	**-**	**-**	**81.97**	**-**	**-**	**-**	**-**	**81.97**

Notes to the Financial Statements

for the year ended March 31, 2022

Note 7.2 : As atMarch 31, 2021

(₹ In Million)

Particulars	Gross carrying amount							Impairment	Net carrying amount
	As at April 1, 2020	Additions	Adjustments / Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Adjustments / Deletions	As at March 31, 2021	As at March 31, 2021
Goodwill	81.97	-	-	81.97	-	-	-	-	81.97
Total	**81.97**	**-**	**-**	**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, 2022 and March 31, 2021 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, 2022	As at March 31, 2021
Discount Rate	12.00%	7.76%
Growth Rate	10-20%	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 Financial Statements

for the year ended March 31, 2022

Note 8 : Intangible Assets

Note 8.1 : As atMarch 31, 2022

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2021	Additions	Adjustments / Deletions	As at March 31, 2022	As at April 1, 2021	For the year	Deductions	As at March 31, 2022	As at March 31, 2022
Software	55.32	79.18	-	134.50	20.59	17.70	-	38.29	96.20
Trademark	0.06	-	-	0.06	0.06	-	-	0.06	-
	55.38	**79.18**	**-**	**134.56**	**20.66**	**17.70**	**-**	**38.36**	**96.20**
Intangible assets under development									**12.54**

Note 8.2 : As at March 31, 2021

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Adjustments / Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Deductions	Up to March 31, 2021	As at March 31, 2021
Software	17.26	38.06	-	55.32	9.87	10.73	-	20.59	34.73
Trademark	0.06	-	-	0.06	0.06	0.01	-	0.06	-
	17.32	**38.06**	**-**	**55.38**	**9.92**	**10.73**	**-**	**20.66**	**34.73**
Intangible assets under development									**35.25**

Note 8.3 : Intangible Assets under Development Ageing Schedule

(₹ In Million)

Particulars	Amount as on March 31, 2022 in IAUD for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Intangible Assets under Development	12.17	0.37	-	-	12.54
Total	**12.17**	**0.37**	**-**	**-**	**12.54**
Project Temporarily Suspended	Nil	Nil	Nil	Nil	Nil

(₹ In Million)

Particulars	Amount as on March 31, 2021 in IAUD for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Intangible Assets under Development	24.86	2.48	7.91	-	35.25
Total	**24.86**	**2.48**	**7.91**	**-**	**35.25**
Project Temporarily Suspended	Nil	Nil	Nil	Nil	Nil

Note 8.4 : The company does not have any project under intangible asset under development, whose completion is overdue w.r.t to its cost & timeline compared to its original plan

Notes to the Financial Statements

for the year ended March 31, 2022

Note 9 : Investments

(₹ In Million)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Non current			
Investment in equity instruments			
Financial instruments at Cost			
Investment in Subsidiaries (Unquoted)	9.1	268.83	19.33
Investment in Limited Liability Partnership	9.1	0.48	0.48
Financial instruments at FVTPL			
Club Membership		-	1.10
Other Equity Investment			
Loan to Vrundavan Shalby Hospitals Ltd	9.2	96.69	96.97
Total (A)		**365.99**	**117.87**
Current			
Financial instruments at Cost			
Investment in Limited Liability Partnership		7.94	47.93
Financial instruments at FVTPL			
Investment in Mutual fund (Quoted)	9.3	45.04	155.22
Investment in Bond (Quoted)	9.4	201.94	-
Total (B)		**254.92**	**203.15**
Total (A) + (B)		**620.91**	**321.03**
Aggregate book value of Quoted Investments		246.98	155.22
Aggregate market value of Quoted Investments		246.98	155.22
Aggregate carrying value of Unquoted Investments		373.94	165.81

Note 9.1 : Details of investment in unquoted equity instruments of subsidiaries (fully paid up)

Name of the subsidiary	Relationship	Currency	Face Value (₹)	Number of Units as at		(₹ In Million)	
				As at March 31, 2022	As at March 31, 2021	As at March 31 2022	As at March 31 2021
Equity Instruments							
Shalby (Kenya) Ltd.	Subsidiary	KES	1,000	100	100	0.06	0.06
Shalby International Limited	Subsidiary	INR	10	50,000	50,000	0.50	0.50
Yogeshwar Healthcare Ltd.	Subsidiary	INR	10	696,251	696,251	6.96	6.96
Mars Medical Devises Limited	Subsidiary	INR	10	25,000,000	50,000	250.00	0.50
Slaney Healthcare Pvt Ltd	Subsidiary	INR	10	9,910	9,910	11.21	11.21
Shalby Hospitals Mumbai Private Limited	Subsidiary	INR	10	10,000	10,000	0.10	0.10
Total (A)						**268.83**	**19.33**
In Capital of Limited Liability Partnership							
Griffin Mediquip LLP*		INR				0.48	0.48
Total (B)						**0.48**	**0.48**
Total (A+B):						**269.30**	**19.80**

Notes to the Financial Statements

for the year ended March 31, 2022

*** 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	7.94
Yogeshwar Healthcare Limited	5%	0.03	-
Total	**100%**	**0.50**	**7.94**

Note 9.2 : Details of Other Equity Investment

Investment in other equity includes investment by way of sub-ordinate loan/interest free loan given to subsidiary company which is accounted as an equity investment as it is perpetual in nature.

Note 9.3 : Details of Investment in Mutual Fund

Name of Body Corporate	No. of Unit		Quoted/ Unquoted	(₹ In Million)	
	March 31,2022	March 31,2021		March 31,2022	March 31,2021
HDFC Liquid DP Growth Option	-	7,424	Quoted	-	30.04
SBI Liquid Fund Direct Growth	-	38,858	Quoted	-	125.18
SBI Over Night Fund Direct Growth	13,013	-	Quoted	45.04	-

Note 9.4 : Details of Investment in Bond

Name of Body Corporate	No. of Unit		Quoted/ Unquoted	(₹ In Million)	
	March 31,2022	March 31,2021		March 31,2022	March 31,2021
8.15% Bank of Baroda Perpetual Bonds (Series XV)	50	-	Quoted	50.25	-
7.73% State Bank of India Perpetual Bonds (Series II)	100	-	Quoted	100.97	-
8.5% Bank of Baroda Perpetual Bond	50	-	Quoted	50.72	-

Note 10 : Other Financial Assets

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- current		
Fixed Deposit with Maturity of more than 12 months***	2.73	56.16
Notice period recovery receivable	12.54	9.18
Other Recoverable	9.72	9.72
Interest accrued but not due on fixed deposit	0.69	1.00
Total (A):	**25.68**	**76.06**
Current		
Government Grant Receivable	103.65	92.09
Fixed Deposit with Maturity of less than 12 months***	670.19	302.36
Other Receivable from Subsidiaries	9.45	7.35
Interest accrued but not due on loan to Subsidiaries	1.08	-
Loans to Subsidiaries	169.08	-
Interest accrued but not due on Bond	5.11	-
Interest accrued but not due on fixed deposit	13.30	7.24
Total (B):	**971.87**	**409.04**
Total (A) + (B):	**997.55**	**485.10**

***The fixed deposits of ₹ 1,465 Million is under lien with Bank against Bank Guarantee, Borrowings and Standby letter of Credit (SBLC).

Notes to the Financial Statements

for the year ended March 31, 2022

Note 11 : Income Tax Assets (Net)

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax	1,083.53	853.93
Less: Provision for taxation	884.19	697.31
	199.35	**156.63**

Note 12 : Deferred Tax

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax Assets	1,041.57	1,116.02
Deferred tax Liabilities	(1,401.50)	(1,345.39)
Total	**(359.92)**	**(229.37)**

Note 12.1 : Movement of Deferred Tax (Liabilities)/Assets

The major components of deferred tax (liabilities)/assets arising on account of timing differences for the year ended March 31, 2022 are as follows :

(₹ In Million)

Particulars	Opening Balance	Recognised in Profit & loss statement	Recognised in OCI	Closing Balance
Difference of book depreciation and tax depreciation	(1,345.39)	(56.11)	-	(1,401.50)
Total deferred tax liabilities	**(1,345.39)**	**(56.11)**	**-**	**(1,401.50)**
Provision for leave obligation and gratuity & others	8.50	13.22	1.58	23.29
Unabsorbed business loss and depreciation	432.06	(302.89)	-	129.17
Unabsorbed Long term capital loss	-	26.45	-	26.45
Disallowance of Notional Lease Expenses	-	2.93	-	2.93
Expected Credit Loss	21.36	30.58	-	51.94
Total deferred tax assets	**461.92**	**(229.70)**	**1.58**	**233.80**
Share Issue Expenses	16.37	-	-	-
Minimum alternate tax credit	637.72	170.05	-	807.78
Net deferred tax Asset \ (Liability)	**(229.37)**	**(115.76)**	**1.58**	**(359.92)**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2021 are as follows :

(₹ In Million)

Particulars	Opening Balance	Recognised in Profit & loss statement	Recognised in OCI	Closing Balance
Difference of book depreciation and tax depreciation	(1,413.82)	68.43	-	(1,345.39)
Total deferred tax liabilities	**(1,413.82)**	**68.43**	**-**	**(1,345.39)**
Provision for leave obligation and gratuity & others	8.99	0.33	(0.83)	8.50
Unabsorbed business loss and depreciation	626.19	(194.13)	-	432.06
Disallowance of Notional Lease Expenses	-	-	-	-
Expected Credit Loss	20.78	0.58	-	21.36
Total deferred tax assets	**655.96**	**(193.21)**	**(0.83)**	**461.92**
Share Issue Expenses	34.27	-	-	16.37
Minimum alternate tax credit	544.17	93.55	-	637.72
Net deferred tax Asset \ (Liability)	**(179.42)**	**(31.22)**	**(0.83)**	**(229.37)**

Notes to the Financial Statements

for the year ended March 31, 2022

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, 2022	Year ended March 31, 2021
Profit before taxes from continuing operations	999.20	554.91
Current tax expense calculated using MAT tax rate at 17.472%	174.58	96.95
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	14.83	0.23
1/5th of opening Ind AS adjustments transferred to retained earnings	(1.82)	(1.82)
Other comprehensive income/(expense)	(0.79)	0.43
Less:		
Tax exempt income	0.52	-
Income Tax as per normal provisions	**186.28**	**95.80**

Note 12.3 : Income tax expense has been allocated as follows:

(₹ In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income tax expense recognised in the Statement of Profit and loss		
Current tax on profits for the year	186.28	95.80
Current tax expense of earlier year (Net of MAT Impact)	(0.90)	(0.91)
	185.39	**94.89**
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	58.07	100.48
(Decrease) / increase in deferred tax liabilities	56.11	(68.43)
Deferred Tax recognised in OCI	1.58	(0.83)
	115.76	**31.22**
Income tax expense / (income) attributable to continuing operations	**301.15**	**126.11**
Income tax expense recognised in OCI		
Income tax included in other comprehensive income on:		
Defined benefit plan actuarial gains/(losses)	1.58	(0.83)
Income tax expense / (income) recognised in OCI	**1.58**	**(0.83)**

Notes to the Financial Statements

for the year ended March 31, 2022

Note 13 : Other Non - current / Current Assets

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposit		
Capital advances*	299.40	299.27
Taxes Paid under protest	23.86	23.86
Security deposits	26.34	25.92
Total	**349.60**	**349.05**
Current		
Pre-paid expenses	9.41	7.03
Advance to suppliers, staff and doctors	14.72	37.88
Payment under Protest**	20.98	20.98
Others	4.73	2.93
Total	**49.84**	**68.83**

* Out of Total Capital Advances of ₹ 299.40 Million, ₹ 297.47 Million (PY ₹ 287.15 Million) has been given to The Santacruz Residential Association for Construction of Hospital at Mumbai which is a part of Capital Work in Progress.

**Payment under protest of ₹ 20.98 Million (PY 20.98 Million) 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 37.

Note 14 : Inventories

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Medicines and Medicare Items	12.86	17.14
Materials and Consumables	178.93	171.24
General Stores	6.52	7.82
Stock in transit	-	3.17
Total	**198.30**	**199.38**

Note 15 : Trade Receivables

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
(a) Considered good	1,087.86	990.15
Less: Allowance for expected credit loss	(144.86)	(60.20)
Total Considered good	**943.00**	**929.95**
(b) Considered doubtful	3.79	3.79
Less: Allowance for doubtful debts	(3.79)	(3.79)
Total Considered doubtful	**-**	**-**
Total Trade Receivables	**943.00**	**929.95**
Included in the financial statement as follows:		
Non-current	-	-
Current	943.00	929.95
Total:	**943.00**	**929.95**

Refer Note 45.1 for Ageing Schedule

Notes to the Financial Statements

for the year ended March 31, 2022

Note 16 : Cash and cash equivalents

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Bank		
In Current accounts	191.27	40.71
Fixed Deposits with maturity less than 3 months***	297.05	-
In Overdraft accounts	-	9.71
In Unclaimed Dividend account*	0.22	0.12
Cash on hand	5.84	9.69
Total	**494.39**	**60.23**

'*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.

***The fixed deposits of ₹ 1,465 Million is under lien with Bank against Bank Guarantee, Borrowings and Standby letter of Credit (SBLC).

Note 17 : Other Bank Balances

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months***	549.87	769.45
	549.87	**769.45**

'***The fixed deposits of ₹ 1,465 Million is under lien with Bank against Bank Guarantee, Borrowings and Standby letter of Credit (SBLC).

Note 18 : Assets held for sale

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets held for sale (Refer note below)	131.92	131.92
	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 09th January, 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, 2022 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, 2022.

Notes to the Financial Statements

for the year ended March 31, 2022

Note 19 : Equity share capital

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
11,77,50,000 (March 31, 2021: 11,77,50,000) Equity Shares of ₹ 10/ each	1,177.50	1,177.50
	1,177.50	1,177.50
Issued share capital		
10,80,09,770 (March 31, 2021: 10,80,09,770) Equity Shares of ₹ 10/ each	1,080.10	1,080.10
Subscribed and fully paid up		
10,80,09,770 (March 31, 2021: 10,80,09,770) Equity Shares of ₹ 10/ each fully paid up	1,080.10	1,080.10
Total	1,080.10	1,080.10

Note 19.1 : Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

(in Nos.)

Particulars	As at March 31, 2022	As at March 31, 2021
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.

Notes to the Financial Statements

for the year ended March 31, 2022

Note 19.3 : Details of shareholders holding more than 5% Shares in the company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Shah Family Trust	37,517,132	34.73	43,327,132	40.11
Zodiac Mediquip Ltd.	31,545,448	29.21	31,545,448	29.21
Dr. Vikram I. Shah	7,735,493	7.16	7,735,493	7.16

Note 19.4 : Details of Promoters holding Shares in the company

Particulars	March 31,2022		March 31,2021		% Deviation
	No. of Shares	% of holding	No. of Shares	% of holding	
Shah Family Trust	37,517,132	34.73	43,327,132	40.11	(5.38)%
Zodiac Mediquip Ltd.	31,545,448	29.21	31,545,448	29.21	-
Dr. Vikram I. Shah	7,735,493	7.16	7,735,493	7.16	-
Dr. Darshini Vikram Shah	3,012,500	2.79	3,012,500	2.79	-
Mr. Shanay Vikram Shah	137,525	0.13	137,525	0.13	-

Note 20 : Other Equity

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium	4,438.67	4,455.04
Capital redemption reserve	5.33	5.33
Retained Earnings	3,543.13	2,956.01
	7,987.13	**7,416.39**

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium		
Balance as per previous financial statements	4,455.04	4,472.94
Add : Additions during the year	-	-
Less: Share Issue Expenses (Net of Taxes)	16.37	17.90
Balance at the end of the year	4,438.67	4,455.04
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	2,956.01	2,579.56
Add : Profit for the year	698.06	428.80
Add / (Less): OCI for the year	(2.94)	1.65
Less : Dividend on equity share	108.01	54.01
Balance available for appropriation	3,543.13	2,956.01
Net Surplus / (Deficit)	**3,543.13**	**2,956.01**
	7,987.13	**7,416.39**

Notes to the Financial Statements

for the year ended March 31, 2022

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	As at March 31, 2022	As at March 31, 2021
Proposed dividends on Equity shares:		
Final dividend for the year ended on March 31, 2022: ₹ 1.00 per share (March 31, 2021: ₹ 1.00 per share)	108.01	108.01
Total Proposed Dividend	**108.01**	**108.01**

Note 21 : Borrowings

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- current		
Secured loans		
From Banks	253.34	353.26
From Financial Institutions	-	1.74
Total:	**253.34**	**355.00**
Current		
Secured loans		
Bank Overdraft	49.96	-
Current Maturities of Long Term Borrowings		
From Banks	108.03	82.88
From Financial Institutions	1.74	2.46
Total:	**159.72**	**85.33**

Note 21 : Principal Terms and Conditions of borrowings as at March 31, 2022

(a) Secured

(i) Term loans

(₹ In Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2022	Amount Outstanding as at March 31, 2021	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	HDFC Bank Limited	Naroda	219.26	292.34	Loans are repayable in 24 equal quarterly installments commencing from June,2019 & ending on March 18, 2025.	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-compliance is cured to the Lender's satisfaction.	(i) First & Exclusive Charge over immovable properties being land admeasuring 6879 sq. mtrs.. lying and being at Mouje Naroda, Taluka: Ahmedabad City (East), in the registration district of Ahmedabad -6 and together with building constructed thereon. (ii) First ranking security by way of hypothecation on the all present and future tangible movable assets, including movable plant and machinery, machinery spares, medical equipment tools and accessories, furniture and fixtures, vehicles and all other movable assets present and future second ranking security by way of hypothecation of All present and future current assets, operating cash flows, receivables, commissions and all other movable assets of the Borrower. (iii) Additional Security : Fixed deposit of ₹ 267 Million under lien with HDFC bank for interest subsidy by bank.	SBICap Trustee Company Ltd
2	IDFC Bank	Surat	133.86	143.79	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 at least 30% of the outstanding amount from IPO proceeds without any prepayment premium.	Fixed deposit of ₹ 200 Million under lien with IDFC bank.	IDFC Bank

Notes to the Financial Statements

for the year ended March 31, 2022

(ii) Vehicle loans

(₹ In Million)

Sr. No.	Name of Lender	Vehicle	Amount Outstanding as at March 31, 2022	Amount Outstanding as at March 31,2021	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	Daimler Financial Services India Private Limited	Mercedes Benz	1.74	4.20	Loans are repayable in 36 equal monthly installments commencing from December, 2019.	Prepayment Charges: 4% on the outstanding amount 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
2	HDFC bank Limited	Skoda car at SG Unit	8.25	-	Loans are repayable in 60 equal monthly installments commencing from November, 2021.		First and exclusive charge of the Vehicle	HDFC Bank Limited

(iii) Overdraft Facility

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2022	Amount Outstanding as at March 31,2021	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	Kotak Mahindra Bank Limited	Corporate	Nil	(0.56)	12 Months	N.A	All present and future current assets, including book debts, outstanding receivables, claims and bills and whatsoever being the receivables of Krishna Shalby, Bopal, Ahmedabad belonging to borrowers	SBICap Trustee Company Ltd
2	HDFC Bank	Corporate	Nil	(9.15)	12 Months	N.A	First Charge on Company's Stock-in- trade, consisting of raw materials, inventory, goods in process of manufacturing, finished goods, movable assets, all present and future book debts, outstanding monies receivables, claims, bills, invoice documents etc.	HDFC Bank Limited (on behalf of SBICap Trustee Company Ltd)
3	IDFC Bank	Corporate	49.96	Nil	12 Months	N.A	Fixed deposit of ₹ 200 Million under lien with IDFC bank.	IDFC Bank
4	ICICI Bank	Corporate	Nil	Nil	12 Months	N.A	Fixed Deposit of ₹ 0.50 Million under lien with ICICI bank	ICICI Bank Limited
5	InudsInd Bank	Corporate	Nil	Nil	Repayable on demand with annual renewal	N.A	MOVABLE ASSETS All the present and future moveable assets of SG Highway, Jabalpur, Jaipur, Indore, Naroda, Surat & Krishna Unit (319, Green City, Ghuma, Via Bopal, Ahmedabad) including all fixed assets, equipment, plant, machinery, tools, fixtures, fittings, spare parts, accessories, any accretions, alterations, other merchandise, and whatsoever being movable properties now or at anytime hereafter belonging to the Borrower or at the disposal of the Borrower and now or at any time hereafter lying, stored or to be stored or brought into or upon or in course of transit to the Borrower's factory or premises or at any other place whatsoever and wheresoever in his possession and occupation or at any other premises or place anywhere in India CURRENT ASSETS All present and future current assets including book debts, outstanding monies receivables, claims and bills, and whatsoever being the receivable, which are now due and owing or which may at anytime hereafter during the continuance of the security becomes due and owing to the Borrower in course of its business by any person, firm, company or body corporate, Trust, Society, HUF or by the Government Department or office or any municipal or local or public or semi government body or authority or undertaking. STOCKS All the present and future stock in trade consisting of raw materials, finished goods, goods in process of manufacturing, other merchandise and whatsoever being stock now or at anytime hereafter belonging to the Borrower or at the disposal of the Borrower and now or at any time hereafter stored or to be stored or brought into or upon or in course of transit to the Borrower's factory or premises or at any other place whatsoever and wheresoever in the possession and occupation or at any other premises or place, anywhere in India. IMMOVEABLE PROPERTY First and exclusive mortgage charge on immovable properties being land and building of Krishna Shalby Hospital situated at 319 – Green City, Ghuma, Bopal, Ahmedabad, SG Shalby Hospital, Vapi Shalby Hospital Jaipur Shalby Hospital belonging to the Company. **This security is part of SBLC of 124 crore also.**	SBICap Trustee Company Ltd

Notes to the Financial Statements

for the year ended March 31, 2022

Note 22 : Lease Liability

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Lease Liability	85.83	92.59
Total (A):	**85.83**	**92.59**
Current		
Lease Liability	10.02	8.34
Total (B):	**10.02**	**8.34**

Note 23 : Other Financial Liabilities

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Deposits	4.12	4.81
Retention money	0.22	0.22
Total (A):	**4.33**	**5.02**
Current		
Interest Accrued but not due on Borrowings	1.17	1.20
Creditors for capital goods	20.67	28.33
Retention money	0.06	0.06
Unclaimed Dividend*	0.22	0.12
Payable to employees	77.46	23.06
Total (B):	**99.57**	**52.77**
Total (A+B):	**103.91**	**57.79**

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 24: Provisions

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Provision for employee benefits		
Gratuity	-	-
Leave obligation	26.91	20.02
Total	**26.91**	**20.02**
Current		
Provision for employee benefits		
Gratuity (Refer Note:-38)	6.04	2.22
Leave obligation	4.46	3.22
Total	**10.50**	**5.44**

Notes to the Financial Statements

for the year ended March 31, 2022

Note 25: Other non-current / current liabilities

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Government grant (Refer Note below)	92.68	100.35
Deferred Income Grant	10.54	-
Total (A):	**103.22**	**100.35**
Current		
Deferred Income Grant	0.80	-
Government Grants	9.38	9.26
Advance from customers	28.52	35.12
Statutory Liabilities	41.47	32.57
Total (B):	**80.17**	**76.95**
Total (A+B):	**183.39**	**177.30**

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 26 : Trade Payables

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
A) Total Outstanding dues of micro enterprises and small enterprises (Refer note no:- 46)	-	-
B) Total Outstanding dues to creditors other than Micro Enterprise & Small Enterprise	613.08	594.87
Total	**613.08**	**594.87**

Refer Note 45.2 for Ageing Schedule

Note 27 : Revenue from Operations

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Revenue from Contracts with Customers (Refer Note 48)	6,467.95	4,186.26
Other Operating Revenue	3.65	0.43
Total	**6,471.60**	**4,186.69**

Break up of other operating revenue

Particulars	March 31, 2022	March 31, 2021
Share from Limited Liability Partnership	2.97	(1.31)
Project Consultancy	0.68	1.73
Total	**3.65**	**0.43**

Notes to the Financial Statements

for the year ended March 31, 2022

Note 28 : Other Income

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Interest Income		
From Banks	58.85	51.22
From Others		
From Bond	12.17	-
On loans and Advances to Subsidiaries	1.20	-
On Partner's capital	2.04	5.49
Notional Interest Income on Lease Deposit	0.40	-
Others	0.58	1.02
Total (A)	**75.24**	**57.73**
Capital Subsidy	9.26	9.25
Interest Subsidy	16.32	19.26
Grant Income	0.66	-
Corporate Guarantee Commission Income	1.71	-
Rent	10.79	6.21
Net Gain on Financial Instrument	3.65	1.70
Profit on sale of assets	0.15	
Vendor Registration fees	0.03	0.04
Net gain on foreign currency transactions and translation	0.16	0.07
Other Non-Operating Income		
Sundry balances written back (Net)	7.19	-
Miscellaneous Income	1.20	1.89
Total (B)	**51.11**	**38.42**
Total (A+B)	**126.35**	**96.16**

Note 29 : Operative expenses

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Materials and Consumables	1,593.23	873.20
Diagnostic Expenses	108.79	101.86
Fees to Doctors and Consultants	1,615.89	1,007.95
Power, Fuel and Water Charges	144.92	123.06
Housekeeping and Catering	126.51	91.75
Attendants and Securities	116.73	83.70
Linen & Uniform	8.17	7.52
Other Operative Expenses	77.05	41.60
Total	**3,791.30**	**2,330.63**

Notes to the Financial Statements

for the year ended March 31, 2022

Note 30 : Purchase of Stock-in-trade

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Medicines and Medicare Items	90.57	68.47
Total	**90.57**	**68.47**

Note 31 : Changes in inventories

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Inventory at the end of the year		
Medicine and Medical Items	12.86	17.14
Inventory at the beginning of the year		
Medicine and Medical Items	17.14	22.29
(Increase) / Decrease in stocks	**4.28**	**5.15**

Note 32 : Employee benefits expense

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Salary, Allowances & Bonus	735.55	523.21
Contribution to Provident & other funds	46.38	29.62
Staff Welfare expenses	1.27	4.55
Total	**783.20**	**557.38**

During the FY 2021-22, salary cost amounting to ₹ 41.28 Million (Previous Year ₹ 19.73 Million) has been capitalised through capital work-In Progress and intangible assets under development as it is related with upcoming unit at Mumbai, development of E-commerce platform and integration & implementation of SRIT with SAP during the year.

Note 33 : Finance Cost

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Interest on Term Loan from Banks	20.49	29.11
Exchange differences regarded as an adjustment to borrowing costs	-	1.47
Interest on Finance Lease Liability	7.25	4.90
Other ancillary Cost	0.16	0.36
Total	**27.90**	**35.84**

Note 34 : Depreciation and Amortization

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Depreciation expense on property, plant and equipment	323.60	348.40
Amortisation on Intangible assets	17.70	10.73
Amortisation on Right of Use Assets	13.72	7.53
Total	**355.02**	**366.66**

Notes to the Financial Statements

for the year ended March 31, 2022

Note 35 : Other expenses

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Advertising and Publicity	63.31	37.00
Orthotrend Expense	-	0.17
Auditors' Remuneration	3.11	3.32
Communication	10.92	7.18
Rent, Rates and Taxes	22.06	35.36
Fees and Legal	43.75	23.65
Fixed Asset Written Off	5.05	-
Insurance	3.86	3.41
Stationery and Printing	20.94	13.07
Repairs and Maintenance		
Hospital Equipment	115.36	93.71
Building	10.83	3.62
Others	49.93	52.84
Travelling and Conveyance	23.69	9.43
Loss on sale of assets	-	9.55
Provision for Bad & Doubtful Debts	84.66	2.18
Sundry Debit Balance Written off	-	6.20
Bank charges	16.06	9.16
Freight Charges	5.90	0.78
Corporate Social Responsibility	11.00	37.54
Miscellaneous Expenses	11.69	15.61
Total	**502.12**	**363.80**

35.1 Payment to Auditor

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
For Statutory Audit	1.95	1.84
For Limited Review	0.54	0.51
For Taxation Matter	0.50	0.37
For Certification	0.11	0.58
For Reimbursement of Expenses	0.00	0.03
Total	**3.11**	**3.32**

Note 36 : Earning per Share

Particulars	March 31, 2022	March 31, 2021
Net Profit attributable to Equity shareholders (₹ in Million)	698.06	428.80
Number of Equity Shares (in Nos.)	108,009,770	108,009,770
Weighted Average number of Equity Shares (in Nos.)	108,009,770	108,009,770
Basic earning per Share (in ₹)	6.46	3.97
Diluted earning per Share (in ₹)	6.46	3.97

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for the year ended March 31, 2022

Note 37 : Contingent Liabilities and Commitments

(₹ In Million)

	Particulars	As at March 31, 2022	As at March 31, 2021
A	**Contingent Liabilities not provided for in respect of**		
(i)	Claim against the company not acknowledged as debt	130.61	135.08
(ii)	Income tax Demand for Assessment Years		
	2012-13	2.06	2.06
	2013-14	110.85	110.85
	2014-15	27.45	27.45
	2015-16	41.42	41.42
	2016-17	3.72	-
	2018-19	18.26	15.93
(iii)	Bank Guarantee	16.08	32.50
(iv)	Corporate Guarantee to Bank on behalf of Subsidiary Company	1,240.00	-
(v)	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
	2014-15	4.62	-
(vi)	Export Obligation under EPCG Scheme	30.19	30.91
B	**Capital Commitments**		
	Estimated amount of contract remaining to the executed on capital accounts	4.17	8.58

Note 38 : Employee Benefit

Note 38.1 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, 2022	Year ended March 31, 2021
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds	30.88	17.81
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	4.05	2.81

Note 38.2 Defined benefit plan

(a) Gratuity

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Company

Notes to the Financial Statements

for the year ended March 31, 2022

recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. The Company accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date. The Company contributes all ascertained liabilities towards gratuity to the Fund. The plan assets have been primarily invested in insurer managed funds. The company provides for gratuity, a defined benefit retiring plan covering eligible employees. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the company.

(b) Defined Benefit Plan

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Gratuity

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.95%	6.35%
Expected rate(s) of salary increase	6.00%	6.00%
Rate of return on plan assets	6.95%	6.35%

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, 2022

(₹ In Million)

Particulars	March 31, 2022 Gratuity (Funded)	March 31, 2021 Gratuity (Funded)
Changes in the present value of obligation		
1. Present value of obligation (Opening)	27.37	24.05
2. Interest cost	1.68	1.53
3. Past service cost adjustments/Prior year Charges	-	-
4. Current service cost	9.85	8.10
5. Curtailment Cost / (Gain)	-	-
6. Settlement Cost / (Gain)	-	-
7. Benefits paid	(3.17)	(3.10)
8. Actuarial (Gain) / Loss arising from change in financial assumptions	(2.06)	0.47
9. Actuarial (Gain) / Loss arising from change in demographic assumptions	-	-
10. Actuarial (Gain) / Loss arising from change on account of experience changes	5.97	(3.68)
11. Present value of obligation (Closing)	**39.63**	**27.37**
Changes in the fair value of plan assets		
1. Present value of plan assets (Opening)	25.15	19.83
2. Past contribution / Adjustment to Opening Fund	-	-
3. Expected return on plan assets	(0.61)	(0.74)
4. Interest Income	1.84	1.53
5. Actuarial Gain / (Loss)	-	-
6. Employers Contributions	10.37	7.63
7. Employees Contributions	-	-
8. Benefits paid	(3.17)	(3.10)
9. Expense deducted from the fund		-
10. Fair Value of Plan Assets (Closing)	**33.58**	**25.15**
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 Financial Statements

for the year ended March 31, 2022

Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(₹ In Million)

Particulars	March 31, 2022 Gratuity	March 31, 2021 Gratuity
Present Value of funded obligation at the end of the year	39.63	27.37
Fair Value of Plan Assets as at the end of the period	33.58	25.15
Amount not recognised due to asset limit		
Deficit of funded plan	6.04	2.21
Deficit of unfunded plan	-	-
- Current	6.04	2.21
- Non-Current	-	-

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, 2022 Gratuity	March 31, 2021 Gratuity
Current Service Cost	9.85	8.10
Past Service Cost	-	-
Adjustment to opening fund	-	-
Net interest Cost	(0.16)	(0.00)
Net value of remeasurement on the obligation and plan assets	-	-
Adjustment to Opening Fund	-	-
(Gains)/Loss on Settlement	-	-
Total Expenses recognized in the Statement of Profit and Loss #	9.69	8.09

(₹ In Million)

Amount recorded in Other comprehensive Income (OCI)	March 31, 2022 Gratuity	March 31, 2021 Gratuity
Re-measurements during the year due to		
Changes in financial assumptions	(2.06)	0.47
Changes in demographic assumptions	-	-
Experience adjustments	5.97	(3.68)
Return on plan assets excluding amounts included in interest income	0.61	0.74
Amount recognised in OCI during the year	**4.51**	**(2.48)**

(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, 2022	March 31, 2021		March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Discount rate	0.50%	0.50%	Decrease by	4.01%	4.17%	Increase by	4.31%	4.49%
Salary growth rate	0.50%	0.50%	Increase by	4.07%	4.19%	Decrease by	3.84%	4.24%

Notes to the Financial Statements

for the year ended March 31, 2022

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 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	%		(₹ In Million)	
Insurer managed funds	100.00%	100.00%	33.58	25.15
Total	**100.00%**	**100.00%**	**33.58**	**25.15**

(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, 2023 is ₹ 6.04 Million

The weighted average duration of the defined benefit obligation is **8.68 years (2021 - 8.67 years).**

The expected maturity analysis of undiscounted post -employment benefit plan (gratuity) is as follows:

Gratuity

(₹ In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Cash Flow (₹)	(%)	Cash Flow (₹)	(%)
1st following year	2.75	3.40%	1.74	3.30%
2nd following year	3.04	3.80%	1.95	3.70%
3rd following year	4.50	5.60%	2.15	4.00%
4th following year	3.25	4.00%	3.25	6.10%
5th following year	3.88	4.80%	2.26	4.20%
Sum of year 6 to 10th	18.64	23.00%	12.79	24.10%

Notes to the Financial Statements

for the year ended March 31, 2022

Note 39 : 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.

Note 40 : Related Party Disclosures for the year ended March 31, 2022

(a) Details of Related Parties

Description of Relationship	Names of Related Parties
Promoter Entities	Shah Family Trust
	Zodiac Mediquip Limited
Subsidiary companies & LLPs	Shalby (Kenya) Limited
	Vrundavan Shalby Hospitals Limited
	Yogeshwar Healthcare Limited
	Slaney Healthcare Private Limited
	Mars Medical Devices Limited
	Shalby Hospitals Mumbai Pvt Ltd
	Shalby International Limited (Earlier known as Shalby Pune Limited)
	Shalby Global technologies PTE.LTD. (w.e.f 3rd May 2021)
	Shalby Advanced Technologies, Inc. (w.e.f 23rd March 2021)
	Griffin Mediquip LLP (Earlier known as Shalby Orthopaedic LLP)
Key Management Personnel (KMP)	Dr. Vikram I. Shah
	Mr. Sushobhan Dasgupta (w.e.f. 17/05/2021)
	Mr. Prahlad Inani (Upto 15/12/2021)
	Mr. Jayesh Patel (Up to 06/03/2021)
	Dr. Nishita Shukla
	Mr. Tushar Shah (w.e.f. 06/03/2021)
	Mr. Venkat Parasuraman (w.e.f. 15/01/2022)
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

(b) Key management personnel compensation

(₹ In Million)

Particulars	2021-22	2020-21
Short-term employee benefits	17.25	13.29
Termination benefits	-	-
Total Compensation	**17.25**	**13.29**

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for the year ended March 31, 2022

(c) Details of transactions with related parties for the year ended March 31, 2022 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	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	**Professional Fees**										
	Dr. Vikram I. Shah	-	-	-	-	8.41	-	-	-	8.41	-
	Dr. Darshini V. Shah	-	-	-	-	15.82	-	-	-	15.82	-
2	**Advance received back**										
	Yogeshwar Healthcare Limited	0.14	1.63	-	-	-	-	-	-	0.14	1.63
	Shalby Hospitals Mumbai Private Limited	0.10	-	-	-	-	-	-	-	0.10	-
	Mars Medical Devices Limited	0.30	-	-	-	-	-	-	-	0.30	-
	Shalby International Limited	-	0.14	-	-	-	-	-	-	-	0.14
3	**Advances received back towards Reimbursement of Expenditure**										
	Dr. Vikram I. Shah	-	-	-	-	0.11	-	-	-	0.11	-
	Slaney Healthcare Private Limited	0.05	-	-	-	-	-	-	-	0.05	-
	Shalby Advanced Technologies, Inc.	27.82	-	-	-	-	-	-	-	27.82	-
	Shalby International Limited	0.10	-	-	-	-	-	-	-	0.10	-
	Yogeshwar Healthcare Limited	1.40	-	-	-	-	-	-	-	1.40	-
	Vrundavan Shalby Hospitals Limited	0.80	1.35	-	-	-	-	-	-	0.80	1.35
4	**Advances given**										
	Dr. Vikram I. Shah	-	-	-	-	0.11	-	-	-	0.11	-
	Vrundavan Shalby Hospitals Limited	0.56	0.94	-	-	-	-	-	-	0.56	0.94
	Yogeshwar Healthcare Limited	0.14	1.03	-	-	-	-	-	-	0.14	1.03
	Shalby International Limited	0.13	0.12	-	-	-	-	-	-	0.13	0.12
	Shalby Hospitals Mumbai Private Limited	-	0.10	-	-	-	-	-	-	-	0.10
	Shalby Advanced Technologies, Inc.	27.47	-	-	-	-	-	-	-	27.47	-
	Slaney Healthcare Private Limited	-	-	-	-	-	-	-	-	-	-
	Shalby Kenya Limited	2.30	1.30	-	-	-	-	-	-	2.30	1.30
5	**Capital withdrawal**										
	Griffin Mediquip LLP										
	Current Capital	45.00	-	-	-	-	-	-	-	45.00	-
6	**Share of Profit/(Loss)**										
	Griffin Mediquip LLP	2.97	(1.31)	-	-	-	-	-	-	2.97	(1.31)

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for the year ended March 31, 2022

(₹ In Million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
7	**Purchase of medicines, materials and consumables**										
	Griffin Mediquip LLP	264.97	200.88	-	-	-	-	-	-	264.97	200.88
8	**Rent Expenses**										
	Dr. Vikram I. Shah	-	-	-	-	11.91	12.88	-	-	11.91	12.88
	Shalby Orthopaedic Hospital and Research Centre	-	-	-	-	-	-	0.60	0.60	0.60	0.60
	Yogeshwar Healthcare Limited	-	0.42	-	-	-	-	-	-	-	0.42
9	**Rent Income**										
	Griffin Mediquip LLP	0.06	0.06	-	-	-	-	-	-	0.06	0.06
	Slaney Healthcare Private Limited	0.22	0.65	-	-	-	-	-	0.32	0.22	0.97
10	**Salary**										
	Prahlad Inani	-	-	-	-	5.05	5.51	-	-	5.05	5.51
	Mr. Shanay V. Shah	-	-	-	-	5.60	4.35	-	-	5.60	4.35
	Mr. Jayesh Patel	-	-	-	-	-	1.75	-	-	-	1.75
	Mr. Tushar Shah	-	-	-	-	3.46	0.24	-	-	3.46	0.24
	Dr. Nishita Shukla	-	-	-	-	7.02	5.78	-	-	7.02	5.78
	Mr. Venkat Parasuraman	-	-	-	-	1.72	-	-	-	1.72	-
11	**Commission Expense**										
	Zodiac Mediquip Limited	-	-	0.87	0.10	-	-	-	-	0.87	0.10
	Shalby Advance Technologies, Inc.	1.71	-	-	-	-	-	-	-	1.71	-
12	**Guest House Expenses**										
	Zodiac Mediquip Limited	-	-	1.79	1.71	-	-	-	-	1.79	1.71
13	**Acquisition of Equity Shares of Slaney Healthcare Private Limited**										
	Zodiac Mediquip Limited	-	-	-	11.21	-	-	-	-	-	11.21
14	**Investment made during the year**										
	Mars Medical Devices Limited	249.50	-	-	-	-	-	-	-	249.50	-
15	**Interest on Capital**										
	Griffin Mediquip LLP	2.04	5.49	-	-	-	-	-	-	2.04	5.49
16	**Loan given during the year**										
	Mars Medical Devices Limited	169.38	-	-	-	-	-	-	-	169.38	-
17	**Loan received back during the year**										
	Mars Medical Devices Limited	0.30	-	-	-	-	-	-	-	0.30	-
18	**Interest Income on Loan**										
	Mars Medical Devices Limited	1.20	-	-	-	-	-	-	-	1.20	-

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for the year ended March 31, 2022

(d) Amount due to / from related parties as at March 31, 2022

(₹ In Million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	**Trade Payable**										
	Dr. Vikram I. Shah	-	-	-	-	1.61	-	-	-	1.61	-
	Dr. Darshini V. Shah	-	-	-	-	3.05	-	-	-	3.05	-
	Uranus Medical Devices Limited	-	-	-	-	-	-	-	-	-	-
	Friends of Shalby Foundation	-	-	-	-	-	-	-	0.01	-	0.01
	Griffin Mediquip LLP	118.51	123.61	-	-	-	-	-	-	118.51	123.61
	Zodiac Mediquip Limited	-	-	0.08	-	-	-	-	-	0.08	-
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 Hospitals Mumbai Private Limited	0.10	0.10	-	-	-	-	-	-	0.10	0.10
	Slaney Healthcare Private Limited	11.21	11.21	-	-	-	-	-	-	11.21	11.21
	Mars Medical Devices Limited	250.00	0.50	-	-	-	-	-	-	250.00	0.50
	Shalby International Limited	0.50	0.50	-	-	-	-	-	-	0.50	0.50
3	**Loans and Advances**										
	Mars Medical Devices Limited	169.08	-	-	-	-	-	-	-	169.08	-
	Shalby Kenya Limited	9.55	7.25	-	-	-	-	-	-	9.55	7.25
	Shalby Hospitals Mumbai Private Limited	-	0.10	-	-	-	-	-	-	-	0.10
	Vrundavan Shalby Hospitals Limited	96.73	96.97	-	-	-	-	-	-	96.73	96.97
4	**Rent Payable**										
	Dr. Vikram I. Shah	-	-	-	-	1.15	1.10	-	-	1.15	1.10
	Shalby Orthopaedic Hospital and Research Centre	-	-	-	-	-	-	0.05	-	0.05	-
5	**Other Receivables**										
	Slaney Healthcare Private Limited	0.23	-	-	-	-	-	-	0.61	0.23	0.61
	Mars Medical Devices Limited	1.08	-	-	-	-	-	-	-	1.08	-
	Shalby Advanced Technologies, Inc.	1.97	-	-	-	-	-	-	-	1.97	-
	Shalby International Limited	0.03	-	-	-	-	-	-	-	0.03	-

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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	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	Griffin Mediquip LLP	0.00	-	-	-	-	-	-	-	0.00	-
6	**Other Payable**										
	Dr. Vikram I. Shah	-	-	-	-	-	-	-	-	-	-
	Vrundavan Shalby Hospitals Limited	-	0.78	-	-	-	-	-	-	-	0.78
	Yogeshwar Healthcare Limited	-	-	-	-	-	-	-	-	-	-
7	**Capital contribution**										
	Griffin Mediquip LLP	-	-	-	-	-	-	-	-		
	Fixed	0.48	0.48	-	-	-	-	-	-	0.48	0.48
	Current	7.94	47.93	-	-	-	-	-	-	7.94	47.93

Note 41 : 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, 2022	As at March 31, 2021
Total equity attributable to the equity share holders of the company	9,067.23	8,496.49
As percentage of total capital	**116.80%**	**109.65%**
Current loans and borrowings	159.72	85.33
Non-current loans and borrowings	253.34	355.00
Total loans and borrowings	**413.06**	**440.33**
Cash and Bank balances including Fixed Deposit	1,717.18	1,188.20
Net loans & borrowings	**(1,304.12)**	**(747.87)**
As a percentage of total capital	**(16.80%)**	**(9.65%)**
Total capital (loans and borrowings and equity)	**7,763.11**	**7,748.61**

Note 42 : Fair value measurements

A. Financial instruments by category

(₹ In Million)

Particulars	March 31, 2022			March 31, 2021		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Assets						
Investments	373.94	246.98	-	164.70	156.32	-
Trade and other receivables	943.00	-	-	929.95	-	-
Cash and cash Equivalents	494.39	-	-	60.23	-	-
Other bank balances	549.87	-	-	769.45	-	-
Other financial assets	997.55	-	-	485.10	-	-
Total Financial Assets	**3,358.74**	**246.98**	-	**2,409.43**	**156.32**	-

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for the year ended March 31, 2022

(₹ In Million)

Particulars	March 31, 2022			March 31, 2021		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Liabilities						
Borrowings	413.06	-	-	440.33	-	-
Lease Liabilities	95.86			100.94		
Trade payables	613.08	-	-	594.87	-	-
Other financial liabilities	103.91	-	-	57.79	-	-
Total Financial Liabilities	**1,225.91**	**-**	**-**	**1,193.93**	**-**	**-**

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.

B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2022

(₹ In Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	45.04	-	-	45.04
- Bond	201.94			201.94
Total	**246.98**	**-**	**-**	**246.98**

Financial assets measured at fair value at March 31, 2021

(₹ In Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	155.22	-	-	155.22
- Membership fees	-	-	1.10	1.10
Total	**155.22**	**-**	**1.10**	**156.32**

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.

Notes to the Financial Statements

for the year ended March 31, 2022

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.

Note 43 : 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	Ageing 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

Notes to the Financial Statements

for the year ended March 31, 2022

(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.

The provision matrix of ECL at the end of the reporting period is as follows.

Particulars	Expected Credit Loss %
Within 90 days due	3.41%
90 to 180 days due	7.12%
180 to 270 days	11.60%
270 to 360 days	16.61%
360 to 450 days	23.49%
450 to 540 days	30.12%
540 to 630 days	34.95%
630 to 720 days	40.15%
720 to 810 days	47.71%
810 to 900 days	57.81%
900 to 990 days	71.13%
990 to 1080 days	88.40%
(> 1080 days)	100.00%

Reconciliation of loss allowance provision

Trade receivables

(₹ In Million)

Particulars	
Loss allowance as on March 31, 2021	63.99
Changes in loss allowance	84.66
Loss allowance as on March 31, 2022	148.65

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.

Notes to the Financial Statements

for the year ended March 31, 2022

(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, 2022	March 31, 2021
Cash and cash equivalents	494.39	60.23

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, 2022

(₹ In Million)

Financial Liabilities	Less than 1 year	1-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	109.77	253.34	-
Lease Liabilities	-	49.43	36.40
Other Financial Liabilities	-	4.33	-
	109.77	**307.10**	**36.40**
Current financial liabilities			
Borrowings^	49.96	-	-
Lease Liabilities	10.02	-	-
Trade payables	613.08	-	-
Other Financial Liabilities	99.57	-	-
	772.64	**-**	**-**
Total financial liabilities	**882.40**	**307.10**	**36.40**

^ Borrowings are disclosed net of processing charges.

As at March 31, 2021

(₹ In Million)

Financial Liabilities	Less than 1 year	1-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	85.33	355.00	-
Lease Liabilities		42.96	49.63
Other Financial Liabilities	-	5.02	-
	85.33	**402.98**	**49.63**
Current financial liabilities			
Lease Liabilities	8.34	-	-
Trade payables	594.87	-	-
Other Financial Liabilities	52.77	-	-
	655.98	**-**	**-**
Total financial liabilities	**741.31**	**402.98**	**49.63**

^ Borrowings are disclosed net of processing charges.

Notes to the Financial Statements

for the year ended March 31, 2022

(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.

(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 $. 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	As at March 31, 2022		As at March 31, 2021	
	Amount in USD	Amount	Amount in USD	Amount
Financial Assets				
Other Financial Assets	0.03	1.92	-	-
Total-Financial assets	0.03	1.92	-	-
Financial liabilities				
Borrowings	-	-	-	-
Total financial liabilities	-	-	-	-

Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2022 and March 31, 2021 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.

(Amount in Million)

Particulars	Profit or Loss			
	March 31, 2022		March 31, 2021	
	Strengthening	Weakening	Strengthening	Weakening
USD (Increase/decrease by 1%)	(0.02)	0.02	-	-
Total	**(0.02)**	**0.02**	**-**	**-**

(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.

Notes to the Financial Statements

for the year ended March 31, 2022

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, 2022	As at March 31, 2021
Fixed rate borrowings	1.74	4.20
Floating rate borrowings	411.32	436.13
Total	**413.06**	**440.33**

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, 2022	Year ended March 31, 2021
Impact on profit – increase in 50 basis points	2.06	2.18
Impact on profit – decrease in 50 basis points	(2.06)	(2.18)

(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.

Note 44 : Leases

(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, 2022	As at March 31, 2021
Right-of-use assets, except for investment property	88.93	96.86

(B) Carrying value of right of use assets at the end of the reporting period by class

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	96.86	47.35
Addition during the year	5.80	57.03
Depreciation charge for the year	13.72	7.53
Balance at closing of the year	88.93	96.86

Notes to the Financial Statements

for the year ended March 31, 2022

(C) Maturity analysis of lease liabilities

(₹ In Million)

Maturity analysis – Contractual undiscounted cash flows	As at March 31, 2022	As at March 31, 2021
Less than one year	16.57	15.30
One to five years	67.20	63.83
More than five years	50.65	66.96
Total undiscounted lease liabilities at March 31, 2021	**134.42**	**146.08**
Lease liabilities included in the statement of financial position at March 31, 2022	**95.86**	**100.94**
Current	10.02	8.34
Non-Current	**85.83**	**92.59**

(D) Amounts recognised in profit or loss

(₹ In Million)

Particulars	2021-22	2020-21
Interest on lease liabilities	7.25	4.90
Variable lease payments not included in the measurement of lease liabilities	13.57	13.58
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	4.11	7.32

(E) Amounts recognised in the statement of cash flows

(₹ In Million)

Particulars	2021-22	2020-21
Total cash outflow for leases	28.88	28.69

Note 45 : Ageing Schedule

45.1 : Trade Receivables

(₹ In Million)

Particulars	Outstanding as on March 31, 2022 for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable-Considered good	87.10	518.71	187.65	130.07	120.70	43.62	1,087.86
Undisputed trade receivable-Significant increase in credit risk		-	-	-	-	-	-
Undisputed Trade Receivable-Credit Impaired		-	-	-	-	3.79	3.79
Gross Trade Receivable	**87.10**	**518.71**	**187.65**	**130.07**	**120.70**	**47.41**	**1,091.65**
Less: Allowance for expected credit loss							(144.86)
Less: Allowance for doubtful debts							(3.79)
Total							**943.00**

Notes to the Financial Statements

for the year ended March 31, 2022

(₹ In Million)

Particulars	Outstanding as on March 31, 2021 for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable-Considered good	68.57	522.01	110.86	186.15	85.19	17.37	990.15
Undisputed trade receivable-Significant increase in credit risk		-	-	-	-	-	-
Undisputed Trade Receivable-Credit Impaired		-	-	-	-	3.79	3.79
Gross Trade Receivable	**68.57**	**522.01**	**110.86**	**186.15**	**85.19**	**21.16**	**993.94**
Less: Allowance for expected credit loss							(60.20)
Less: Allowance for doubtful debts							(3.79)
Total							**929.95**

Note 45.2 : Trade Payables

(₹ In Million)

Particulars	Outstanding as on March 31, 2022 for following periods from due date of payment					Total
	Not Due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	-	-	-	-	-
Others	444.88	137.08	15.05	10.86	5.20	613.08
Total	**444.88**	**137.08**	**15.05**	**10.86**	**5.20**	**613.08**

Particulars	Outstanding as on March 31, 2021 for following periods from due date of payment					Total
	Not Due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	-	-	-	-	-
Others	36.01	521.41	31.62	2.66	3.18	594.87
Total	**36.01**	**521.41**	**31.62**	**2.66**	**3.18**	**594.87**

Note 46 : Due to Micro, Small and Medium Enterprise and confirmations

(a) Due to Micro, Small and Medium Enterprise

(₹ In Million)

Sr. No.	Particulars	March 31, 2022	March 31, 2021
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

Notes to the Financial Statements

for the year ended March 31, 2022

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 47 : Corporate social Responsibility

(a) Details of CSR Expense

(₹ In Million)

Particulars	Amount as on March 31, 2022	Amount as on March 31, 2021
Amount required to be spent during the year	10.95	11.09
Amount actually spent :		
Construction / acquisition of any assets	11.00	7.00
On purposes other than above	-	30.54
Shortfall at the end of year	-	-
Total of previous years shortfall	-	24.41
Total of excess spend to be carried forwarded	2.10	2.05
Reason for such shortfall :	NA	NA
Nature of CSR activities :	Construction and development of Gaushala, Education and Employment to Girl Child, Reduce Risk of COVID-19 community spread & Spread awareness about Drug Usage in Youth	
Details of related party transactions :	Nil	Nil

Note 48 : 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, 2022	March 31, 2021
Revenue from Sale of Products	131.65	109.48
Revenue from Sale of Services	6,336.31	4,076.79
Total Revenue	**6,467.95**	**4,186.26**

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segment wise

(₹ In Million)

Particulars	March 31 2022	March 31, 2021
Revenue from Sale of Services		
In Patient Discharge		
Domestic	5,490.38	3,500.49
Overseas	42.56	13.08
Out Patient Discharge	453.62	462.61
Clinical Trials	7.24	3.95
Event Income	6.88	2.19
Allied Services	245.24	23.29
Other operative Income	90.39	71.17
Total Revenue from Sale of services	**6,336.31**	**4,076.79**
Revenue from Sale of Products		
Revenue from Medicines & Medicare Items	131.65	109.48
Total Revenue from Contract with Customers	**6,467.95**	**4,186.26**

Notes to the Financial Statements

for the year ended March 31, 2022

Contract Asset

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Opening Balance of Contract Asset	68.57	58.09
Revenue Recognised from the opening balance of contract liability	68.57	58.09
Current year Contract asset - Carried Forward	87.10	68.57
Closing Balance of Contract Asset	**87.10**	**68.57**

Contract Liability

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Opening Balance of Contract Liability	35.12	6.40
Revenue Recognised from the opening balance of Contract Liability	35.12	6.40
Current year Contract liability - Carried Forward	28.52	35.12
Closing Balance of Contract Liability	**28.52**	**35.12**

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 4.8 of Note No. 4.

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 49 : 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, 2022 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	-	-	0.03	-	-	-	1.92	-

Notes to the Financial Statements

for the year ended March 31, 2022

Note 50 : Key Ratios

Sr. No.	Ratio	Formula	UOM	Amount as on March 31, 2022	Ratio as on March 31, 2022	Amount as on March 31, 2021	Ratio as on March 31, 2021	% Deviation	Reasons for Variance above 25%
1	**Current Ratio**								
	Current Assets	Current Assets / Current Liability	Times	3,462.19	**3.56**	2,640.03	**3.21**	**11.01%**	
	Current Liabilities			973.06		823.70			
2	**Debt-to-equity Ratio**								
	Total Debt	Total Debt / Share Holder's Equity	Times	414.23	**0.046**	441.53	**0.052**	**(12.09)%**	
	Shareholder's Equity			9,067.23		8,496.49			
3	**Debt Service Coverage Ratio**								
	Earnings available for debt service*	Earnings available for debt service / Interest + Principal Service	Times	1,374.87	**13.81**	952.51	**4.55**	**203.72%**	Increase in Operating profit due to increase in operations as well as decrease in repayment as per schedule
	Debt Service			99.53		209.42			
4	**Return on Equity Ratio**								
	Net Profit after Tax	Net Profits after taxes - Preference Dividend (if any) / Average Shareholder's Equity	%	698.06	**7.95%**	428.80	**5.16%**	**54.18%**	Increase in Operating profit due to increase in operations
	Average Shareholder's Equity			8,781.86		8,317.21			
5	**Inventory Turnover Ratio**								
	Cost of Goods Sold	Cost of Goods Sold / Average Inventory	Times	1,796.88	**9.04**	1,048.68	**6.05**	**49.49%**	Increase in volume of OP pharmacy sales
	Average Inventory			198.84		173.47			
6	**Receivables Turnover Ratio**								
	Net Credit Sales	Net Credit Sales / Average Accounts Receivable	Times	3,441.13	**3.67**	1,884.90	**2.10**	**74.61%**	Increase in Operation with same level of receivables
	Average Receivables			936.47		895.67			
7	**Payables Turnover Ratio**								
	Purchases	Net Credit Purchases / Average Accounts Payable	Times	4,264.86	**7.06**	2,687.81	**4.49**	**57.40%**	Increase in Operation with same level of payables
	Average Payables			603.97		599.11			

Notes to the Financial Statements

for the year ended March 31, 2022

Sr. No.	Ratio	Formula	UOM	Amount as on March 31, 2022	Ratio as on March 31, 2022	Amount as on March 31, 2021	Ratio as on March 31, 2021	% Deviation	Reasons for Variance above 25%
8	**Net capital turnover Ratio**								
	Net Sales	Net Sales/ Working Capital (CA-CL)	Times	6,471.60	**3.01**	4,186.69	**2.47**	**21.72%**	
	Average Working Capital			2,152.73		1,695.20			
9	**Net profit ratio**								
	Profit After Tax	Net Profit / Net Sales	%	698.06	**10.58%**	428.80	**10.01%**	**5.67%**	
	Net Sales			6,597.95		4,282.85			
10	**Return on Capital employed Ratio**								
	EBIT	Earning before interest and taxes / Capital Employed	%	1,019.85	**10.36%**	585.85	**6.39%**	**62.16%**	Increase in Operating profit due to increase in operations
	Capital Employed			9,841.38		9,167.39			
11	**Return on investment Ratio**								
	Earnings from Investment	Net Return On Investment / Average Investment	%	698.06	**7.95%**	428.80	**5.16%**	**54.18%**	Increase in Operating profit due to increase in operations
	Average Investment			8,781.86		8,317.21			

* Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

Notes to the Financial Statements

for the year ended March 31, 2022

Note 51 : Disclosure to Reporting under Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

The company (Funding Party) has made investment and provided loan to its subsidiary company Mars Medical Devices Limited (intermediary) for the purpose of investing or giving advances to the intermediary's wholly owned subsidiaries (ultimate beneficiary) Shalby Advanced Technologies and Shalby Global Technologies PTE. Limited

Period of Funds given to intermediary	Period of Funds given to ultimate Beneficiary	(₹ In Million)	Details of Intermediary	Details of Ultimate Beneficiary
May 2021	May 2021	220.50	Mars Medical Devices Limited (U33100GJ2020PLC113358) Shalby Hospitals, Opp. Karnavati Club, S G Highway, Ahmedabad 380015	Shalby Advanced Technologies Inc. 1209, Orange Street, Wilmington, Delaware 19801, County of New Castle.
January 2022	January 2022	74.70		
February 2022	February 2022	12.25		
March 2022	March 2022	59.75		
May 2021	August 2021	13.33		Shalby Global Technologies PTE. LTD. (UEN : 202115761C) 11, Collyer Quay, #17-00, The Arcade, Singapore 049317
May 2021	November 2021	11.68		
March 2022	March 2022	19.71		
Total		**411.91**		

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), to the extent applicable, the Companies Act, 2013 for such transaction and this transaction is not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Note 52 : Other Statutory Information

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

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

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

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

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

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

(e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) except disclosed in Note 51 with the understanding that the Intermediary shall:

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

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

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

(g) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Notes to the Financial Statements

for the year ended March 31, 2022

(h) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(i) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

(j) The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at March 31, 2022.

Note 53 : The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has received Presidential assent and has been published in the Gazette of India. However, the effective date of the Code and final rules for quantifying the financial impact are yet to be notified. The Group will assess the impact of the Code when relevant provisions are notified and will record related impact, if any, in the period the Code becomes effective.

Note 54 : Company has acquired Land on lease at Indore in year 2019 for a period of 30 years with a plan for additional unit at Indore. Due to change in local business estimates, management decided to liquidate the said land and accordingly one-time loss amounting to ₹ 44.37 Million on relinquishment of right of use of land has been recognized as expense in exceptional item in the financial statement.

Note 55 : 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 56 : Previous Year Figures are regrouped / reclassified wherever required in order to make it comparable in line with the amendments in Schedule III, Division II to the companies Act, 2013 effective from April 1, 2021.

Note 57 : Balances of Sundry Creditors, Sundry debtors, Loans & advances, etc. are subject to confirmation and reconciliation, if any.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

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, 2022, 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") 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 Group as at March 31, 2022, 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 in accordance with the Standards on Auditing (SAs) 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 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 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.

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, 2022 amounts to ₹ 131.92 million. Based on the property valuation report from an independent civil engineer \ registered valuer, 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, 2022. 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 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 38 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, 2022 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, 2022 to evaluate whether any change was required to management's position on these uncertainties. We evaluated the adequacy of disclosures in the financial statements. Based on the above procedures performed, the results of management's assessment were considered to be consistent with the outcome of our procedures.
3.	**Migration of ERP System** During the year, company has migrated its accounting software from "Tally" to "SAP". 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 patient billing, procurement 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 accounting software 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 accounting software. 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 Parent's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board's Report and Annexure to Board's Report, 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 Parent's Board of Directors is responsible for the matters stated in Section 134(5) of Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with Ind AS and the accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 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 the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding 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 ability of the group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the audited financial results statements and other information in respect of 8 subsidiaries whose financial results information reflects share of total assets of ₹ 2,299.80 Million as at March 31, 2022, total revenues of ₹ 788.84 Million, total net Profit (Loss) after tax of ₹ (116.79) Million, total comprehensive income ₹ (111.32) Million for the year ended on March 31, 2022 respectively, and net cash inflow of ₹ 37.59 Million for the year ended March 31, 2022 as considered in the statement whose financial results financial information have been audited by their respective independent auditors.

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 ₹ 2.95 Million as at March 31, 2022, and total revenues of ₹ 0.49 Million, total net Profit (Loss) after tax of ₹ (2.05) Million, total comprehensive income ₹ (2.04) Million for the year ended March 31,2022 respectively and net cash outflow of ₹ (0.38) Million for the year ended March 31, 2022 as considered in the financial statement.

c. The Consolidated Financial Results includes financial results statements and other financial information, in respect of 1 subsidiary, whose financial information reflects total assets of ₹ 19.97 Million as at March 31, 2022, and total revenues of ₹ 0.00 Million, total net Profit (Loss) after tax of ₹ (36.38) Million, total comprehensive income ₹ (36.69) Million for the year ended March 31,2022 respectively and net cash inflow of ₹ 18.77 Million for the year ended March 31, 2022 as considered in the financial statement.

This financial statements financial information are unaudited unreviewed and have 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 these subsidiary, is solely based on such unaudited unreviewed financial statements financial information. In our opinion and according to the information and explanations given to us by the Board of Directors of the Parent Company, this financial statements financial information is not material to the Group.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial statements financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies incorporated in India, as noted in the 'Other Matter' paragraph we give in the "**Annexure A**" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements of the subsidiaries incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

   (c) The Consolidated Balance Sheet, the Consolidated statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Parent & Subsidiary companies as on March 31, 2022 taken on record by the Board of Directors of the Parent / Subsidiary Company incorporated in India, none of the directors of these entities is disqualified as on March 31, 2022 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 Report in "**Annexure B**", which is based on the auditor's report of the Parent Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of 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, no remuneration has been paid by the Holding 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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as referred to in Note 38 to the consolidated financial statements.

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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.

iv. (i) The Management has represented that, to the best of their knowledge and belief, other than as disclosed in the Note 51 to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) the management has represented, that, to the best of their knowledge and belief, no funds have been received by the group from any person(s) or entity (ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures, nothing has come to our notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 20 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members of the company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

Brijesh Thakkar
(Partner)
Membership No – 135556
UDIN: 22135556AJPNSR9658

Place: Ahmedabad
Date: May 25, 2022

ANNEXURE A

(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" section of our Report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Based on the CARO reports issued by the auditors of the subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

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

Brijesh Thakkar
(Partner)
Membership No – 135556
UDIN: 22135556AJPNSR9658

Place: Ahmedabad
Date: May 25, 2022

ANNEXURE B

THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHALBY LIMITED.

(Referred to in Paragraph 2(f) under the Heading of "Report on Other Legal and Regulatory Requirements" section of our Report 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 Parent Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of **SHALBY LIMITED** (hereinafter referred to as "the Parent Company") and its subsidiary Companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its Subsidiaries companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (the Guidance Note) 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 respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial control with reference to financial statements of the Parent and its subsidiary companies, which are incorporated in India, 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 statements 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditor of the subsidiary companies incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial with reference to financial statements of the Parent and its subsidiary companies incorporated in India.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial 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, to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor, as referred to in the Other Matters paragraph below, the Parent and its subsidiary Companies which are incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to financial statements established by the respective companies, 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.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to consolidated / standalone financial statements of subsidiary companies which are incorporated in India, is based solely on the corresponding reports of the auditor of such company.

Our opinion is not modified in respect of the above matter.

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

Brijesh Thakkar
(Partner)
Membership No – 135556
UDIN: 22135556AJPNSR9658

Place: Ahmedabad
Date: May 25, 2022

SHALBY LIMITED
•Passion••Compassion••Innovation•

Consolidated Balance Sheet

as at March 31, 2022

(₹ In Million)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	6,375.11	6,362.43
Capital work-in progress	5	45.12	39.94
Right of Use Assets	6	181.11	96.86
Goodwill	7	101.55	101.55
Intangible Assets	8	96.20	34.73
Intangible assets under development	8	12.54	35.25
Financial Assets			
Investments	9	0.00	1.10
Other Financial Assets	10	25.67	76.07
Income Tax Assets (Net)	11	199.58	156.26
Other non current assets	13	388.88	350.26
		7,425.76	**7,254.45**
Current assets			
Inventories	14	1,211.19	230.47
Financial assets			
Investments	9	246.98	155.22
Trade Receivables	15	1,009.87	946.88
Cash and Cash Equivalents	16	555.76	64.81
Other Bank Balances	17	549.87	770.92
Other Financial Assets	10	792.27	401.70
Other Current Assets	13	77.60	75.73
		4,443.54	**2,645.73**
Assets classified as held for sale	18	66.08	66.08
		4,509.62	**2,711.81**
Total Assets		**11,935.38**	**9,966.27**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,080.10	1,080.10
Other Equity	20	7,683.13	7,266.48
		8,763.23	8,346.58
Non Controlling Interest		(1.39)	0.16
		8,761.84	**8,346.74**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	21	873.86	355.00
Lease Liability	22	133.58	92.59
Other Financial Liabilities	23	4.33	5.02
Provisions	24	28.35	21.24
Deferred Tax Liabilities (Net)	12	305.62	227.85
Other Non-current Liabilities	25	103.22	100.34
		1,448.96	**802.04**
Current liabilities			
Financial Liabilities			
Borrowings	21	676.30	85.33
Lease Liability	22	57.00	8.34
Trade Payables	26		
- Total Outstanding dues to Micro Enterprise & Small Enterprise		1.67	-
- Total Outstanding dues to Other than Micro Enterprise & Small Enterprise		705.66	575.65
Other Financial Liabilities	23	119.05	53.38
Provisions	24	10.92	5.69
Other Current liabilities	25	153.54	88.69
		1,724.14	**817.08**
Liabilities directly associated with assets classified as held for sale	18	0.44	0.41
		1,724.58	**817.49**
Total Equity and Liabilities		**11,935.38**	**9,966.27**

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
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ In Million)

Particulars	Notes	For the Year ended March 31, 2022	For the Year ended March 31, 2021
INCOME			
Revenue from Operations	27	6,989.45	4,308.96
Other Income	28	124.22	90.62
Total Income		**7,113.67**	**4,399.58**
EXPENSES			
Cost of Material Consumed	29	196.04	-
Operative expenses	30	3,527.23	2,149.22
Purchase of stock in trade	31	1,167.03	342.97
Changes in inventories	32	(947.10)	4.03
Employee benefits expense	33	1,184.13	569.57
Finance Cost	34	59.01	36.19
Depreciation and Amortization	35	428.70	367.95
Other Expenses	36	662.80	379.11
Total Expenses		**6,277.84**	**3,849.04**
Profit before exceptional items and tax		**835.83**	**550.55**
Exceptional Items	53	(44.37)	-
Profit Before Tax		**791.46**	**550.55**
Current tax		188.67	96.87
Adjustment of earlier years		(11.90)	(17.51)
MAT Credit Entitlement		(158.73)	(76.72)
Deferred tax		233.71	124.29
Total tax expense:		**251.75**	**126.93**
Profit for the year from continuing operations		**539.71**	**423.62**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		(4.42)	2.45
Income tax effect on above		1.56	(0.82)
Gain on measurement of equity instruments at FVTOCI		-	-
Gain/ (Loss) arising from translating the financial statement of foreign Operation		5.09	-
Income tax effect on above		-	-
		2.23	**1.63**
Total comprehensive income for the year, net of tax		**541.93**	**425.25**
Profit for the year attributable to			
Owners of the Company		541.25	423.96
Non Controlling Interest		(1.54)	(0.34)
		539.71	**423.62**
Other comprehensive income attributable to			
Owners of the Company		2.23	1.63
Non Controlling Interest		-	-
		2.23	**1.63**
Total comprehensive income for the year attributable to			
Owners of the Company		543.48	425.59
Non Controlling Interest		(1.55)	(0.34)
		541.93	**425.25**
Earning per Equity Share			
Basic (In ₹)		**5.00**	**3.92**
Diluted (In ₹)		**5.00**	**3.92**

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
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(₹ In Million)

Particulars			As At March 31, 2022	As At March 31, 2021
A.	**Cash flow from Operating Activities**			
	Net Profit before Tax as per Statement of Profit & Loss		791.46	550.55
	Adjustments for			
	Depreciation and Amortisation		428.70	367.95
	Finance cost		59.01	36.19
	Interest Income			-
	- on fixed deposits with Bank		(72.14)	(52.30)
	Gain on Sale of Investment		(3.69)	(1.70)
	Loss/(gain) on sale of property plant & equipment (net)		44.21	15.73
	Provision for doubtful debts		84.97	2.74
	Investment Written Off		1.10	-
	Net Loss/(Gain) on foreign exchange fluctuations		(0.16)	-
	Sundry balances written off		-	7.20
	Sundry balances written back		(7.19)	(0.12)
	Operating profit before working capital changes		1,326.28	926.24
	Adjustments for			
	(Increase) / Decrease in Inventories		(980.72)	(52.93)
	(Increase) / Decrease in Trade receivables		(147.96)	83.89
	(Increase) / Decrease in Other Non current financial assets		(4.97)	(2.15)
	(Increase) / Decrease in Other current financial asset		(11.56)	(76.41)
	(Increase) / Decrease in Other non current asset		(38.62)	0.72
	(Increase) / Decrease in Other current assets		(1.83)	(10.19)
	Increase / (Decrease) in Trade Payables		138.80	(33.37)
	Increase / (Decrease) in Provisions		7.92	4.76
	Increase / (Decrease) in Other Non current financial liabilities		(0.69)	(1.08)
	Increase / (Decrease) in Other Non current liabilities		2.88	(9.26)
	Increase / (Decrease) in Other current financial liabilities		64.63	14.91
	Increase / (Decrease) in Other current liabilities		64.85	37.32
	Cash generated from operations		419.02	882.45
	Direct taxes Refund / (Paid)		(229.85)	(91.00)
	Net Cash from / (used in) Operating Activities	**[A]**	**189.17**	**791.46**
B.	**Cash flow from Investing Activities**			
	Purchase of property, plant and equipment		(753.94)	(208.58)
	Proceeds from Sale of Capital Assets		271.15	-
	Payment for purchase of investments		(4,230.32)	(155.22)
	Proceeds from Sale of Investment		4,142.36	280.48
	(Investment in) / Proceed from Bank Deposit		(104.53)	(468.14)
	Interest received		72.46	49.27
	Acquisition of equity shares		-	(10.49)
	Net Cash from / (used in) Investing Activities	**[B]**	**(602.82)**	**(512.67)**
C.	**Cash flow from financing activities**			
	Repayment of Borrowing		(86.10)	(201.83)

Consolidated Cash Flow Statement

for the year ended March 31, 2022

(₹ In Million)

Particulars		As At March 31, 2022	As At March 31, 2021
Proceeds from Short term borrowing		49.96	-
Proceeds from borrowing		1,145.97	-
Repayment of Finance lease liabilities		(56.71)	(9.90)
Interest paid		(40.52)	(32.84)
Dividend Paid		(108.01)	(54.00)
Net cash from / (used in) Financing Activities	**[C]**	**904.59**	**(298.57)**
	[A+B+C]	**490.95**	**(19.79)**
Opening balance of Cash and cash equivalents		64.81	84.63
Closing balance of Cash and cash equivalents		**555.76**	**64.85**
Components of Cash and cash equivalent (Refer Note no:-16)			
Balances with scheduled banks		252.77	55.06
Fixed Deposits with maturity less than 3 months		297.05	-
Cash in hand		5.94	9.75
Cash and cash equivalents classified as held for sale		-	0.04
Total		**555.76**	**64.85**

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, 2021	Proceeds	Repayments	March 31, 2022
Borrowings	440.33	1,195.93	86.10	1,550.16

Particulars	April 1, 2020	Proceeds	Repayments	March 31, 2021
Borrowings	622.17	-	181.84	440.33

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

SHALBY LIMITED
•Passion••Compassion••Innovation•

Consolidated Statement of changes in Equity

for the year ended March 31, 2022

A. Equity share capital

(₹ In Million)

As at April 1, 2020	**1,080.10**
Changes due to prior period errors	-
Restated Balance as April 1, 2021	**1,080.10**
Changes during the year 2020 - 2021	-
As at March 31, 2021	**1,080.10**
Changes due to prior period errors	-
Restated Balance as April 1, 2021	**1,080.10**
Changes during the year 2021-22	-
As at March 31, 2022	**1,080.10**

B. Other equity

(₹ In Million)

Particulars	Reserves and Surplus				Items of OCI		Equity attributable to the shareholders of Company	Non-Controlling Interest	Total Equity
	Securities Premium	Capital Redemption reserve	Retained Earnings	Capital Reserve on consolidation	Remeasurement of Defined Plans	Foreign Currency Translation Reserve			
Balance as at April 1, 2020	4,472.94	5.33	2,422.80	9.18	1.32	-	6,911.57	0.50	6,912.07
Changes in accounting policies or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2020	**4,472.94**	**5.33**	**2,422.80**	**9.18**	**1.32**	**-**	**6,911.57**	**0.50**	**6,912.07**
Profit for the year	-	-	423.97	-	-	-	423.97	(0.34)	423.63
Share Issue Expenses	(17.90)	-	-	-	-	-	(17.90)	-	(17.90)
Addition during the year	-	-	-	1.21	-	-	1.21	-	1.21
Dividend paid (including dividend distribution tax)	-	-	(54.01)		-	-	(54.01)	-	(54.01)
Other comprehensive income for the year	-	-	-	-	1.63	-	1.63	-	1.63
Balance as at March 31, 2021	**4,455.04**	**5.33**	**2,792.76**	**10.39**	**2.95**	**-**	**7,266.48**	**0.16**	**7,266.64**
Balance as at April 1, 2021	4,455.04	5.33	2,792.76	10.39	2.95	-	7,266.48	0.16	7,266.64
Changes in accounting policies or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	**4,455.04**	**5.33**	**2,792.76**	**10.39**	**2.95**	**-**	**7,266.48**	**0.16**	**7,266.64**

Consolidated Statement of changes in Equity

for the year ended March 31, 2022

(₹ In Million)

Particulars	Reserves and Surplus			Items of OCI			Equity attributable to the shareholders of Company	Non-Controlling Interest	Total Equity
	Securities Premium	Capital Redemption reserve	Retained Earnings	Capital Reserve on consolidation	Remeasurement of Defined Plans	Foreign Currency Translation Reserve			
Profit for the year	-	-	541.25	-	-	-	541.25	(1.54)	539.71
Share Issue Expenses	(16.37)	-	(2.45)	-	-	-	(18.82)	-	(18.82)
Addition during the year	-	-	-	-	-	5.09	5.09	-	5.09
Dividend paid (including dividend distribution tax)	-	-	(108.01)	-	-	-	(108.01)	-	(108.01)
Other comprehensive income for the year	-	-	-	-	(2.87)	-	(2.87)	-	(2.87)
Balance as at March 31, 2022	**4,438.67**	**5.33**	**3,223.56**	**10.39**	**0.08**	**5.09**	**7,683.13**	**(1.38)**	**7,681.75**

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
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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 – 380015. 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%
Shalby International Limited	India	100%
Vrundavan Shalby Hospitals Limited	India	100%
Yogeshwar Healthcare Limited	India	94.68%
Griffin Mediquip LLP	India	100%
Slaney Healthcare Private Limited	India	100%
Shalby Hospital Mumbai Private Limited	India	100%
Mars Medical Devices Limited	India	100%
Shalby Advanced Technologies Inc.	USA	100%
Shalby Global Technologies PTE Limited	Singapore	98.76%

The Consolidated Ind AS financial statements for the year ended March 31, 2022 were authorized for issue in accordance with resolution passed by the Board of Directors of the company on 25 May, 2022.

Note 2 (a): Basis of Preparation & Compliance with Ind AS

These consolidated financial statements of the Parent Company as at and for the year ended March 31, 2022 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;

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

- 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 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 2 (b) : Consolidation of Financial Statements

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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.

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.

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 3 : 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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.

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 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, 2022 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.

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 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 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.

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 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.

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 (a) : Significant Accounting Policies

4.1 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(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 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

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for the year ended March 31, 2022

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.

(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.

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 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 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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.

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.

4.4 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
SAP ERP Software	6 years

4.5 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.

4.6 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

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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 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.

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 & Implant Sales are recognized 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 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

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.

4.10 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.

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

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

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for the year ended March 31, 2022

(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.

4.12 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.

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 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 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

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for the year ended March 31, 2022

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.

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 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.

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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;

(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.

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 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, 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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 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.

4.19 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 consist of balances with banks which are unrestricted for withdrawal and usage.

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.

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.

Note 4 (b) : Recent Accounting Pronouncements

MCA notifies Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification No. G.S.R 255(E) dated: 23rd March, 2022 and further amended Companies (Indian Accounting Standards) Rules, 2015, which shall come into force with effect from 1st day of April, 2022.

Amendments to existing Ind AS:

The MCA has carried amendments to the following existing standards which will be effective from April 1, 2022. The Company is not expecting any significant impact in the financial statements from these amendments. The quantitative impacts would be finalized based on a detailed assessment which has been initiated to identify the key impacts along with evaluation of appropriate transition options.

1. Ind AS 101 – First-time Adoption of Indian Accounting Standards
2. Ind AS 103 – Business Combinations
3. Ind AS 109 – Financial Instruments
4. Ind As 16 - Property, Plant and Equipment
5. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
6. Ind As 41- Agriculture

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 5 : Property, Plant and Equipment

Note 5.1 : As at Mar 31, 2022

(₹ In Million)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Translation difference	Net carrying Amount
	As at April 1, 2021	Additions	Deduction	As at Mar 31, 2022	As at April 1, 2021	For the year	Deduction	As at Mar 31, 2022		As at Mar 31, 2022
Owned Assets										
Free hold land	399.29	-	-	399.29	-	-	-	-	-	399.29
Buildings	2,917.68	15.10	-	2,932.78	290.26	44.88	-	335.14	-	2,597.64
Medical Equipment and Surgical Instruments	2,244.99	457.02	(19.04)	2,682.96	609.15	163.84	(6.10)	766.89	0.22	1,916.29
Plant & Machinery	482.51	161.69	(1.27)	642.93	125.55	48.85	(0.47)	173.93	(0.28)	468.72
Electrical Installation	207.21	1.34	(0.86)	207.69	69.10	20.17	(0.35)	88.92	-	118.77
Office Equipment	82.54	14.99	(0.43)	97.10	54.13	11.99	(0.37)	65.75	(0.01)	31.34
Computers and Printers	70.24	24.97	(0.19)	95.02	45.73	10.94	(0.15)	56.52	(0.03)	38.48
Furniture and Fixtures	424.32	10.61	(0.31)	434.63	137.08	41.62	(0.13)	178.57	(0.02)	256.04
Vehicles	81.51	9.75	(1.16)	90.10	37.86	9.49	(0.82)	46.53	-	43.57
		-	-			-	-		-	
Leasehold Assets		-	-			-	-		-	
Land	864.55	3.66	(333.18)	535.03	43.56	4.86	(18.81)	29.61	(0.01)	505.42
Total	**7,774.85**	**699.12**	**(356.44)**	**8,117.53**	**1,412.42**	**356.63**	**(27.20)**	**1,741.86**	**(0.12)**	**6,375.55**
CWIP										**45.12**

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 Mar 31, 2021

(₹ In Million)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Translation difference	Net carrying Amount
	As at April 1, 2020	Additions	Deduction	As at March 31, 2021	As at April 1, 2020	For the year	Deduction	As at March 31, 2021		As at March 31, 2021
Owned Assets										
Free hold land	399.29	-	-	399.29	-	-	-	-	-	399.29
Buildings	2,893.24	24.44	-	2,917.68	221.03	69.23	-	290.26	-	2,627.42
Medical Equipment and Surgical Instruments	2,166.12	104.99	(26.13)	2,244.99	467.68	156.13	(14.66)	609.15	-	1,635.84
Plant & Machinery	485.10	4.68	(7.27)	482.51	95.08	32.44	(1.96)	125.55	-	356.96
Electrical Installation	203.32	3.89	-	207.21	49.65	19.46	-	69.10	-	138.11
Office Equipment	75.91	6.90	(0.26)	82.54	43.44	10.86	(0.17)	54.13	-	28.41
Computers and Printers	60.45	10.58	(0.79)	70.24	39.19	7.29	(0.75)	45.73	-	24.51
Furniture and Fixtures	420.95	3.91	(0.53)	424.32	97.32	40.22	(0.46)	137.08	-	287.24
Vehicles	80.37	2.07	(0.92)	81.51	28.94	9.79	(0.88)	37.86	-	43.66
	-	-	-		-	-	-			
Leasehold Assets	-	-	-		-	-	-			
Land	864.44	0.11	-	864.55	38.37	5.20	-	43.56	-	820.99
Total	**7,649.17**	**161.58**	**(35.90)**	**7,774.85**	**1,080.68**	**350.61**	**(18.87)**	**1,412.42**	**-**	**6,362.43**
CWIP										**39.94**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 5.3 : Capital Work In Progress Ageing Schedule

(₹ In Million)

Particulars	Amount as on March 31, 2022 in CWIP for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Capital Work in Progress	10.15	7.57	12.00	15.40	45.12
Total	**10.15**	**7.57**	**12.00**	**15.40**	**45.12**
Project Temporarily Suspended	Nil	Nil	Nil	Nil	Nil

Particulars	Amount as on March 31, 2021 in CWIP for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Capital Work in Progress	12.54	12.00	15.34	0.06	39.94
Total	**12.54**	**12.00**	**15.34**	**0.06**	**39.94**
Project Temporarily Suspended	Nil	Nil	Nil	Nil	Nil

Note 5.4 : The company does not have any project under capital work-in-progress, whose completion is overdue w.r.t to its cost & timeline compared to its original plan

Note 6 : Right of use assets

Note 6.1 : As at March 31, 2022

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Translation difference	Net carrying amount
	As at April 1, 2021	Additions	Adjustments / Deletions	As at March 31, 2022	As at April 1, 2021	For the year	Adjustments / Deletions	As at March 31, 2022		As at March 31, 2022
Building	109.80	149.54	(10.62)	248.72	12.94	54.37	(0.35)	66.96	(0.65)	181.11
Total	**109.80**	**149.54**	**(10.62)**	**248.72**	**12.94**	**54.37**	**(0.35)**	**66.96**	**(0.65)**	**181.11**

Note 6.2 : As at March 31, 2021

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Translation difference	Net carrying amount
	As at April 1, 2020	Additions	Adjustments / Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Adjustments / Deletions	As at March 31, 2021		As at March 31, 2021
Building	52.77	57.03	-	109.80	5.42	7.53	-	12.94	-	96.86
Total	**52.77**	**57.03**	**-**	**109.80**	**5.42**	**7.53**	**-**	**12.94**	**-**	**96.86**

Note 7 : Goodwill

Note 7.1 : As atMarch 31, 2022

(₹ In Million)

Particulars	Gross carrying amount				Impairment				Net carrying amount
	As at April 1, 2021	Additions	Adjustments / Deletions	As at March 31, 2022	As at April 1, 2021	For the year	Adjustments / Deletions	As at March 31, 2022	As at March 31, 2022
Goodwill	101.55	-	-	101.55	-	-	-	-	101.55
Total	**101.55**	**-**	**-**	**101.55**	**-**	**-**	**-**	**-**	**101.55**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 7.2 : As atMarch 31, 2021

(₹ In Million)

Particulars	Gross carrying amount				Impairment				Net carrying amount
	As at April 1, 2020	Additions	Adjustments / Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Adjustments / Deletions	As at March 31, 2021	As at March 31, 2021
Goodwill	101.55	-	-	101.55	-	-	-	-	101.55
Total	**101.55**	**-**	**-**	**101.55**	**-**	**-**	**-**	**-**	**101.55**

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, 2022 and March 31, 2021 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, 2022	As at March 31, 2021
Discount Rate	12.00%	7.76%
Growth Rate	10-20%	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 Consolidated Financial Statements

for the year ended March 31, 2022

Note 8 : Intangible Assets

Note 8.1 : As at March 31, 2022

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2021	Additions	Adjustments / Deletions	As at March 31, 2022	As at April 1, 2021	For the year	Deduction	As at March 31, 2022	As at March 31, 2022
Software	55.32	79.18	-	134.50	20.59	17.70	-	38.29	96.20
Trademark	0.06	-	-	0.06	0.06	-	-	0.06	-
	55.38	**79.18**	**-**	**134.56**	**20.66**	**17.70**	**-**	**38.36**	**96.20**
Intangible assets under development									**12.54**

Note 8.2 : As at March 31, 2021

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Adjustments / Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Deduction	Upto March 31, 2021	As at March 31, 2021
Software	17.31	38.06	-	55.37	9.91	10.73	0.00	20.64	34.73
Trademark	0.06	-	-	0.06	0.06	0.01	-	0.06	-
	17.37	**38.06**	**-**	**55.43**	**9.97**	**10.73**	**0.00**	**20.71**	**34.73**
Intangible assets under development									**35.25**

Note 8.3 : Intangible Assets under Development Ageing Schedule

(₹ In Million)

Particulars	Amount as on March 31, 2022 in IAUD for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Intangible Assets under Development	12.17	0.37	-	-	12.54
Total	**12.17**	**0.37**	**-**	**-**	**12.54**
Project Temporarily Suspended	Nil	Nil	Nil	Nil	Nil

(₹ In Million)

Particulars	Amount as on March 31, 2021 in IAUD for the Period of				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Intangible Assets under Development	24.86	2.48	7.91	-	35.25
Total	**24.86**	**2.48**	**7.91**	**-**	**35.25**
Project Temporarily Suspended	Nil	Nil	Nil	Nil	Nil

Note 8.4 : The company does not have any project under capital work-in-progress, whose completion is overdue w.r.t to its cost & timeline compared to its original plan

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 9 : Investments

(₹ In Million)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Non current			
Financial instruments at FVTPL			
Club Membership		-	1.10
Total (A)		**0.00**	**1.10**
Current			
Financial instruments at FVTPL			
Investment in Mutual fund (Quoted)	9.1	45.04	155.22
Investment in Bond (Quoted)	9.2	201.94	-
Total (B)		**246.98**	**155.22**
Total (A) + (B)		**246.98**	**156.32**
Aggregate book value of Quoted Investments		246.98	155.22
Aggregate market value of Quoted Investments		246.98	155.22
Aggregate carrying value of Unquoted Investments		-	1.10

Note 9.1 : Details of Investment in Mutual Fund

Name of Body Corporate	No. of Units		Quoted/ Unquoted	Amount ₹ in Million	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
HDFC Liquid DP Growth Option	-	7,424.33	Quoted	-	30.04
SBI Liquid Fund Direct Growth	-	38,857.54	Quoted	-	125.18
SBI Over Night Fund Direct Growth	13,012.63	-	Quoted	45.04	-

Note 9.2 : Details of Investment in Bond

Name of Body Corporate	No. of Units		Quoted/ Unquoted	Amount ₹ in Million	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
8.15% Bank of Baroda Perpetual Bonds (Series XV)	50.00	-	Quoted	50.25	-
7.73% State Bank of India Perpetual Bonds (Series II	100.00	-	Quoted	100.97	-
8.5% Bank of Baroda Perpetual Bond	50.00	-	Quoted	50.72	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 10 : Other Financial Assets

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- current		
Fixed Deposit with Maturity of more than 12 months*	2.73	56.16
Notice period recovery receivable (Doctors)	12.54	9.18
Other Recoverable	9.72	9.72
Interest accrued but not due on fixed deposit	0.68	1.00
Total (A):	**25.67**	**76.07**
Current		
Government Grant Receivable	103.65	92.09
Fixed Deposit with Maturity of less than 12 months*	670.19	302.36
Interest accrued but not due on Bond	5.11	-
Interest accrued but not due on fixed deposit	13.31	7.25
Total (B):	**792.27**	**401.70**
Total (A) + (B):	**817.94**	**477.77**

* The fixed deposits of ₹ 1,465 Million is under lien with Bank against Bank Guarantee, Borrowings and Standby letter of Credit (SBLC).

Note 11 : Income Tax Assets (Net)

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax	1,086.67	854.65
Less: Provision for taxation	887.09	698.38
	199.58	**156.26**

Note 12 : Deferred Tax

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax Assets	1,097.32	1,116.02
Deferred tax Liabilities	(1,402.93)	(1,343.87)
Total	**(305.61)**	**(227.85)**

Note 12.1 : Movement of Deferred Tax (Liabilities)/Assets

The major components of deferred tax (liabilities)/assets arising on account of timing differences for the year ended March 31, 2022 are as follows :

(₹ In Million)

Particulars	Opening Balance	Recognised in Profit & loss statement	Recognised in OCI	Closing Balance
Difference of book depreciation and tax depreciation	(1,343.87)	(59.06)	-	(1,402.93)
Total deferred tax liabilities	**(1,343.87)**	**(59.06)**	**-**	**(1,402.93)**
Provision for leave obligation and gratuity & others	8.50	13.24	1.56	23.30
Unabsorbed business loss and depreciation	432.06	(250.65)	-	181.41
Unabsorbed Long term capital loss	-	26.45	-	26.45

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ In Million)

Particulars	Opening Balance	Recognised in Profit & loss statement	Recognised in OCI	Closing Balance
Disallowance of Notional Lease Expenses	-	6.44	-	6.44
Expected Credit Loss	21.36	30.58	-	51.94
Total deferred tax assets	**461.92**	**(173.94)**	**1.56**	**289.54**
DTA related to Share Issue Expenses	16.37	-	-	-
Minimum alternate tax credit	637.72	170.05	-	807.78
Net deferred tax Asset \ (Liability)	**(227.85)**	**(62.95)**	**1.56**	**(305.61)**

The major components of deferred tax liabilities/(assets) arising on account of timing differences for the year ended March 31, 2021 are as follows :

(₹ In Million)

Particulars	Opening Balance	Recognised in Profit & loss statement	Recognised in OCI	Closing Balance
Property, plant & equipment	(1,412.39)	68.52	-	(1,343.87)
Total deferred tax liabilities	**(1,412.39)**	**68.52**	**-**	**(1,343.87)**
Provision for leave obligation and gratuity & others	9.08	0.24	(0.82)	8.50
Unabsorbed business loss and depreciation	626.19	(194.13)	-	432.06
Disallowance of Notional Lease Expenses	-	-	-	-
Expected Credit Loss	20.78	0.58	-	21.36
Total deferred tax assets	**656.05**	**(193.31)**	**(0.82)**	**461.92**
DTA related to Share Issue Expenses	34.27	-	-	16.37
Minimum alternate tax credit	544.17	93.55	-	637.72
Net deferred tax Asset \ (Liability)	**(177.90)**	**(31.23)**	**(0.82)**	**(227.85)**

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, 2022	Year ended March 31, 2021
Profit before taxes from continuing operations	791.46	550.55
MAT rates	17.47%	17.47%
Current tax expense calculated using MAT tax rate at 17.472% (Previous year - 17.472%)	138.28	96.19
Tax effect of amounts which are not deductible / (taxable) in calculating taxable book profit:		
Add: Tax impact on		
Expenses not allowable under tax for deductions	15.63	2.07
Tax on income at different rates	0.94	-
Losses of subsidiaries	37.34	-
Others (net)	0.55	-
Less:		
Income exempt from tax	0.52	-
Other comprehensive income/(expense)	0.79	(0.43)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income not chargeable to tax/expense allowed under tax for deduction	0.56	-
Set off and carry forward of losses	0.38	-
1/5th of opening Ind AS adjustments transferred to retained earnings	1.82	1.82
Income Tax as per normal provisions	**188.67**	**96.87**

Note 12.3 : Income tax expense has been allocated as follows:

(₹ In Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income tax expense recognised in the Statement of Profit and loss		
Current tax on profits for the year	188.67	96.87
Current tax expense of earlier year (Net of MAT Impact)	0.11	(1.18)
	188.78	**95.70**
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	2.33	100.57
(Decrease) / increase in deferred tax liabilities	59.06	(68.52)
Deferred Tax recognised in OCI	1.58	(0.82)
	62.96	**31.23**
Income tax expense / (income) attributable to continuing operations	**251.75**	**126.93**
Income tax expense recognised in other comprehensive income		
Income tax included in other comprehensive income on:		
Defined benefit plan actuarial gains/(losses)	1.56	(0.82)
Income tax expense / (income) recognised in other comprehensive income	**1.56**	**(0.82)**

Note 13 : Other Non - current / Current Assets

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non - Current		
Capital advances*	299.40	299.27
Pre-paid expenses	14.43	-
Balance with government authorities	0.05	1.18
Taxes Paid under protest	24.09	24.48
Security deposits	50.92	25.92
Total A:	**388.88**	**350.85**
Current		
Balance with Govt. authorities	6.49	0.61
Pre-paid expenses	18.67	7.25
Advance to suppliers, staff and doctors	26.72	42.63
Payment under Protest**	20.98	20.98
Others	4.74	4.27
Security deposits	-	-
Total B:	**77.60**	**75.73**
Total	**466.48**	**426.58**

* Out of Total Capital Advances of ₹ 299.40 Million, ₹ 297.47 Million (PY ₹ 287.15 Million) has been given to The Santacruz Residential Association for Construction of Hospital at Mumbai which is a part of Capital Work in Progress.

**Payment under protest of ₹ 20.98 Million (PY ₹ 20.98 Million) 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 38.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 14 : Inventories

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	260.11	171.28
Work in Progress	193.91	-
Finished Goods	751.06	48.20
General Stores	6.52	7.82
Stock in transit	-	3.17
Less : Provision for Expired Stock	(0.41)	-
Total	**1,211.19**	**230.47**

Note 15 : Trade Receivables

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
(a) Considered good	1,154.73	1,007.08
Less: Allowance for expected credit loss	144.86	60.20
Total Considered good	**1,009.87**	**946.88**
(b) Considered doubtful	7.49	7.49
Less: Allowance for doubtful debts	(7.49)	(7.49)
Total Considered doubtful	**-**	**-**
Total Trade Receivables	**1,009.87**	**946.88**
Included in the financial statement as follows:		
Non-current	-	-
Current	1,009.87	946.88
Total:	**1,009.87**	**946.88**

Refer Note 46.1 for Ageing Schedule

Note 16 : Cash and cash equivalents

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with Bank		
In Current accounts	252.55	45.23
Fixed Deposits with maturity less than 3 months*	297.05	-
In Overdraft accounts	-	9.71
In Unclaimed Dividend account**	0.22	0.12
Cash on hand	5.94	9.75
Total	**555.76**	**64.81**

* The fixed deposits of ₹ 1,465 Million is under lien with Bank against Bank Guarantee, Borrowings and Standby letter of Credit (SBLC).

** 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 17 : Other Bank Balances

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months*	549.87	770.92
	549.87	**770.92**

* The fixed deposits (₹ 1,465 Million) is under lien with Bank against Bank Guarantee, Borrowings and Standby letter of Credit (SBLC).

Note 18 : Assets Classified as held for Sale and Liabilities directly associated with assets classified as held for sale

Note 18.1 : Assets classified as held for sale

Particulars	As at March 31, 2022	As at March 31, 2021
Current Assets		
Cash and Cash Equivalents	0.03	0.04
Other Bank Balances	0.18	0.15
Trade Receivable		-
Considered Doubtful	128.53	17.44
Less: Provision for Doubtful debts	(128.53)	(17.44)
Total Trade Receivable	-	-
Other Financial Assets	0.03	0.03
Balances with Government authorities	0.23	0.23
Current Tax Assets (Net)	0.00	0.00
Other Current Assets	65.61	65.63
Total	**66.08**	**66.08**

Note 18.2 : Liabilities associated with assets classified as held for sale

Particulars	As at March 31, 2022	As at March 31, 2021
Current Liabilities		
Trade Payables	0.43	0.39
Statutory Liabilities	0.01	0.02
Total	**0.44**	**0.41**
Net Carrying Value	**65.64**	**65.67**

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, 2022 amounts to ₹ 65.64 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, 2022.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 19 : Equity share capital

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
11,77,50,000 (March 31, 2021: 11,77,50,000) Equity Shares of ₹ 10/ each	1,177.50	1,177.50
	1,177.50	1,177.50
Issued share capital		
10,80,09,770 (March 31, 2021: 10,80,09,770) Equity Shares of ₹ 10/ each	1,080.10	1,080.10
Subscribed and fully paid up		
10,80,09,770 (March 31, 2021: 10,80,09,770) Equity Shares of ₹ 10/ each fully paid up	1,080.10	1,080.10
Total	1,080.10	1,080.10

Note 19.1 : Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

(In Nos.)

Particulars	As at March 31, 2022	As at March 31, 2021
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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 19.3 : Details of shareholders holding more than 5% Shares in the company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of holding	No. of Shares	% of holding
Shah Family Trust	37,517,132	34.73	43,327,132	40.11
Zodiac Mediquip Ltd.	31,545,448	29.21	31,545,448	29.21
Dr. Vikram I. Shah	7,735,493	7.16	7,735,493	7.16

Note 19.4 : Details of Promoters holding Shares in the company

Particulars	March 31, 2022		March 31, 2021		% Deviation
	No. of Shares	% of holding	No. of Shares	% of holding	
Shah Family Trust	37,517,132	34.73	43,327,132	40.11	(5.38)
Zodiac Mediquip Ltd.	31,545,448	29.21	31,545,448	29.21	-
Dr. Vikram I. Shah	7,735,493	7.16	7,735,493	7.16	-
Dr. Darshini Vikram Shah	3,012,500	2.79	3,012,500	2.79	-
Mr. Shanay Vikram Shah	137,525	0.13	137,525	0.13	-

Note 20 : Other Equity

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium	4,438.67	4,455.04
Capital redemption reserve	5.33	5.33
Retained Earnings	3,223.64	2,795.71
Capital Reserve on Consolidation	10.39	10.39
Foreign Currency Translation Reserve	5.09	-
	7,683.13	**7,266.48**

Note 20.1 : Reconciliation of other Equity

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium		
Balance as per previous financial statements	4,455.04	4,472.94
Add : Additions during the year	-	-
Less: Share Issue Expenses (Net of Taxes)	16.37	17.90
Balance at the end of the year	4,438.67	4,455.04
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	2,795.71	2,424.12
Add : Profit for the year	541.25	423.97
Add : Share issue expense	(2.45)	
Add / (Less): OCI for the year	(2.87)	1.63
Less : Dividend on equity share	(108.01)	(54.01)
Balance available for appropriation	3,223.64	2,795.71

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Less: Appropriation		
Transfer to Capital Redemption Reserve	-	-
	-	-
Net Surplus / (Deficit)	**3,223.64**	**2,795.71**
Capital Reserve on Consolidation		
Balance as per previous financial statements	10.39	9.18
Add/(Less) : Additions/(Reduction) during the year	-	1.21
Balance at the end of the year	10.39	10.39
Foreign Currency Translation Reserve		
Balance as per previous financial statements	-	-
Add/(Less) : Additions/(Reduction) during the year	5.09	-
Balance at the end of the year	5.09	-
	7,683.13	**7,266.48**

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.

Capital Reserve on Consolidation: This is not available for distribution of dividend.

Foreign Currency Translation Reserve: The foreign currency translation reserve contains the accumulated foreign exchange differences from the translation of the financial statements of the Group's foreign operations that are not considered integral to the operations of the parent company, arising when the Group's entities are consolidated.

Distributions Proposed

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Proposed dividends on Equity shares:		
Final dividend for the year ended on March 31, 2022: ₹ 1.00 per share (March 31, 2021: ₹ 1.00 per share)"	108.01	108.01
Total Proposed Dividend	**108.01**	**108.01**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 21 : Borrowings

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- current		
Secured loans		
From Banks		
In Indian Currency	253.34	353.26
In Foreign Currency	620.52	-
From Financial Institutions	-	1.74
Total (A)	**873.86**	**355.00**
Secured loans		
Bank Overdraft		
In Indian Currency	49.96	-
In Foreign Currency	384.95	-
Current maturities of long term debts (Short term borrowings)		
From Banks		
In Indian Currency	108.03	82.88
In Foreign Currency	131.63	-
From Financial Institutions	1.74	2.46
Total (B)	**676.30**	**85.33**
Total:	**1,550.16**	**440.33**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 21 : Principal Terms and Conditions of borrowings as at March 31, 2022

(a) Secured

(i) Term loans

(₹ In Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31, 2022	Amount Outstanding as at March 31, 2021	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	HDFC Bank Limited	Naroda	219.26	292.34	Loans are repayable in 24 equal quarterly installments commencing from June,2019 & ending on March 18, 2025.	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-compliance is cured to the Lender's satisfaction.	(i) First & Exclusive Charge over immovable properties being land admeasuring 6879 sq. mtrs. lying and being at Mouje Naroda, Taluka: Ahmedabad City (East), in the registration district of Ahmedabad -6 and together with building constructed thereon. (ii) First ranking security by way of hypothecation on the all present and future tangible movable assets, including movable plant and machinery, machinery spares, medical equipment tools and accessories, furniture and fixtures, vehicles and all other movable assets present and future second ranking security by way of hypothecation of All present and future current assets, operating cash flows, receivables, commissions and all other movable assets of the Borrower. (iii) Additional Security : Fixed deposit of ₹ 267 Million under lien with HDFC bank for interest subsidy by bank.	SBICap Trustee Company Ltd
2	IDFC Bank	Surat	133.86	143.79	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 at least 30% of the outstanding amount from IPO proceeds without any prepayment premium.	Fixed deposit of ₹ 200 Million under lien with IDFC bank.	IDFC Bank

Notes to the Consolidated Financial Statements
for the year ended March 31, 2022

3	Indusind Bank	SAT, USA	752.15	-	Loan is repayble in 9 half yearly installments, starting from May 2022 and ending on May 2026	N.A.	(i) Secured by SBLC of ₹ 1240 Million (SBLC issued on the behalf of Shalby Limited in favour of Indusind Bank) (ii) Additional Security MOVABLE ASSETS All the present and future moveable assets of SG Highway, Jabalpur, Jaipur, Indore, Naroda, Surat & Krishna Unit (319, Green City, Ghuma, Via Bopal, Ahmedabad) including all fixed assets, equipment, plant, machinery, tools, fixtures, fittings, spare parts, accessories, any accretions, alterations, other merchandise, and whatsoever being movable properties now or at anytime hereafter belonging to the Borrower or at the disposal of the Borrower and now or at any time hereafter lying, stored or to be stored or brought into or upon or in course of transit to the Borrower's factory or premises or at any other place whatsoever and wheresoever in his possession and occupation or at any other premises or place anywhere in India CURRENT ASSETS All present and future current assets including book debts, outstanding monies receivables, claims and bills, and whatsoever being the receivable, which are now due and owing or which may at anytime hereafter during the continuance of the security becomes due and owing to the Borrower in course of its business by any person, firm, company or body corporate, Trust, Society, HUF or by the Government Department or office or any municipal or local or public or semi government body or authority or undertaking. STOCKS All the present and future stock in trade consisting of raw materials, finished goods, goods in process of manufacturing, other merchandise and whatsoever being stock now or at anytime hereafter belonging to the Borrower or at the disposal of the Borrower and now or at any time hereafter stored or to be stored or brought into or upon or in course of transit to the Borrower's factory or premises or at any other place whatsoever and wheresoever in the possession and occupation or at any other premises or place, anywhere in India. IMMOVEABLE PROPERTY First and exclusive mortgage charge on immovable properties being land and building of Krishna Shalby Hospital situated at 319 – Green City, Ghuma, Bopal, Ahmedabad , SG Shalby Hospital , Vapi Shalby Hospital Jaipur Shalby Hospital belonging to the Company	Indusind Gift city branch SBICap Trustee Company Limited

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(ii) Vehicle loans

(₹ In Million)

Sr. No.	Name of Lender	Vehicle	Amount Outstanding as at March 31, 2022	Amount Outstanding as at March 31,2021	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	Daimler Financial Services India Private Limited	Mercedes Benz	1.74	4.20	Loans are repayable in 36 equal monthly installments commencing from December, 2019.	Prepayment Charges: 4% on the outstanding amount 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
2	HDFC bank Limited	Skoda car at SG Unit	8.25	-	Loans are repayable in 60 equal monthly installments commencing from November, 2021.		First and exclusive charge of the Vehicle	HDFC Bank Limited

(iii) Overdraft Facility

Sr. No.	Name of Lender	Units/ Company	Amount Outstanding as at March 31, 2022	Amount Outstanding as at March 31,2021	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	Kotak Mahindra Bank Limited	Corporate	-	(0.56)	12 Months	N.A	All present and future current assets, including book debts, outstanding receivables, claims and bills and whatsoever being the receivables of Krishna Shalby, Bopal, Ahmedabad belonging to borrowers	SBICap Trustee Company Ltd
2	HDFC Bank	Corporate	-	(9.15)	12 Months	N.A	First Charge on Company's Stock-in- trade, consisting of raw materials, inventory, goods in process of manufacturing, finished goods, movable assets, all present and future book debts, outstanding monies receivables, claims, bills, invoice documents etc.	HDFC Bank Limited (on behalf of SBICap Trustee Company Ltd)
3	IDFC Bank	Corporate	49.96	-	12 Months	N.A	Fixed deposit of ₹ 200 Million under lien with IDFC bank.	IDFC Bank
4	Indusind Bank	SAT, USA	384.95	-	12 months with annual renewal availability	N.A	(i) Secured by SBLC of ₹ 1240 Million (SBLC issued on the behalf of Shalby Limited in favour of Indusind Bank) (ii) Additional Security MOVABLE ASSETS All the present and future moveable assets of SG Highway, Jabalpur, Jaipur, Indore, Naroda, Surat & Krishna Unit (319, Green City, Ghuma, Via Bopal, Ahmedabad) including all fixed assets, equipment, plant, machinery, tools, fixtures, fittings, spare parts, accessories, any accretions, alterations, other merchandise, and whatsoever being movable properties now or at anytime hereafter belonging to the Borrower or at the disposal of the Borrower and now or at any time hereafter lying, stored or to be stored or brought into or upon or in course of transit to the Borrower's factory or premises or at any other place whatsoever and wheresoever in his possession and occupation or at any other premises or place anywhere in India CURRENT ASSETS All present and future current assets including book debts, outstanding monies receivables, claims and bills, and whatsoever being the receivable, which are now due and owing or which may at anytime hereafter during the continuance of the security becomes due and owing to the Borrower in course of its business by any person, firm, company or body corporate, Trust, Society, HUF or by the Government Department or office or any municipal or local or public or semi government body or authority or undertaking. STOCKS All the present and future stock in trade consisting of raw materials, finished goods, goods in process of manufacturing, other merchandise and whatsoever being stock now or at anytime hereafter belonging to the Borrower or at the disposal of the Borrower and now or at any time hereafter stored or to be stored or brought into or upon or in course of transit to the Borrower's factory or premises or at any other place whatsoever and wheresoever in the possession and occupation or at any other premises or place, anywhere in India. IMMOVEABLE PROPERTY First and exclusive mortgage charge on immovable properties being land and building of Krishna Shalby Hospital situated at 319 – Green City, Ghuma, Bopal, Ahmedabad, SG Shalby Hospital , Vapi Shalby Hospital Jaipur Shalby Hospital belonging to the Company	Indusind Gift city branch SBICap Trustee Company Ltd

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 22 : Lease Liability

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Lease Liability	133.58	92.59
Total (A):	**133.58**	**92.59**
Current		
Lease Liability	57.00	8.34
Total (B):	**57.00**	**8.34**

Note 23 : Other Financial Liabilities

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Deposits	4.12	4.81
Retention money	0.22	0.22
Total (A):	**4.33**	**5.02**
Current		
Interest Accrued but not due on Borrowings	9.90	1.20
Creditors for capital goods	20.67	28.33
Retention money	0.06	0.06
Unclaimed Dividend*	0.22	0.12
Others	9.87	-
Payable to Employees	78.33	23.67
Total (B):	**119.05**	**53.38**
Total (A+B):	**123.38**	**58.41**

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 24: Provisions

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Provision for employee benefits		
Gratuity (Unfunded)	0.71	0.60
Leave obligation	27.64	20.64
Total:	**28.35**	**21.24**
Current		
Provision for employee benefits		
Gratuity (Net of Plan asset) (Refer Note: 39)	6.05	2.22
Gratuity (Unfunded)	0.06	0.05
Leave obligation	4.81	3.43
Total	**10.92**	**5.69**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 25: Other non-current / current liabilities

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Government grant (Refer Note below)	92.68	100.34
Deferred Income Grant	10.54	-
Total (A):	**103.22**	**100.34**
Current		
Deferred Income Grant	0.80	-
Government Grants	9.37	9.27
Advance from customers	101.50	46.57
Statutory Liabilities	41.87	32.84
Total (B):	**153.54**	**88.69**
Total (A+B):	**256.76**	**189.03**

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 26 : Trade Payables

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
A) Total Outstanding dues of micro enterprises and small enterprises (Refer note no: 47)	1.67	-
B) Total Outstanding dues to creditors other than Micro Enterprise & Small Enterprise	705.66	575.65
Total	**707.33**	**575.65**

Refer Note 46.2 for Ageing Schedule

Note 27 : Revenue from Operations

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Revenue from Contracts with Customers (Refer Note: 49)	6,988.78	4,307.23
Other Operating Revenue	0.68	1.73
	6,989.45	**4,308.96**

Break up of other operating revenue

Particulars	March 31, 2022	March 31, 2021
Project Consultancy	0.68	1.73
	0.68	**1.73**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 28 : Other Income

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Interest Income		
From Banks	58.93	51.26
From Others		
From Bond	12.17	-
On IT refund	-	0.02
Notional Interest Income on Lease Deposit	0.40	-
Others	0.65	1.02
	72.14	**52.30**
Capital Subsidy	9.26	9.25
Interest Subsidy	16.32	19.26
Grant Income	0.66	-
Rent	10.52	5.82
Net Gain on Mutual Fund \ Shares \ Bond	3.69	1.70
Profit on sale of assets	0.15	-
Vendor Registration fees	0.03	0.04
Foreign Exchange Fluctuation Gain (net)	0.16	0.12
Other Non-Operating Income		
Sundry balances written back (Net)	7.19	0.12
Miscellaneous Income	4.10	2.00
	52.08	**38.32**
	124.22	**90.62**

Note 29 : Cost of Material Consumed

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Opening Stock of Raw Material	-	-
Add : Purchase of Raw material during the period	235.89	-
Less : Closing Stock of Raw Material	(39.84)	-
	196.04	**-**

Note 30 : Operative expenses

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Materials and Consumables	1,328.26	689.48
Diagnostic Expenses	108.79	101.86
Fees to Doctors and Consultants	1,615.89	1,008.04
Power, Fuel and Water Charges	144.93	123.08
Housekeeping and Catering	126.63	91.75
Attendants and Securities	117.51	83.70
Linen & Uniform	8.17	7.52
Other Operative Expenses	77.05	43.81
	3,527.23	**2,149.22**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 31 : Purchase of Stock-in-trade

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Medicines and Medicare Items	554.91	342.97
Implants	612.12	-
	1,167.03	**342.97**

Note 32 : Changes in inventories

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Inventory at the end of the year		
Finished Goods	779.37	22.93
Work in Progress	190.66	-
Inventory at the beginning of the year		
Finished Goods	22.93	26.96
(Increase) / Decrease in stocks	**(947.10)**	**4.03**

Note 33 : Employee benefits expense

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Salary, Allowances & Bonus	1,134.03	535.00
Contribution to Provident & other funds	47.09	30.01
Staff Welfare expenses	3.01	4.56
	1,184.13	**569.57**

During the FY 2021-22, salary cost amounting to ₹ 41.28 Million (Previous Year ₹ 19.73 Million) has been capitalised through capital work-In Progress and intangible assets under development as it is related with upcoming unit at Mumbai & Nashik, development of E-commerce platform and integration & implementation of SRIT with SAP during the year.

Note 34 : Finance Cost

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Interest on Term Loan from Banks	49.05	29.11
Exchange differences regarded as an adjustment to borrowing costs	-	1.47
Interest expense on lease liability	9.80	4.90
Other ancillary Cost	0.16	0.71
	59.01	**36.19**

Note 35 : Depreciation and Amortization

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Depreciation expense on property, plant and equipment	356.63	349.69
Amortisation on Intangible assets	17.70	10.73
Amortisation on Right of Use Assets	54.37	7.53
	428.70	**367.95**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 36 : Other expenses

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Advertising and Publicity	70.97	37.92
Orthotrend Expense	-	0.17
Auditors' Remuneration	7.19	3.98
Communication	13.85	7.19
Rent, Rates and Taxes	45.93	36.14
Fees and Legal	53.04	23.93
Fixed Asset Written Off	5.05	0.64
Insurance	39.99	3.48
Freight Expense	15.07	-
Commission Expense	31.67	-
Stationery and Printing	20.95	12.16
Repairs and Maintenance		
Hospital Equipment	119.85	98.60
Building	10.83	3.62
Others	51.54	47.95
Travelling and Conveyance	33.44	11.16
Net loss on foreign exchange fluctuations	0.72	0.45
Loss on sale of assets	-	15.09
Provision for Bad & Doubtful Debts	84.97	2.74
Sundry Debit Balance Written off	-	7.20
Bank charges	16.33	9.19
Corporate Social Responsibility	11.00	37.54
Miscellaneous Expenses	30.41	19.96
	662.80	**379.11**

36.1 Payment to Auditor

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
For Statutory Audit	5.67	2.25
For Limited Review	0.54	0.51
For Taxation Matter	0.86	0.59
For Certification	0.13	0.58
For Reimbursement of Expenses	0.00	0.05
Total	**7.19**	**3.98**

Note 37 : Earning per Share

Particulars	March 31, 2022	March 31, 2021
Net Profit attributable to Equity shareholders (₹ in Million)	539.71	423.62
Number of Equity Shares (in Nos.)	108,009,770	108,009,770
Weighted Average number of Equity Shares (in Nos.)	108,009,770	108,009,770
Basic earning per Share (In ₹)	5.00	3.92
Diluted earning per Share (In ₹)	5.00	3.92

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 38 : Contingent Liabilities and Commitments

(₹ In Million)

	Particulars	As at March 31, 2022	As at March 31, 2021
A	**Contingent Liabilities not provided for in respect of**		
(i)	Claim against the company not acknowledged as debt	130.61	135.08
(ii)	Income tax Demand for Assessment Years		
	2012-13	2.06	2.06
	2013-14	110.85	110.85
	2014-15	27.45	27.45
	2015-16	41.42	41.42
	2016-17	3.72	-
	2018-19	18.26	15.93
(iii)	Bank Guarantee	16.08	32.50
(iv)	Corporate Guarantee to Bank on behalf of Subsidiary Company	1,240.00	-
(v)	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	76.00	76.00
	2012-13	91.90	91.90
	2013-14	204.78	204.78
	2014-15	4.62	-
	2016-17	0.61	0.61
(vi)	Export Obligation under EPCG Scheme	30.19	30.91
(vii)	TDS demand for F.Y.2007-08 to F.Y.2015-16	0.52	0.52
(viii)	TDS default demand	2.16	2.16
B	**Capital Commitments**		
	Estimated amount of contract remaining to the executed on capital accounts	4.17	8.58

Note 39 : Employee Benefit

Note 39.1 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, 2022	Year ended March 31, 2021
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds	31.60	17.81
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	4.05	2.81

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 39.2 Defined benefit plan

(a) Gratuity

The Company operates post-employment defined benefit plan that provide gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Company recognizes actuarial gains and losses immediately in other comprehensive income, net of taxes. The Company accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 as applicable as at the balance sheet date. The Company contributes all ascertained liabilities towards gratuity to the Fund. The plan assets have been primarily invested in insurer managed funds. The company provides for gratuity, a defined benefit retiring plan covering eligible employees. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the company. At the consolidated level, the company has also unfunded gratuity benefit plan, of which liability the company has recognised as per the actuary valuation report, as gratuity payable non current ₹ 0.71 Million and ₹ 0.03 Million as current liability.

(b) Defined Benefit Plan

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Gratuity

Particulars	Valuation	
	As at March 31, 2022	As at March 31, 2021
Discount rate	6.95%	6.35%
Expected rate(s) of salary increase	6.00%	6.00%
Rate of return on plan assets	6.95%	6.35%

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, 2022 & as at March 31, 2021

(₹ In Million)

Particulars		March 31, 2022	March 31, 2021
		Gratuity (Funded)	Gratuity (Funded)
Changes in the present value of obligation			
1.	Present value of obligation (Opening)	27.37	24.05
2.	Interest cost	1.68	1.53
3.	Past service cost adjustments/Prior year Charges	-	-
4.	Current service cost	9.85	8.10
5.	Curtailment Cost / (Gain)	-	-
6.	Settlement Cost / (Gain)	-	-
7.	Benefits paid	(3.17)	(3.10)
8.	Actuarial (Gain) / Loss arising from change in financial assumptions	(2.06)	0.47
9.	Actuarial (Gain) / Loss arising from change in demographic assumptions	-	-
10.	Actuarial (Gain) / Loss arising from change on account of experience changes	5.97	(3.68)
11.	**Present value of obligation (Closing)**	**39.63**	**27.37**
	Changes in the fair value of plan assets		
1.	Present value of plan assets (Opening)	25.15	19.83
2.	Past contribution / Adjustment to Opening Fund	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ In Million)

Particulars	March 31, 2022 Gratuity (Funded)	March 31, 2021 Gratuity (Funded)
3. Expected return on plan assets	(0.61)	(0.74)
4. Interest Income	1.84	1.53
5. Actuarial Gain / (Loss)	-	-
6. Employers Contributions	10.37	7.63
7. Employees Contributions	-	-
8. Benefits paid	(3.17)	(3.10)
9. Expense deducted from the fund		-
10. Fair Value of Plan Assets (Closing)	**33.58**	**25.15**
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	-	-

Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(₹ In Million)

Particulars	March 31, 2022 Gratuity	March 31, 2021 Gratuity
Present Value of funded obligation at the end of the year	39.63	27.37
Fair Value of Plan Assets as at the end of the period	33.58	25.15
Amount not recognised due to asset limit		
Deficit of funded plan	6.04	2.21
Deficit of unfunded plan	-	-
- Current	6.04	2.21
- Non-Current	-	-

Amount recognized in consolidated 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, 2022 Gratuity	March 31, 2021 Gratuity
Current Service Cost	9.85	8.10
Past Service Cost	-	-
Adjustment to opening fund	-	-
Net interest Cost	(0.16)	(0.00)
Net value of Remeasurement on the obligation and plan assets	-	-
Adjustment to Opening Fund	-	-
(Gains)/Loss on Settlement	-	-
Total Expenses recognized in the Statement of Profit and Loss	9.69	8.09

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(₹ In Million)

Amount recorded in Other comprehensive Income (OCI)	March 31, 2022	March 31, 2021
	Gratuity	Gratuity
Re-measurements during the year due to		
Changes in financial assumptions	(2.06)	0.47
Changes in demographic assumptions	-	-
Experience adjustments	5.97	(3.68)
Return on plan assets excluding amounts included in interest income	0.61	0.74
Amount recognised in OCI during the year	**4.51**	**(2.48)**

(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		Movements	Increase in Assumptions		Movements	Decrease in Assumptions	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Discount rate	0.50%	0.50%	Decrease by	4.01%	4.17%	Increase by	4.31%	4.49%
Salary growth rate	0.50%	0.50%	Increase by	4.07%	4.19%	Decrease by	3.84%	4.24%

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 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	%		(₹ In Million)	
Insurer managed funds	100%	100%	33.58	25.15
Total	**100%**	**100%**	**33.58**	**25.15**

(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:

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.

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.

The weighted average duration of the defined benefit obligation is **8.68 years (As at March 31, 2021 - 8.67 years).**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Gratuity

(₹ In Million)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Cash Flow (₹)	(%)	Cash Flow (₹)	(%)
1st following year	2.75	3.40%	1.74	3.30%
2nd following year	3.04	3.80%	1.95	3.70%
3rd following year	4.50	5.60%	2.15	4.00%
4th following year	3.25	4.00%	3.25	6.10%
5th following year	3.88	4.80%	2.26	4.20%
Sum of year 6 to 10th	18.64	23.00%	12.79	24.10%

Note 40 : Segment Information

As per Indian Accounting Standard 108 'Operating Segments', the Company has reported 'Segment Information', as described below:

(₹ In Million)

Sr. No.	Particulars	Year Ended	
		March 31, 2022 (Audited)	March 31, 2021 (Audited)
I	**Segment Revenue**		
	a) Healthcare Services	6,681.62	4,308.96
	b) Manufacturing of Implants	307.84	-
	Income from Operations	**6,989.45**	**4,308.96**
II	**Segment Results**		
	a) Healthcare Services	961.06	550.55
	b) Manufacturing of Implants	(169.60)	-
	Profit / (Loss) Before Tax	**791.46**	**550.55**
III	**Capital employed**		
	a) Healthcare Services		
	Segment Assets	10,372.47	9,966.27
	Segment Liabilities	(1,793.21)	(1,619.53)
	b) Manufacturing of Implants		
	Segment Assets	1,562.92	-
	Segment Liabilities	(1,380.33)	-
	Total Capital Employed	**8,761.85**	**8,346.74**

Note 41 : Related Party Disclosures for the year ended March 31, 2022

(a) Details of Related Parties

Description of Relationship	Names of Related Parties
Promoter Entities	Shah Family Trust
	Zodiac Mediquip Limited
Key Management Personnel (KMP)	Dr. Vikram I. Shah
	Mr. Sushobhan Dasgupta (w.e.f. 17/05/2021)
	Mr. Prahlad Inani (Upto 15/12/2021)
	Mr. Jayesh Patel (Up to 06/03/2021)
	Dr. Nishita Shukla
	Mr. Tushar Shah (w.e.f. 06/03/2021)
	Mr. Venkat Parasuraman (w.e.f. 15/01/2022)
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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(b) Key management personnel compensation

(₹ In Million)

Particulars	2021-22	2020-21
Short-term employee benefits	39.32	13.29
Termination benefits	-	-
Total Compensation	**39.32**	**13.29**

(c) Details of transactions with related parties for the year ended March 31, 2022 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	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	**Professional Fees**										
	Dr. Vikram I. Shah	-	-	-	-	8.41	-	-	-	8.41	-
	Dr. Darshini V. Shah	-	-	-	-	15.82	-	-	-	15.82	-
2	**Rent Expenses**										
	Dr. Vikram I. Shah	-	-	-	-	11.91	12.88	-	-	11.91	12.88
	Shalby Orthopaedic Hospital and Research Centre	-	-	-	-	-	-	0.60	0.60	0.60	0.60
3	**Salary**										
	Mr. Prahlad Rai Inani	-	-	-	-	5.05	5.51	-	-	5.05	5.51
	Mr. Shanay V. Shah	-	-	-	-	5.60	4.35	-	-	5.60	4.35
	Mr. Jayesh Patel	-	-	-	-	-	1.75	-	-	-	1.75
	Mr. Tushar Shah	-	-	-	-	3.46	0.24	-	-	3.46	0.24
	Dr. Nishita Shukla	-	-	-	-	7.02	5.78	-	-	7.02	5.78
	Mr. Sushobhan Das Gupta	-	-	-	-	22.08	-	-	-	22.08	-
	Mr. Venkat Parasuraman	-	-	-	-	1.72	-	-	-	1.72	-
4	**Commission Expense**										
	Zodiac Mediquip Limited	-	-	0.87	0.10	-	-	-	-	0.87	0.10
5	**Guest House Expenses**										
	Zodiac Mediquip Limited	-	-	1.79	1.71	-	-	-	-	1.79	1.71

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(d) Amount due to / from related parties as at March 31, 2022

(₹ In Million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
1	**Trade Payable**										
	Dr. Vikram I. Shah	-	-	-	-	1.61	-	-	-	1.61	-
	Dr. Darshini V. Shah	-	-	-	-	3.05	-	-	-	3.05	-
	Friends of Shalby Foundation	-	-	-	-	-	-	-	0.01	-	0.01
	Zodiac Mediquip Limited	-	-	0.08	-	-	-	-	-	0.08	-
2	**Rent Payable**										
	Dr. Vikram I. Shah	-	-	-	-	1.15	1.10	-	-	1.15	1.10
	Shalby Orthopaedic Hospital and Research Centre	-	-	-	-	-	-	0.05	-	0.05	-

Note 42 : 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, 2022	As at March 31, 2021
Total equity attributable to the equity share holders of the company	8,763.23	8,346.58
As percentage of total capital	**102.68%**	**109.93%**
Current loans and borrowings	676.30	85.33
Non-current loans and borrowings	873.86	355.00
Total loans and borrowings	**1,550.16**	**440.33**
Cash and Bank balances including Fixed Deposit	1,778.55	1,194.25
Net loans & borrowings	**(228.39)**	**(753.92)**
As a percentage of total capital	**(2.68%)**	**(9.93%)**
Total capital (loans and borrowings and equity)	**8,534.84**	**7,592.66**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 43 : Fair value measurements

A. Financial instruments by category

(₹ In Million)

Particulars	March 31, 2022			March 31, 2021		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Assets						
Investments	-	246.98	-	-	156.32	-
Trade and other receivables	1,009.87	-	-	946.88	-	-
Cash and cash Equivalents	555.76	-	-	64.81	-	-
Other bank balances	549.87	-	-	770.92	-	-
Other financial assets	817.94	-	-	477.77	-	-
Total Financial Assets	**2,933.43**	**246.98**	-	**2,260.37**	**156.32**	-
Financial Liabilities						
Borrowings	1,550.16	-	-	440.33	-	-
Lease Liabilities	190.57	-	-	100.94		
Trade payables	707.33	-	-	575.65	-	-
Other financial liabilities	123.38	-	-	58.41	-	-
Total Financial Liabilities	**2,571.45**	**-**	**-**	**1,175.32**	**-**	**-**

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.

B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2022

(₹ In Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	45.04	-	-	45.04
- Bond	201.94	-	-	201.94
Total	**246.98**	**-**	**-**	**246.98**

Financial assets measured at fair value at March 31, 2021

(₹ In Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	155.22	-	-	155.22
- Membership fees	-	-	1.10	1.10
Total	**155.22**	**-**	**1.10**	**156.32**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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.

Note 44 : 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(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.

The provision matrix of ECL at the end of the reporting period is as follows.

Particulars	Expected Credit Loss %
Within 90 days due	3.41%
90 to 180 days due	7.12%
180 to 270 days	11.60%
270 to 360 days	16.61%
360 to 450 days	23.49%
450 to 540 days	30.12%
540 to 630 days	34.95%
630 to 720 days	40.15%
720 to 810 days	47.71%
810 to 900 days	57.81%
900 to 990 days	71.13%
990 to 1080 days	88.40%
(> 1080 days)	100.00%

Reconciliation of loss allowance provision

Trade receivables

(₹ In Million)

Particulars	
Loss allowance as on March 31, 2021	67.70
Changes in loss allowance	84.66
Loss allowance as on March 31, 2022	152.35

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(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, 2022	March 31, 2021
Cash and cash equivalents	555.76	64.81

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, 2022

(₹ In Million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	241.39	873.86	-
Lease Liabilities	-	97.17	36.40
Other Financial Liabilities	-	4.33	-
	241.39	**975.37**	**36.40**
Current financial liabilities			
Borrowings from Banks	434.91	-	-
Lease Liabilities	57.00		
Trade payables	707.33	-	-
Other Financial Liabilities	119.05	-	-
	1,318.28	**-**	**-**
Total financial liabilities	**1,559.68**	**975.37**	**36.40**

^ Borrowings are disclosed net of processing charges.

As at March 31, 2021

(₹ In Million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	85.33	355.00	-
Lease Liabilities		42.96	49.63
Other Financial Liabilities	-	5.02	-
	85.33	**402.98**	**49.63**
Current financial liabilities			
Borrowings from Banks	-	-	-
Lease Liabilities	8.34	-	-
Trade payables	575.65	-	-
Other Financial Liabilities	53.38	-	-
	637.38	**-**	**-**
Total financial liabilities	**722.71**	**402.98**	**49.63**

^ Borrowings are disclosed net of processing charges.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(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.

(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 (i.e INR), 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:

Financial Assets	As at March 31, 2022		As at March 31, 2021	
	Amount in USD Million	Amount in ₹ Million	Amount in USD Million	Amount in ₹ Million
Financial liabilities				
Borrowings	15.00	1,137.10	-	-
Total financial liabilities	**15.00**	**1,137.10**	**-**	**-**

Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2022 and March 31, 2021 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)

Particulars	Profit or Loss			
	March 31, 2022		March 31, 2021	
	Strengthening	Weakening	Strengthening	Weakening
USD (Increase/decrease by 1%)	11.37	(11.37)	-	-
Total	**11.37**	**(11.37)**	**-**	**-**

(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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

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, 2022	As at March 31, 2021
Fixed rate borrowings	1.74	4.20
Floating rate borrowings	1,548.42	436.13
Total	**1,550.16**	**440.33**

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, 2022	Year ended March 31, 2021
Impact on profit – increase in 50 basis points	7.74	2.18
Impact on profit – decrease in 50 basis points	(7.74)	(2.18)

(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.

Note 45: Leases

(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, 2022	As at March 31, 2021
Right-of-use assets, except for investment property	181.11	96.86

(B) Carrying value of right of use assets at the end of the reporting period by class

(₹ In Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	96.86	47.35
Addition during the year	149.54	57.03
Deletion during the year	10.92	-
Depreciation charge for the year	54.37	7.53
Balance at closing of the year	181.11	96.86

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

(C) Maturity analysis of lease liabilities

(₹ In Million)

Maturity analysis – Contractual undiscounted cash flows	As at March 31, 2022	As at March 31, 2021
Less than one year	64.90	15.30
One to five years	115.94	63.83
More than five years	50.65	66.96
Total undiscounted lease liabilities at March 31, 2022	**231.49**	**146.08**
Lease liabilities included in the statement of financial position at March 31, 2022	**190.57**	**100.94**
Current	57.00	8.34
Non-Current	133.58	92.59

(D) Amounts recognised in profit or loss

(₹ In Million)

Particulars	2021-22	2020-21
Interest on lease liabilities	9.80	4.90
Variable lease payments not included in the measurement of lease liabilities	13.57	13.58
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	4.17	7.32

(E) Amounts recognised in the statement of cash flows

(₹ In Million)

Particulars	2021-22	2020-21
Total cash outflow for leases	85.60	28.69

Note 46 : Ageing Schedule

46.1 : Trade Receivables

(₹ In Million)

Particulars	Outstanding as on March 31, 2022 for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable-Considered good	87.10	583.14	187.96	130.58	120.79	45.16	1,154.73
Undisputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable-Credit Impaired	-	-	-	-	-	3.79	3.79
Disputed Trade Receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable-Credit Impaired	-	-	-	-	-	3.70	3.70
Gross Trade Receivable	**87.10**	**583.14**	**187.96**	**130.58**	**120.79**	**52.65**	**1,162.22**
Less: Allowance for expected credit loss							(144.86)
Less: Allowance for doubtful debts							(7.49)
Net Trade receivables							**1,009.87**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2022

(₹ In Million)

Particulars	Outstanding as on March 31, 2021 for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivable-Considered good	68.57	536.21	111.87	186.31	85.22	18.91	1,007.08
Undisputed trade receivable-Significant increase in credit risk	-	-	-	-	-	3.79	3.79
Undisputed Trade Receivable-Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivable-Considered good	-	-	-	-	-	-	-
Disputed trade receivable-Significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable-Credit Impaired	-	-	-	-	-	3.70	3.70
Gross Trade Receivable	**68.57**	**536.21**	**111.87**	**186.31**	**85.22**	**26.40**	**1,014.57**
Less: Allowance for expected credit loss							(60.20)
Less: Allowance for doubtful debts							(7.49)
Net Trade receivables							**946.88**

Note 46.2 : Ageing of Trade Payables

(₹ In Million)

Particulars	Outstanding as on March 31, 2022 for following periods from due date of payment					Total
	Not Due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	1.67	-	-	-	1.67
Others	462.89	193.15	20.71	21.26	7.65	705.66
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total trade payable	**462.89**	**194.82**	**20.71**	**21.26**	**7.65**	**707.33**

(₹ In Million)

Particulars	Outstanding as on March 31, 2021 for following periods from due date of payment					Total
	Not Due	Less Than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	-	-	-	-	-
Others	57.82	447.73	61.82	3.80	4.47	575.65
Disputed dues – MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total trade payable	**57.82**	**447.73**	**61.82**	**3.80**	**4.47**	**575.65**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 47 : Due to Micro, Small and Medium Enterprise and confirmations

(a) Due to Micro, Small and Medium Enterprise

(₹ In Million)

Sr. No.	Particulars	March 31, 2022	March 31, 2021
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	1.67	-
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.	-	-
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.	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
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.	-	-

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 48 : Corporate social Responsibility

(a) Details of CSR Expense

(₹ In Million)

Particulars	Amount as on March 31, 2022	Amount as on March 31, 2021
Amount required to be spent during the year	10.95	11.09
Amount actually spent :		
Construction / acquisition of any assets	11.00	7.00
On purposes other than above	-	30.54
Shortfall at the end of year	-	-
Total of previous year shortfall	-	24.41
Total of excess spend to be carried forwarded	2.10	2.05
Reason for such shortfall :	NA	
Nature of CSR activities :	Construction and development of Gaushala, Education and Employment to Girl Child, Reduce Risk of COVID-19 community spread & Spread awareness about Drug Usage in Youth	
Details of related party transactions :	Nil	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 49 : 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, 2022	March 31, 2021
Revenue from Sale of Products	439.49	230.38
Revenue from Sale of Services	6,549.29	4,076.85
Total Revenue	**6,988.78**	**4,307.23**

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segment wise

(₹ In Million)

Particulars	March 31 2022	March 31, 2021
Revenue from Sale of Services		
In Patient Discharge		
Domestic	5,703.37	3,500.56
Overseas	42.56	13.08
Out Patient Discharge	453.62	462.61
Clinical Trials	7.24	3.95
Event Income	6.88	2.19
Allied Services	245.24	23.29
Other operative Income	90.39	71.17
Total Revenue from Sale of services	**6,549.29**	**4,076.85**
Revenue from Sale of Products		
Revenue from Medicines & Medicare Items	439.49	230.38
Total Revenue from Contract with Customers	**6,988.78**	**4,307.23**

Contract Asset

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Opening Balance of Contract Asset	68.57	13.32
Revenue Recognised from the opening balance of contract liability	68.57	13.32
Current year Contract asset - Carried Forward	87.10	68.57
Closing Balance of Contract Asset	**87.10**	**68.57**

Contract Liability

(₹ In Million)

Particulars	March 31, 2022	March 31, 2021
Opening Balance of Contract Liability	46.57	6.40
Revenue Recognised from the opening balance of Contract Liability	46.57	6.40
Current year Contract liability - Carried Forward	101.50	46.57
Closing Balance of Contract Liability	**101.50**	**46.57**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 4.8 of Note No. 4.

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 50 : 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, 2022 & March 31, 2021 are as under:

(₹ In Million)

Currency	Payable (In Foreign Currency)		Receivable (In Foreign Currency)		Payable (In Indian Rupee)		Receivable (In Indian Rupee)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	15.00	-	-	-	1,137.10	-	-	-

Note 51 : Disclosure to Reporting under Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014

The company (Funding Party) has made investment and provided loan to its subsidiary company Mars Medical Devices Limited (intermediary) for the purpose of investing or giving advances to the intermediary's wholly owned subsidiaries (ultimate beneficiary) Shalby Advanced Technologies Inc. and Shalby Global Technologies PTE. Limited

Period of Funds given to intermediary	Period of Funds given to ultimate Beneficiary	Amount (₹ in Million)	Details of Intermediary	Details of Ultimate Beneficiary
May 2021	May 2021	220.50	Mars Medical Devices Limited (U33100GJ2020PLC113358) Shalby Hospitals, Opp. Karnavati Club, S G Highway, Ahmedabad 380015	Shalby Advanced Technologies Inc. 1209, Orange Street, Wilmington, Delaware 19801, County of New Castle.
January 2022	January 2022	74.70		
February 2022	February 2022	12.25		
March 2022	March 2022	59.75		
May 2021	August 2021	13.33		Shalby Global Technologies PTE. LTD. (UEN : 202115761C) 11, Collyer Quay, #17-00, The Arcade, Singapore 049317
May 2021	November 2021	11.68		
March 2022	March 2022	19.71		
Total		**411.91**		

The Company has complied with relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999), to the extent applicable, the Companies Act, 2013 for such transaction and this transaction is not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 52 : Other Statutory Information

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

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

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

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

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

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

(e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) except disclosed in Note 51 with the understanding that the Intermediary shall:

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

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

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

(g) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(h) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(i) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

(j) The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at March 31, 2022.

Note 53 : Company has acquired Land on lease at Indore in year 2019 for a period of 30 years with a plan for additional unit at Indore. Due to change in local business estimates management decided to liquidate the said land and accordingly one-time loss amounting to ₹ 44.37 Million on relinquishment of right of use of land has been recognized as expense in exceptional item in the financial statement.

Note 54 : The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has received Presidential assent and has been published in the Gazette of India. However, the effective date of the Code and final rules for quantifying the financial impact are yet to be notified. The Group will assess the impact of the Code when relevant provisions are notified and will record related impact, if any, in the period the Code becomes effective.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 55 : 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 56 : Previous Year Figures are regrouped / reclassified wherever required in order to make it comparable in line with the amendments in Schedule III, Division II to the Companies Act, 2013 effective from April 1, 2021.

Note 57 : Balances of Sundry Creditors, Sundry debtors, Loans & advances, etc. are subject to confirmation and reconciliation, if any.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 58 : Additional Information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of Entities	Net Assets i.e. Total Assets minus Total Liabilities		Statement in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As a % of consolidation net assets	Amount (₹ in Millions)	As a % of consolidation net assets	Amount (₹ in Millions)	As a % of consolidation net assets	Amount (₹ in Millions)	As a % of consolidation net assets	Amount (₹ in Millions)
Parent								
Shalby Limited	97.32%	8,527.39	176.89%	954.69	(131.52)%	(2.93)	175.63%	951.76
Subsidiary								
Indian								
Vrundavan Shalby Hospital Limited	0.74%	65.20	(0.11)%	(0.57)	0.00%	-	(0.11)%	(0.57)
Yogeshwar Healthcare Limited	0.00%	(0.07)	(0.25)%	(1.33)	0.00%	-	(0.25)%	(1.33)
Shalby International Limited	0.00%	(0.07)	0.02%	0.11	0.00%	-	0.02%	0.11
Griffin Mediquip LLP	(1.37)%	(119.97)	(48.13)%	(259.74)	0.00%	-	(47.93)%	(259.74)
Shalby Mumbai Hospitals Private Limited	0.00%	0.02	(0.01)%	(0.05)	0.00%	-	(0.01)%	(0.05)
Mars Medical Devices Limited	0.03%	2.26	(0.41)%	(2.20)	0.00%	-	(0.41)%	(2.20)
Slaney Healthcare Private Limited	0.22%	19.31	0.69%	3.74	3.03%	0.07	0.70%	3.81
Foreign								
Shalby Kenya Limited	(0.08)%	(6.96)	(0.38)%	(2.07)	0.45%	0.01	(0.38)%	(2.06)
Shalby Global Technologies Pte. Ltd	0.11%	9.88	(6.47)%	(34.91)	(14.08)%	(0.31)	(6.50)%	(35.22)
Shalby Advanced Technologies Inc.	3.04%	266.23	(21.57)%	(116.42)	242.12%	5.39	(20.49)%	(111.03)
Non Controlling Interest in above subsidiaries	(0.02)%	(1.38)	(0.29)%	(1.54)		-		(1.54)
Grand Total	**100.00%**	**8,761.85**	**100.00%**	**539.71**	**100.00%**	**2.23**	**100.29%**	**541.93**

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022

Note 59 : 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

March 31, 2022

(₹ In Million)

Name of Subsidiary	Griffin Mediquip LLP	Vrundavan Shalby Hospitals Limited	Shalby International Limited	Yogeshwar Healthcare Limited	Shalby Mumbai Hospitals Private Limited	Mars Medical Devices Limited	Slaney Healthcare Private Limited	Shalby Kenya Limited	Shalby Global Technologies Pte. Ltd	Shalby Advanced Technologies Inc.
Country	India	India	India	India	India	India	India	Kenya	Singapore	USA
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	KSH	SGD	USD
Exchange Rate	1	1	1	1	1	1	1	0.66	55.88	75.8071
Share capital /Partner capital	8.57	18.00	0.50	7.35	0.10	250.00	0.10	0.07	45.10	295.32
Reserves and Surplus	-	47.64	(0.36)	(7.22)	(0.08)	(5.86)	19.21	(6.96)	(36.69)	(112.74)
Total Assets	138.89	66.08	0.22	0.17	0.07	415.60	63.63	0.75	19.97	1,562.92
Total Liabilities	130.32	0.44	0.08	0.04	0.04	171.46	44.32	7.64	11.56	1,380.33
Turnover/Total Income	264.97	0.02	0.16	0.07	-	0.04	212.58	0.49	-	310.72
Profit / (Loss) Before Tax	3.99	(0.57)	0.11	(1.40)	(0.05)	(3.40)	5.14	(2.46)	(36.38)	(169.60)
Tax Expense / (Credit)	0.86	-	-	-	-	-	1.61	(0.40)	-	(51.47)
Profit / (Loss) after tax	3.13	(0.57)	0.11	(1.40)	(0.05)	(3.40)	3.52	(2.05)	(36.38)	(118.13)
Proposed dividend and tax thereon	-	-	-	-	-	-	-	-	-	-
Investments (except in case of investment in the subsidiaries)	-	-	-	-	-	-	-	-	-	-
% of shareholding	100.00	100.00	100.00	94.68	100.00	100.00	100.00	100.00	-	-

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No:135556

Place : Ahmedabad
Date: May 25, 2022

For and on behalf of the Board
Shalby Limited

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

Shyamal Joshi
Director
DIN: 00005766

Venkat Parasuraman
Chief Financial Officer

Tushar Shah
AVP & Company Secretary

Place : Ahmedabad
Date: May 25, 2022

SHALBY LIMITED
•Passion••Compassion••Innovation•

Shalby Limited

Regd.: Shalby 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 AGM

Notice is hereby given that the 18th Annual General Meeting ('AGM') of the Members of Shalby Limited will be held on Monday, September 26, 2022 at 4:00 p.m. through video conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business;

ORDINARY BUSINESS

Item No. 1 - Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2022 together with Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2022 together with the Report of the Auditors thereon.

Item No. 2 - Declaration of Dividend

To declare a Final Dividend of ₹ 1/- (Rupee One only) per Equity Share of the face value ₹ 10/- (Rupees Ten only) each for the financial year 2021-22.

Item No. 3 - Appointment of Mr. Sushobhan Dasgupta (DIN: 06381955) as Director, liable to retire by rotation

To appoint a Director in place of Mr. Sushobhan Dasgupta (DIN: 06381955), who retires by rotation in terms of 156(3) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

Item No. 4 - Increase in borrowing powers of the Board under 180(1)(c) of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution.**

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and pursuant to Section 180 (1) (c) and other applicable provisions, if any, of the Companies act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) under Section 180(1)(c) and all other applicable provisions if any, of the Companies Act, 2013 read with Articles of Association of the Company, to borrow money from any Bank and/or other Financial Institution and/or foreign lender and/or any body corporate / entity / entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for and on behalf of the Company for the business of the Company, but so that the money to be borrowed together with the money already borrowed by the Company shall not exceed ₹ 750 Crore (Rupees Seven Hundred Fifty Crore Only) in excess of the aggregate of its paid share capital and free reserves of the Company as per the latest annual audited financial statements, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board or any committee or person(s) authorised by the Board, be and is / are hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question(s), difficulty(ies) or doubt(s) that may arise in regard to creating security(ies) as aforesaid or other considered to be in the best interest of the Company.

Item No. 5 - To approve powers of Board under 180(1)(a) of the Companies, Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution.**

"RESOLVED FURTHER THAT in supersession of all the earlier resolutions passed in this regard and subject to Section 180(1) (a) and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and the Articles of Association of the Company, consent of the Company be and is hereby accorded, to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of ₹ 750 crores (Rupees Seven Hundred Fifty Crores only) for the Company.

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior / pari-passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the Company and the lenders.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board or any committee or person(s) authorised by the Board, be and is / are hereby authorized to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question(s), difficulty(ies) or doubt(s) that may arise in regard to creating security(ies) as aforesaid or other considered to be in the best interest of the Company."

Item No. 6 - Authorization under Section 186 of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution.**

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) to (a) give any loan to any person(s) or other body corporate(s); (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s); and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding ₹ 500 crores (Rupees Five Hundred Crores Only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board or any committee or person(s) authorised by the Board, be and is / are hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question(s), difficulty(ies) or doubt(s) that may arise in regard to creating security(ies) as aforesaid or other considered to be in the best interest of the Company."

Item No. 7 - Ratification of the remuneration payable to Cost Auditors of the Company for the FY 2022-23

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 recommended by Audit Committee and as approved by the Board of Directors and set out in the statement annexed to the notice convening this meeting, to be paid to M/s. Borad Sanjay B & Associates, Cost Accountants, Ahmedabad (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, 2023, be and is hereby ratified."

By Order of the Board of Directors

Tushar Shah
AVP & Company Secretary
Mem. No. FCS7216

Date: May 25, 2022
Place: Ahmedabad

Regd. Office:
Shalby Hospitals,
Opp. Karnavati Club
S. G. Road, Ahmedabad 380015

NOTES

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has allowed conducting Annual General Meeting through Video Conferencing (VC) or other Audio Visual Means (OAVM) and has dispensed with physical presence of the members of the Company at the meeting, vide its circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 Circular No. 20/2020 dated May 5, 2020 and Circular No.02/2021 dated January 13, 2021, Circular No.19/2021 dated December 8, 2021 Circular No.21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 5, 2022 prescribing the procedures and manner of conducting the Annual General Meeting (AGM) through VC / OAVM. In terms of the said circulars, the 18th Annual General Meeting (AGM) of the members of the Company will be held through VC/OAVM without physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.

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 a poll instead of himself and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to MCA circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, the Body Corporate are entitled to appoint their authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the AGM is annexed hereto. The relevant details of the Director seeking appointment / re-appointment at this AGM, pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standards issued by Institute of Company Secretaries of India on General Meetings issued by the Institute of Company Secretaries of India are also annexed hereto.

4. 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 16, 2022 through email on companysecretary@shalby.in.

5. Members who would like to express their views or ask questions during the AGM, may register themselves as a speaker between September 21, 2022 and September 23, 2022 by sending an email on companysecretary@shalby.in from their registered email address, mentioning their name, demat account number / folio number and mobile number. Those Members who holds shares as on cut-off date for 18th Annual General Meeting and who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time as appropriate for smooth conduct of the AGM.

Dispatch of Annual Report through electronic mode

6. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of 18th AGM along with the Annual Report 2021-22 is being sent only through electronic mode to all the members, whose e-mail address is registered with the Company / Depository Participant as per latest beneficial position available. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.shalby.org, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively.

7. For receiving communication from the Company electronically:

   a. Members holding shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at companysecretary@shalby.in or to company's R&T Agent KFin Technologies at einward.ris@kfintech.com.

   b. Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant.

E-Voting facility

8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to "e-voting Facility Provided by Listed Entities", the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 18th AGM. Shareholders are requested to refer instructions for detailed procedure to be followed for e-Voting and participation in the AGM through VC/OAVM.

9. 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 e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.

Book Closure:

10. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 21, 2022 to Monday, September 26, 2022 (both days inclusive) to determine entitlement of the shareholders to receive dividend for the year 2021-22 and in connection with Annual General Meeting of the Company.

Dividend:

11. The Board of Directors at its meeting held on May 25, 2022, has recommended a final dividend of ₹ 1/- 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 Tuesday, September 20, 2022. The dividend will be paid to all the shareholders within statutory timelines.

12. 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 valid bank details registered with the depository. 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.

13. Members holding shares in physical form are requested to update their bank details including IFSC code with 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.

14. 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 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. To avail this benefit, shareholders need to provide respective declaration/ document through email at companysecretary@shalby.in form 15G/form 15H/form 10F, as may be applicable, latest by Tuesday, September 20, 2022.

15. 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 sending respective declaration/documents as mentioned hereinabove at companysecretary@shalby.in

16. In case the Dividend has remained unclaimed in respect of financial year 2018-19, 2019-20 and/or 2020-21, the Shareholders are requested to approach the Company with details of DP ID, client ID, with or without their dividend warrants with the Letter of Undertaking, copy of PAN card and a canceled cheque of the first named shareholder for credit of the dividend amount directly to bank account. The Company has uploaded the data regarding unpaid and unclaimed dividends amount lying with the Company on the website of the Company as well as on the website of the Ministry of Corporate Affairs. Investors are therefore requested to verify the data and lodge their claims of unpaid dividend, if any.

AGM:

17. The Company has appointed National Securities Depository Limited, to provide e-voting and Video Conferencing facility for the Annual General Meeting.

18. Pursuant to the provisions of the MCA circulars, Members can attend the meeting through log in credentials provided to them to connect to Video conference. Members will be allowed to attend AGM through VC/OAVM on first come first served basis.

19. Institutional / corporate Members (that is, other than Individuals, HUFs, NRIs, etc.) are required to send the

Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), at e-mail ID: companysecretary@shalby.in. Such authorization shall contain necessary authority in favour of its authorized representative(s) to attend the AGM.

20. The Members can join the AGM 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in a separate annexure to this Notice.

21. The attendance of the Members (members logins) attending the AGM through video conferencing will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

22. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

Other Notes

23. Relevant documents referred to in the accompanying Notice and Explanatory Statement are open for inspection by the members in electronic mode.

24. Members desirous in seeking any information with regard to accounts / financial statements are requested to send their queries to the Company through email at companysecretary@shalby.in at least ten days before the meeting so as to enable the management to keep the relevant information ready and answer them in the meeting.

25. As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialized form. Shareholders holding shares in physical form are advised to avail the facility of dematerialization.

26. Members holding shares in physical mode are required to update their Permanent Account Number (PAN), bank details & email ID with the RTA of the Company, if not registered as mandated by SEBI.

27. Members holding shares in electronic mode are:-

    (a) 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) requested to register/update their email address with their respective DPs for receiving all communication from the Company electronically.

    (c) advised to contact their respective DPs for registering the nomination.

28. Non-Resident Indian Members are requested to inform respective Depository Participants, immediately about

    (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.

29. The Scrutinizer shall make, not later 48 hours 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

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Thursday, September 22, 2022 at 9:00 A.M. and ends on Sunday, September 25, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, September 20, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Tuesday, September 20, 2022.

How do I vote electronically using NSDL e-Voting system?

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

3. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   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.

   Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

4. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

5. Now, you will have to click on "Login" button.

6. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

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

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

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. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility smoothly.

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

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 AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

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 AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

3. 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.

4. 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

In terms of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a Company, shall exercise the power to borrow money, where money to be borrowed, together with the money already borrowed by the Company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business only with the consent of the Company by passing a Special Resolution.

The Shareholders of the Company, at the 10th Annual General Meeting held on September 8, 2014 had approved special resolution pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 authorizing Board of Directors of the Company to borrow monies for and on behalf of the Company from time to time as deemed by it to be requisite and proper for the business of the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding shall not exceed ₹ 500 Crores (Rupees Five Hundred Crores Only) in excess of the aggregate of the paid up capital of the Company and its free reserve i.e. reserves not set apart for any specific purpose, as per the latest annual audited financial statement.

Considering the business plans and the growing fund requirements of the Company, the Board of Directors at its meeting held on May 25, 2022 had accorded its consent to borrow money to the extent of ₹ 750 crore, subject to approval of members. Therefore, it is proposed to increase the existing borrowing limit of the Company from ₹ 500 crore to ₹ 750 crore.

The Special Resolution at Item No.4 of the Notice is being recommended by the Board of Directors for approval of the members pursuant to section 180(1)(c) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

ITEM NO. 5

In terms of section 180(1)(a) of the Companies Act, 2013, Shareholders of the Company at the 10th Annual General Meeting held on September 8, 2014 approved Special Resolution authorising the Board of Directors of the Company to create charge/provide security for the sum borrowed on such terms and conditions and in such form and manner and with such ranking as priority, as the Board in its absolute discretion thinks fit, on the assets of the Company to the extent of ₹ 500 crore.

As explained above consequent to increase in the borrowing limits of the Company it would be necessary to get approval of the members of the Company for creation of charge on properties of the Company to the extent of ₹ 750 crore pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013.

The Board in its meeting held on 25th May, 2022, had accorded consent to create security / to create charge on the properties to the extent of ₹ 750 crore to secure borrowings up to ₹ 750 Crore. Creation of security on the assets of the Company which may mean or include whole or substantially the whole of undertaking of the Company requires consent of shareholders.

The Special Resolution at Item No. 5 of the Notice is being recommended by the Board of Directors for approval of the members pursuant to section 180(1)(a) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

ITEM NO. 6

In terms of section 186 of the Companies Act, 2013, Shareholders of the Company at the 10th Annual General Meeting held on September 8, 2014 approved Special Resolution authorising the Board of Directors of the Company to invest, give loan and give guarantee or provide security to the extent of Rs. 200 crore. The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding 60% (sixty) percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition of securities of any body corporate as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required.

The Company requires to increase the limit to ₹ 500 crore from earlier ₹ 200 crore for the purpose of expansion and inter corporate loans and guarantees that are being provided in the ordinary course of business from time to time as per the business requirements. It also has investments in unlisted securities in wholly owned subsidiaries. In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees to persons or body corporates, from time to time, prior approval of the Members is being sought for enhancing the said limits. Accordingly, the Board of Directors in its meeting held on May 25, 2022 approved increasing the aforesaid threshold to ₹ 500 Crores (Rupees Five Hundred Crores only)over and above the limit specified under section 186 of the Companies Act, 2013 subject to approval of the Shareholders.

Therefore, it is proposed to seek fresh approval of members by way of a Special Resolution under Section 186(2) of the Companies Act, 2013 to authorize the Board of Directors of the Company to make investments in, giving loans, inter corporate deposits and guarantees to various persons and body corporates from time to time.

The Special Resolution at Item No. 6 of the Notice is being recommended by the Board of Directors for approval of the members pursuant to section 186(2) of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution.

ITEM NO. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Borad Sanjay B & Associates, Cost Accountants, Ahmedabad as the Cost Auditor of the Company to audit the cost records of the Company for the financial year ending on March 31, 2023 at a remuneration of ₹ 1,10,000/- (Rupees One Lakh Ten Thousand 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, Board of Directors recommend the Ordinary resolution at item no. 7 of the Notice for members' approval for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

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 Ordinary Resolution.

By Order of the Board of Directors

Tushar Shah

Date: May 25, 2022 AVP & Company Secretary

Place: Ahmedabad Mem. No. FCS7216

Regd. Office: Shalby 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 18TH ANNUAL GENERAL MEETING

Name of Director	Mr. Sushobhan Dasgupta [DIN : 06381955]
Age in completed years (as on March 31, 2022)	59
Date of first appointment on the Board	May 17, 2021
Qualification / Brief Resume / Expertise in specific functional area/ experience	Mr. Sushobhan Dasgupta, a gold medalist in Business Administration from Jadavpur University and a Master of Science degree in Human Physiology from Presidency College, Kolkata. He was Managing Director of Johnson & Johnson Medical India and Vice President, Orthopedics, Johnson & Johnson Asia Pacific serving as a member of the Johnson & Johnson Orthopedics Global Board. Over 30 years of his career with Johnson & Johnson, Mr. Dasgupta has lived and worked in several developed and emerging markets such as USA, UK, Germany, Singapore and Australia/ New Zealand. In his various roles, he has led and delivered accelerated business growth through innovation, continuous talent and organization development. He has always been a strong proponent and advocate of business ethics and compliant business practices. Mr. Dasgupta was actively engaged in helping shape the healthcare environment through active participation in leading industry forums. He is Past President of the Healthcare Federation of India (NATHEALTH), immediate Past Chairman of the FICCI Medical Devices Forum and currently Chair – Finance, Healthcare Sector Skills Council. In addition, he was also an active member of FICCI's National Committee on Healthcare, CII's National Committee on Public Health and CII's National Committee on MNCs, The American Shalby Multi-Specialty Hospitals Chamber of Commerce's (AMCHAM) and ADVAMED Medical Devices Forum. He is a founder member of the newly formed Medical Technology Association of India (MTaI). Mr. Dasgupta is the recipient of the honorary fellowship from the Association of Minimal Access Surgeons of India (AMASI), a rare recognition to an industry leader. He is also the recipient of the Award of Appreciation from the Indian Arthroplasty association at IAACON 2017 Kolkata for his contribution over the years in the field of Arthroplasty in India.
No. of Shares held in the Company	Nil
Relationship with other Directors and Key Managerial Personnel	None
No of meetings of the Board attended during the year	4 out of 5
Other Directorships	None
Chairmanship or Membership of Committees of other Companies	None

* Abbreviation

AC – Audit Committee NRC – Nomination and Remuneration Committee CSR – Corporate Social Responsibility Committee CC – Compensation Committee

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CIN: L85110GJ2004PLC044667

REGISTERED OFFICE

Shalby Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015, Gujarat, India.
Tel: +91 79 4020 3000 | Fax: +91 79 4020 3109 | Email: info@shalby.org

www.shalby.org

Emergency: +91 79 4020 3111, +91 99240 23456

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)