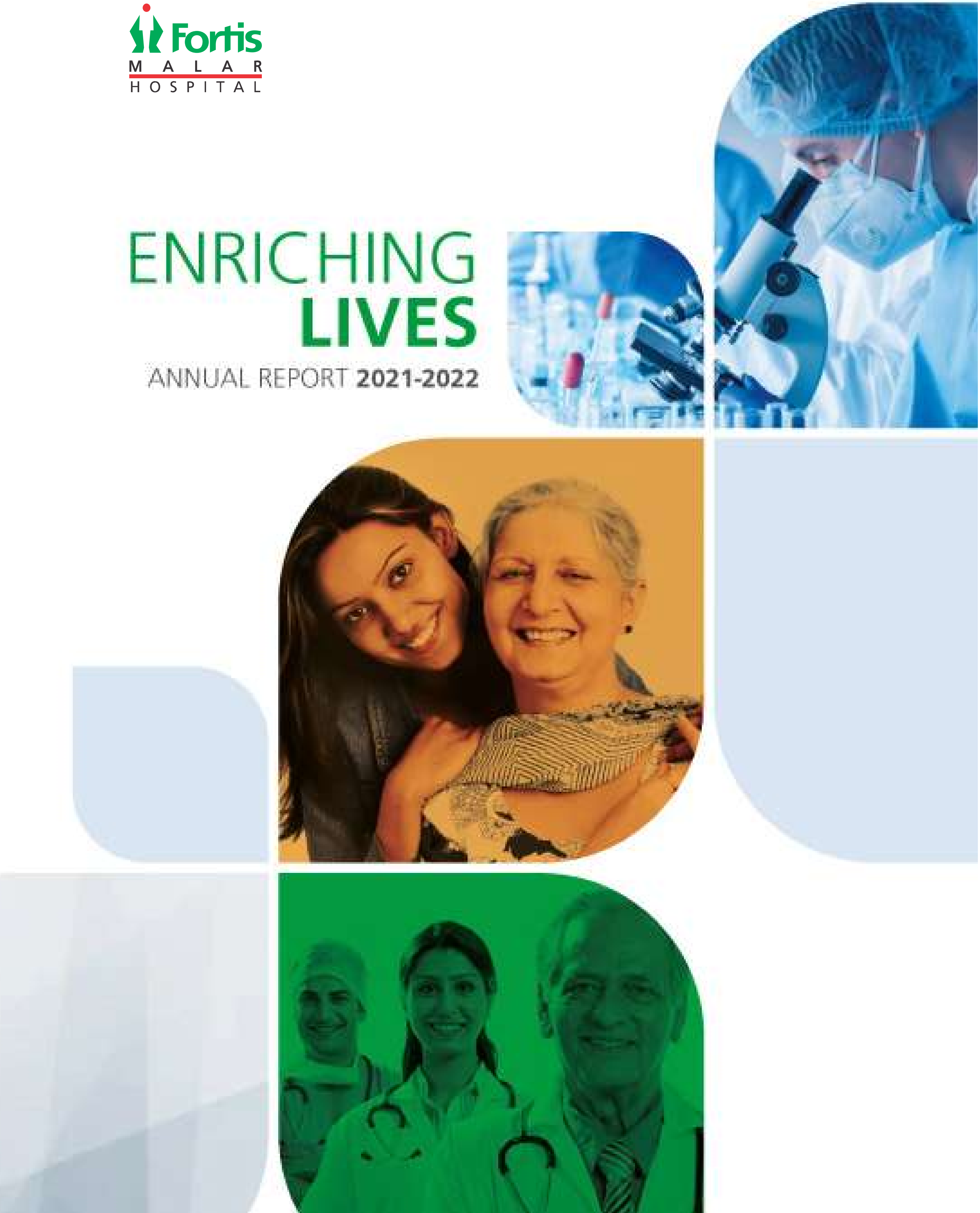
Fortis MALAR HOSPITAL

ENRICHING LIVES

ANNUAL REPORT **2021-2022**



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BSE code: 523696

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CORPORATE **INFORMATION**

Board of Directors

Mr. Daljit Singh, Chairman

Mr. Chandrasekar Ramasamy

Ms. Shailaja Chandra

Dr. Nithya Ramamurthy

Mr. Ramesh Lakshman Adige

Mr. Ravi Rajagopal

Company Secretary and Compliance Officer

Mr. Sandeep Singh

Chief Financial Officer

Mr. Yogendra Kumar Kabra

Statutory Auditors

B S R & Co. LLP
Chartered Accountants
KRM Tower, 1st & 2nd Floor,
No 1, Harrington Road, Chetpet,
Chennai 600 031, India

Registered Office

Fortis Hospital, Sector 62, Phase VIII,
Mohali, Punjab- 160062
Ph.: +91-172-5096001
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Email Id: secretarial.malar@malarhospitals.in
Website: www.fortismalar.com

Registrar and Transfer Agent

KFin Technologies Limited
Selenium, Tower B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Seilingampally Mandal
Hyderabad-500032
Phone No. - +91 40 6716 2222
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Website: www.kfintech.com

BOARD OF **DIRECTORS**

Mr. Daljit Singh
Non-Executive Director and Chairman

Mr. Chandrasekar Ramasamy
Whole-time Director

Ms. Shailaja Chandra
Independent Director

Dr. Nitya Ramamurthy
Non-Executive Director

Mr. Ramesh L Adige
Independent Director

Mr. Ravi Rajagopal
Independent Director

CHAIRMAN'S **MESSAGE**

Dear Shareholders,

It gives me great pleasure to present the results of your Company for the year ended March 31, 2022.

COVID-19 continued to pose a major challenge, especially during the first half of the year under consideration. However, in spite of the great personal risk, our doctors, nurses and staff members continued to give their best and serve our patients. I, on behalf of the Board, salute all our clinicians and frontline healthcare workers, who have demonstrated exemplary commitment to duty and patient care in such adverse circumstances.

The financial year under review continued to pose a challenge for your Company. The COVID-19 pandemic played a role in reducing footfalls, and occupancy remained low in the first quarter. By the second quarter, the occupancy was 31.9%. Overall, your Company treated 5,622 COVID patients in the out-patient department and 1,453 COVID admissions were recorded till March 31, 2022. I am happy to share that your Company was able to achieve a success rate of 96%.

Your hospital also participated in the community vaccination drive and till March 31, we had completed around 14,092 vaccinations.

CHAIRMAN'S **MESSAGE Contd...**

> **In spite of the headwinds, however, your Company has continued its relentless focus on enhancing capability by adding new clinical talent and introducing new services**

Given the precarious situation, the leadership had to take some difficult decisions. Both clinical as well as non-clinical costs were reduced to make up for the lower revenues. All consultants and top-ranking administrative staff took significant salary cuts during the year at different points in time. To achieve further efficiencies in our manpower cost structure, the total headcount was appropriately optimized, which also resulted in substantial savings in our personnel costs during the year. Despite such stringent cost controls, your Company faced a stiff challenge in getting back to profitability, as the regular non-COVID occupancy came down to around 40% from the pre-COVID levels.

During the year, your Company achieved Annual Revenue of Rs 93.57 Crores as against Rs 77.49 Crores in the previous financial year. Profit / (Loss) before tax was Rs. (-)8.26 Crores as compared to Rs. (-)11.31 Crores in the previous financial year. Net profit / (loss) after tax was Rs. (-)8.27 Crores compared to Rs. (-)7.87 Crores in the previous financial year. The average revenue per occupied bed (ARPOB) stood at Rs.163 Lakhs in FY 2021-22 as against Rs. 144 Lakhs in FY 2020-21. The average length of stay (ALOS) was 4.29 days in FY 2021-22 compared to 5.27 days in FY 2020-21.

In spite of the headwinds, however, your Company has continued its relentless focus on enhancing capability by adding new clinical talent and introducing new services. A renovated Operation Theatre Complex was inaugurated in March 2022.

The doctors at your hospital also continued to do exemplary clinical work. Your Company was the first in Chennai to implant minimally invasive dual chamber leadless pacemakers, which is a boon for patients who cannot undergo the conventional procedure. A team of doctors performed a complex laparoscopic surgery to remove a 93-year-old's pus-filled gallbladder. These success stories are pointers to not only the clinical talent available with us but also the significant trust our patients have on our doctors, nurses and the hospital.

Dear Shareholders, with your continued support, your hospital was able to withstand the challenges fairly well and has boldly upheld its commitment towards patients. I can assure you that we will continue to do even better for all our stakeholders in the year ahead. Thank you for trusting us and I am sure that your Company will continue to do good work that you will be proud of.

Best regards,

Daljit Singh
Chairman
Fortis Malar Hospitals Limited

Board's Report

Dear Members,

Your Directors have pleasure in presenting the 31st Annual Report of Fortis Malar Hospitals Limited ("the Company") along with Audited Standalone and Consolidated Financial Statements and Auditors' Report thereon for the year ended March 31, 2022.

FINANCIAL RESULTS

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

(₹ in Lacs)

Particulars	Consolidated	
	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations	8,617.82	6,924.41
Other Income	739.05	825.09
Total Income	**9,356.87**	**7,749.50**
Total Expenses	8,274.03	7,558.09
Profit before Finance Charges, Taxes, Depreciation & Amortisation (EBITDA)	**1,082.84**	**191.41**
Less: Finance Charges, Depreciation & Amortisation	1,908.97	2,007.42
Profit / (Loss) before exceptional item and tax	**(826.13)**	**(1,816.01)**
Exceptional items	-	684.85
Profit / (Loss) before tax	**(826.13)**	**(1,131.16)**
Less: Tax Expenses	1.22	(344.29)
Profit / (Loss) for the year	**(827.35)**	**(786.87)**
Other Comprehensive Income (Net of Taxes)	(33.96)	20.39
Total Comprehensive Loss for the year	(861.31)	(766.48)

(₹ in Lacs)

Particulars	Standalone	
	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from Operations	8,617.82	6,924.41
Other Income	733.32	808.12
Total Income	**9,351.14**	**7,732.53**
Total Expenses	8,272.72	7,556.62
Profit before Finance Charges, Taxes, Depreciation & Amortisation (EBITDA)	**1,078.42**	**175.91**
Less: Finance Charges, Depreciation & Amortisation	1,908.97	2,007.42
Profit / (Loss) before exceptional item and tax	**(830.55)**	**(1,831.51)**
Exceptional items	-	684.85
Profit / (Loss) before tax	**(830.55)**	**(1,146.66)**
Less: Tax Expenses	-	(345.33)
Profit / (Loss) for the year	**(830.55)**	**(801.33)**
Other Comprehensive Income (Net of Taxes)	(34.03)	20.33
Total Comprehensive Loss for the year	(864.58)	(781.00)

Board Report (Contd..)

STATE OF COMPANY'S AFFAIR, OPERATING RESULTS AND PROFITS

Fortis Malar Hospital (formerly known as Malar Hospital) was acquired by Fortis Group in early 2008. The hospital founded in 1989, has established itself as one of the largest corporate hospitals in Chennai, providing quality super specialty and multi-speciality healthcare services. With a total bed-strength of 160, including 40 ICU/CCU/RTU beds, the hospital focuses on providing comprehensive medical care in the areas of Cardiology and Cardiac Surgery, Neuro Surgery, Gynaecology, Orthopedics, Gastroenterology, Neurology, Pediatrics, Diabetics, Nephrology and Internal Medicine.

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

The financial year under review continued to pose a challenge due to Covid lockdown. The COVID-19 pandemic played a role in reducing footfalls, and occupancy remained low in the first quarter. By the second quarter, the occupancy had improved to 31.9%. Overall, we had treated 5,622 COVID patients in the out-patient department and 1,453 COVID admissions were recorded till March 31, 2022, with a success rate of 96%.

The hospital also participated in the community vaccination drive and had completed around 14,092 plus vaccinations

SIGNIFICANT MATTERS DURING THE YEAR UNDER REVIEW

OPEN OFFER

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

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

(i) A mandatory open offer for acquisition of up to 197,025,660 equity shares of face value of ₹ 10 each in FHL, representing additional 26% the Expanded Voting Share Capital of FHL, at a price of not less than ₹ 170 per share ("Fortis Open Offer") or such higher price as required under the Securities and Exchange Board of India ("SEBI") (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations"); and

(ii) In light of the acquisition of the controlling stake of FHL, a mandatory open offer for acquisition of up to 4,894,308 fully paid up equity shares of face value of ₹ 10 each in Fortis Malar Hospitals Limited ("Malar"), representing 26% of the paid-up equity shares of Malar at a price of ₹ 60.10 per share ("Malar Open Offer"). Malar Open Offer is subject to the completion of the Fortis Open Offer.

On December 14, 2018, Hon'ble Supreme Court of India passed an order in the matter of "Mr. Vinay Prakash Singh v. Sameer Gehlaut & Ors.", directing "status quo with regard to sale of the controlling stake in Fortis Healthcare to Malaysian IHH Healthcare Berhad be maintained" ("Order"). Pursuant thereto, decision was taken not to proceed with Fortis Open Offer and Malar Open Offer until further order(s) / clarification(s) / direction(s) are issued by the Hon'ble Supreme Court of India. On May 12, 2021, the hearings in the Supreme Court have been concluded and the judgement/order has been reserved. As on the date of this report, there was no further update.

RECLASSIFICATION OF PROMOTERS

The Company received a request letter ("FHsL Letter") from Fortis Hospitals Limited ("FHsL") (immediate holding company and one of the Promoters) stating that FHsL is a wholly owned subsidiary of Fortis Healthcare Limited ("FHL") and FHL, vide its letter FHL/ SEC/2019-20 dated June 03, 2019 captioned "Reclassification of Promoters", intimated to stock exchanges [viz. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE")] regarding the approval granted by the stock exchanges viz. BSE & NSE for reclassification of the following promoters as public shareholders: Malvinder Mohan Singh –

Board Report (Contd..)

Trust, Harpal Singh, Abhishek Singh, Malvinder Mohan Singh, Shivinder Mohan Singh, Fortis Healthcare Holdings Private Limited, Malav Holdings Private Limited, RHC Holding Private Limited ("Erstwhile Promoters of FHL") and that the only remaining promoter of FHL is Northern TK Venture Pte. Limited ("NTK"). Further, Securities and Exchange Board of India ("SEBI"), had on October 17, 2018, December 21, 2018, March 19, 2019 and June 28, 2019 ("SEBI Orders"), directed that Mr. Malvinder Mohan Singh and Mr. Shivinder Mohan Singh shall not associate themselves with the affairs of FHL and FHsL in any manner whatsoever, till further directions. FHsL, being Promoter and largest shareholder of the Company, is holding 11,752,402 equity shares representing 62.71% stake in the Company. Further, other than FHsL, following entities were Promoter / Promoter Group Companies ("Identified Promoter / Promoter Group") of the Company:

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

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

BSE informed the Company vide its email dated January 21, 2021 to file an application for reclassification of promoters with SEBI under regulation 102 of LODR Regulations. Accordingly, Company has submitted application for reclassification of promoters with SEBI. Further, SEBI has granted exemption vide letter no. SEBI/HO/CFD/CMD1/OW/2021/2489/1/M dated March 23, 2021 from the applicability of the procedural requirements specified at Regulation 31A(3)(a)(i) and 31A(8)(a) and (b) of SEBI LODR. Further, the Company was advised to ensure compliance with all other provisions of Regulation 31 A of the LODR Regulations for reclassification of promoters. Thereafter, BSE vide its letter no. LIST/COMP/MI/002/2021-22 dated June 24, 2021 approved reclassification of Identified Promoter from Promoter category to public category. As on date of the report, your Company has only one promoter i.e. Fortis Hospitals Limited.

OPERATIONAL AND FINANCIAL PERFORMANCE

Your Company achieved a consolidated total income of ₹ 93.57 Crores during the current year as against ₹ 77.49 Crores in the corresponding financial year ended March 31, 2021. EBITDA for the year stood at ₹ 10.83 Crore compared to ₹ 1.91 Crore for the previous corresponding year. The Profit / (Loss) before exceptional and tax for the period stood at ₹ (8.26) Crores as against ₹ (18.16) Crores during the corresponding year. The Profit / (Loss) before tax for the period stood at ₹ (8.26) Crores as against ₹ (11.31) Crores during the corresponding year. Profit / (Loss) for the year stood at ₹ (8.27) Crores in the current financial year compared to ₹ (7.87) Crores in the previous year.

Regarding the key performance indicators, the Company's average revenue per occupied bed (ARPOB) for the current year stood at ₹ 163 Lacs as against ₹ 144 Lacs in the previous year. The average length of stay (ALOS) was at 4.29 days in Financial Year 2021-22 compared to 5.27 days in Financial Year 2020-21. Occupancy of the hospital during the year was at 39% as compared to 36% in the previous year.

DIVIDEND AND TRANSFER TO RESERVES

Considering the losses occurred during the financial year, the Board of Directors of your Company has not recommended any dividend for the FY 2021-22. Accordingly, there has been no transfer to General Reserves.

Board Report (Contd..)

LOANS / ADVANCES / INVESTMENTS / GUARANTEES

Particulars of loans / advances / investments / guarantees given and outstanding during FY 2021-22 are mentioned in notes to financial statements.

PUBLIC DEPOSITS

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of FY 2021-22 and date of this report.

DETAILS OF SUBSIDIARY

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

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

Basis the Consolidated Audited Financial Statements of the Company for FY 2021-22, your Company has no "material subsidiary" in terms of the said policy and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANY

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

Board Report (Contd..)

FORM NO. AOC – 1

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

Part A: Subsidiaries

(₹ in Lacs)

S. No.	Particulars	Year ended March 31, 2022
1	Name of the subsidiary	MALAR STARS MEDICARE LIMITED
2	The date since when subsidiary was acquired	N.A.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting period same as Holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.
5	Share Capital	5.00
6	Reserves & Surplus	216.15
7	Total Assets	231.09
8	Total Liabilities	9.94
9	Investments	Nil
10	Turnover	8.28
11	Profit before Taxation	4.42
12	Provision for Taxation	1.22
13	Profit after Taxation	3.20
14	Proposed Dividend	None
15	Extent of Shareholding (in percentage)	100%

Notes:

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

Part B: Associates and Joint Ventures

As on March 31, 2022, the Company does not have any associate Company and / or Joint Venture.

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

Daljit Singh
Chairman
DIN 00135414

Chandrasekar R.
Whole Time Director
DIN 09414564

Yogendra Kumar Kabra
Chief Financial Officer

Sandeep Singh
Company Secretary & Compliance Officer
Membership No. F9877

Board Report (Contd..)

CONSOLIDATED FINANCIAL STATEMENT

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

AUDITORS

1. STATUTORY AUDITORS

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

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. However, Emphasis of matter is drawn to Note 45 to the standalone financial statements which describes the litigation and issues pertaining to regularisation of the hospital building in which the Company operates today pursuant to agreements with Fortis Health Management Limited ("FHML") and the related matters. A letter was received from Chennai Metropolitan Development Authority (CMDA) on August 25, 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularisation. The Company is taking steps to complete the process of submission of the sought clearances and certificates, which involves taking a number of actions and significant expenses and capital expenditure. While the Company is co-operating to get all the clearances, it has been legally advised that, as per the agreement between the Company and FHML, it is not required to bear any expenses, revenue or capital nature, incurred towards regularisation of building and obtaining the requisite clearances and certificates (or for the expenses that may need to be incurred in the unlikely event that the regularisation is not approved) as all such expenses will be borne by FHML. The Company also continues to believe that all Orders / Notices issued by CMDA prima facie would not result in any significant adverse impact on its operations/ financial statements or on the going concern status.

2. COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the relevant rules made thereunder or any amendments thereof, the Company is required to maintain cost records and accordingly such accounts and records are made and maintained by the Company in respect of its hospital activity and the same is also required to be audited. Your Board had, upon the recommendation of the Audit and Risk Management Committee, appointed M/s Jitender, Navneet & Co., Cost Accountants to audit the cost accounts of the Company for FY 2021-22 at a remuneration up to ₹ 75,000 (Rupees Seventy Five Thousand) plus taxes and out-of-pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for ratification. Accordingly, a resolution seeking member's ratification for the remuneration payable to M/s Jitender, Navneet & Co., Cost Auditors is included in Notice convening ensuing Annual General Meeting.

3. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Mukesh Agarwal & Co., Practicing Company Secretary to undertake the Secretarial Audit of the Company. It is hereby confirmed that the Company has complied with the provisions of SS-1 i.e. Secretarial Standard on meetings of Board of Directors and SS-2 i.e. Secretarial Standard on General Meetings. The Report of the Secretarial Auditor for the FY 2021-22 does not contain any qualification, reservation or adverse remark and it is annexed herewith as **"Annexure I"**.

4. INTERNAL AUDITORS

Upon the recommendation of the Audit and Risk Management Committee, the Board of Directors had appointed Mr. Rajiv Puri, Head Risk and Internal Audit of the Holding Company, as the Chief Internal Auditor of the Company and authorised him to engage independent firms for conducting the internal audit. Accordingly, EY was engaged to perform Internal Audit for the Company for FY 2021-22.

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

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During FY 2021-22, there was no significant material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Board Report (Contd..)

CHANGE IN THE NATURE OF BUSINESS

During FY 2021-22, there was no change in the nature of the business of the Company.

STOCK OPTIONS AND CAPITAL STRUCTURE

The Company has issued ESOP Scheme pursuant to the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, as amended from time to time. The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the ESOP Scheme of the Company in accordance with the applicable SEBI Guidelines. As per the Scheme, each option when exercised would have been converted into one fully paid up equity share of ₹ 10 each of the Company. During the year under review, no option was granted by the Company.

Further during the year under review, all the options which remained un-exercised were lapsed. Hence, as on March 31, 2022 Company does not have any outstanding stock options.

Pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employe Benefits and Sweat Equity) Regulations, 2021, as amended from time to time, the details of stock options as on March 31, 2022 under the "Malar Employees Stock Option Plan 2008" are set out in the "**Annexure-II**" to this Board's Report.

Disclosure pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 for the year ended March 31, 2022 is available at the website of the Company at https://www.fortismalar.com/investorrelations/investorcatdetails/annual-reports1

The certificate from the Secretarial Auditors of the Company stating that the Schemes have been implemented in accordance with the SEBI Guidelines would be placed at the Annual General Meeting for inspection by members. The details pertaining to shares in suspense account are specified in the report of Corporate Governance forming part of the Board's Report.

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

During the FY 2021-22, there was no change in capital structure of the Company.

ANNUAL RETURN

The Annual Return of the Company in Form MGT- 7 in accordance with Section 92(3) of the Companies Act, 2013 is available on the website of the Company at Investor Relations - Fortis Malr (fortismalar.com)

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

The Internal Audit function provides assurance to the Board and management that a system of internal control is designed and deployed to manage key business risks and is operating effectively. For the identified observations, management

Board Report (Contd..)

provides an action plan to address the process and control deficiencies noted in the internal audit reviews and action plans are monitored for compliance by the Internal Audit Function under the supervision and guidance of the Audit and Risk Management Committee.

CORPORATE SOCIAL RESPONSIBILITY –JOURNEY THROUGH THE YEAR (2021-22)

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

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

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

DIRECTORS & KEY MANAGERIAL PERSONNEL

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

During the period under review, the Board of Directors has appointed Mr. Chandrasekar Ramasamy as a Whole-time Director on the Board of the Company w.e.f. January 11, 2022 for a period of 3 years. Appointment of Mr. Chandrasekar Ramasamy has been approved by the shareholders of the Company by way of Special Resolution through postal ballot.

Further, during the period under review, the Board appointed Mr. Sandeep Singh as Company Secretary and Compliance Officer of the Company w.e.f. May 25, 2021.

During the period under review, Mr. CK Nageswaran resigned from the office of Whole-time Director of the Company w.e.f. October 2, 2021.

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

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

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

During FY 2021-22, five meetings were held by the Board of Directors. Details of board / committee meetings and the attendance of Directors are provided in the Corporate Governance Report forming part of the Annual Report.

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

1. Composition of committee(s) of the Board of Directors and other details;
2. Details of establishment of Vigil Mechanism;
3. Details of remuneration paid to all the directors including stock options; and
4. Commission received by Whole-time Director, if any.

BOARD EVALUATION

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

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

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

Board Report (Contd..)

S. No.	Process	Remarks	Criteria for Evaluation (including Independent Directors)
1.	Kick Off Board Evaluation Program	The Chairperson kick starts the process. Appointed and designated independent external agency as Process Coordinator	–
2.	Evaluation forms and One to One discussion	Process Coordinator interacted with the Board members to assess performance, invite direct feedback and seek inputs to identify opportunities for improvement. Process Coordinator circulated the feedback questionnaire to the board members and invited feedback from individuals, after collecting the key findings, one to one discussions were conducted to seek further clarity.	This includes Board focus (Strategic inputs), Board Meeting Management, KPI's, suggestions to improve Board performance Board Effectiveness Management Engagement, governance, risk management and addressing of follow up requests.
3.	Evaluation by the Board and of Independent Directors	A compilation of the individual self-assessments and one to one discussions were placed at the meetings of the Independent Director's (ID's) and the Board of Directors (BoD) for them to review collectively.	This includes demonstration of integrity, commitment, attendance at the meetings, contribution and participation, professionalism, contribution while developing Annual Operating Plans, demonstration of roles and responsibilities, review of high risk issues & grievance redressed mechanism, succession planning, working of Board Committees etc.
4.	Final recording and reporting	Based on the above, a final report on Board Evaluation 2021-22 was presented at a meeting of the Board of Directors.	NA

MANAGERIAL REMUNERATION

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

a) Comparison and ratio of the remuneration of each director to the median remuneration of the employees of the Company for FY 2021-22

(Amount in ₹)

Name of the Director	Remuneration of Director	Median Remuneration of employees	Ratio
*Mr. C. K. Nageswaran	30,13,847	3,46,017	9:1
#Mr. Chandrasekar Ramasamy	8,60,882	3,46,017	2:1

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

Name of Director / KMP	Designation	% increase in Remuneration
*Mr. C. K. Nageswaran	Whole Time Director	3%
#Mr. Chandrasekar Ramasamy	Whole Time Director	0%
Mr. Yogendra Kumar Kabra	Chief Financial Officer	NA
@Mr. Sandeep Singh	Company Secretary & Compliance Officer	NA

**Resigned w.e.f. October 2, 2021.*

#Appointed w.e.f. January 11, 2022

@Appointed w.e.f. May 25, 2021.

Note: Data is note the true representation of the remuneration as there was change in directors and the remuneration figures are not for the full year.

Board Report (Contd..)

c) **The percentage increase in the median remuneration of employees in FY 2021-22 is 9% (3% in the last year).**

d) **The number of permanent employees on the rolls of Company is 445 as on March 31, 2022.**

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

Particulars	For FY 2021-22
(A) Average percentile increases already made in the salaries of employees other than the managerial personnel	8%
(B) Percentile increases in the managerial remuneration	3%
Comparison of (A) and (B)	5%
Justification	NA
Any exceptional circumstances for increase in the managerial remuneration	NA

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

(Amount in ₹)

Name of the Director*	Salary, Allowances & Perquisites	Performance Incentives	Retiral Benefits	Service Contract (As Whole Time Director)	
				Tenure	Notice Period
@Mr. C K Nageswaran	26,74,222	3,39,625	8,71,764	3 years w.e.f. October 02, 2018	3 Months
#Mr. Chandrasekar Ramasamy	8,60,882	-	4,819	3 years w.e.f. January 11, 2022	3 Months

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

@Resigned w.e.f. October 2, 2021.

#Appointed w.e.f. January 11, 2022.

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

Remuneration Policy:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a remuneration policy for selection and appointment of Directors, Senior Management and their remuneration including criteria for determining qualifications, positive attributes, independence of a Director etc. and the same is also available on the website of the Company at the link https://www.fortismalar.com/investorrelations/investorcatdetails/nomination-and-remuneration-committee1

PARTICULARS OF EMPLOYEES

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

Board Report (Contd..)

RELATED PARTY TRANSACTIONS

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

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

The Company has developed a Related Party Transactions Policy for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and the same is available at the link: https://www.fortismalar.com/investorrelations/investorcatdetails/policies-other-documents1

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

RISK MANAGEMENT POLICY

The Company has designed a risk management policy and framework for risk identification, assessment, mitigation plan development and monitoring of action to mitigate the risks. This framework enables the management to develop and sustain a risk-conscious culture, wherein, there is a high degree of organisation-wide awareness and understanding of external and internal risks associated with the business. The policy promotes risk ownership, accountability, self-assessment and continuous improvement to minimise adverse impact on achievement of business objectives and enhance the Company's competitive advantage. The details thereof are covered under the Management and Discussion Analysis Report which forms part of the Annual Report.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT

Your Company has adopted a policy for Prevention, Prohibition and Redressal of sexual harassment. We have not received any complaint during the Financial Year under review relating to sexual harassment hence there was no complaint pending as on March 31, 2022. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The same may also be read in terms of Companies (Accounts) Rules, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

REPORT ON CORPORATE GOVERNANCE

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

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

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

CODE OF CONDUCT

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

Board Report (Contd..)

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the year ended March 31, 2022, the applicable accounting standards has been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for financial year ended March 31, 2022 and of the loss of the Company for the said period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

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

ACKNOWLEDGEMENT

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

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

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

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

Daljit Singh
Chairman
DIN: 000135414

Date: May 24, 2022
Place: Gurugram

Annexure I

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 No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Fortis Malar Hospitals Limited for the financial year ended on March 31, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

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

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

   (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (where the shares of the Companies are listed) and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

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

Annexure I (Contd..)

We further report that

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

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

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

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

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

(i) Appointed Mr. Chandrasekar Ramasamy as Whole-time Director on the Board of the Company;

(ii) Approved appointment of Mr. Sandeep Singh as Company Secretary and Key Managerial Personnel on the Board of the Company.

for **Mukesh Agarwal & Company**
Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN:F005991D000377857

Place: Delhi
Date: May 24, 2022

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

ANNEXURE-A

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

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

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

for **Mukesh Agarwal & Company**
Mukesh Kumar Agarwal
M No-F5991
C P No.3851
UDIN:F005991D000377857

Place: Delhi
Date: May 24, 2022

Annexure II

EMPLOYEE STOCK OPTION SCHEMES (ESOSs)

Disclosure Pursuant to Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

1. GENERAL DISCLOSURES

a. Relevant disclosure under 'Guidance note on Accounting for employee share based payments' issued by Institute of Chartered Accountants of India or any other relevant accounting standards as prescribed from time to time - For details please refer to notes to Standalone Financial Statements mentioned in the Annual Report 2021-22;

b. Diluted Earnings Per Share in accordance with "Ind-AS-33 Earning Per Share" for the year ended March 31, 2022 stood at ₹ (4.43)

2. SCHEME SPECIFIC DISCLOSURES

i. General Disclosures

S. No.	Particulars	Disclosures
1	Date of Shareholder's Approval	The Scheme was approved at the General Meeting held on September 29, 2008. The Scheme was subsequently modified at the General Meeting held on August 21, 2009.
2	Total Number of options approved under ESOP Scheme 2008	929712
3	Vesting requirements	• 25% on completion of first year from the date of grant. • 25% on completion of second year from the date of grant. • 25% on completion of third year from the date of grant. • 25% on completion of fourth year from the date of grant.
4	Exercise Price	The Grant Price is determined based on the Closing Price of the Equity Shares of the company, prior to the date of the meeting of the Nomination and Remuneration Committee (NRC) (formerly known as Remuneration Committee) in which Stock Options were granted on BSE Limited. Accordingly Exercise Price of the Options granted by NRC at its meeting held on August 21, 2009 was fixed at ₹ 26.20 per equity share having face value of ₹ 10 each.
5	Maximum term of Options Granted	Options granted shall vest within a period of four years from the date of grant.
6	Sources of Share (Primary, Secondary or Combination)	Primary
7	Variation in terms of Options	There has been no variation in the terms of Options during the year.
8	Method used for Accounting of ESOS (Intrinsic or Fair Value)	Intrinsic

Annexure II (Contd..)

S. No.	Particulars	Disclosures		
9	a) Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	The effect on the profit and earning per share had the fair value method been adopted, is presented below:		
				(Amount is ₹)
		Profit/(Loss) after tax as reported		(-) 830.55 Lacs
		Add: Intrinsic Value Compensation Cost		Nil
		Less: Fair Value Compensation Cost		Nil
		Adjusted Profit		(-) 830.55 Lacs
		Earnings Per Share	Basic	Diluted
		As reported	(4.43)	(4.43)
		As adjusted	(4.43)	(4.43)
9	(b) Impact on the profits of the Company and on the earnings per share ("EPS") arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Nil		
10	a) Weighted average exercise price,	₹ 26.20		
	b) Weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	Nil		

ii. Options Movement during the FY 2021 – 22

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

Annexure II (Contd..)

iii. Employees Details who were granted options during the year

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

iv. Accounting Method and Assumptions

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

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

Daljit Singh
Chairman
DIN: 000135414

Date: May 24, 2022
Place: Gurugram

Annexure III

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

Information as per Section 134(3)(m) read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2022 is as given below:

A. Conservation of Energy: Nil

B. Technology Absorption

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

C. Foreign Exchange Earnings and Outgo

a) Activities relating to exports: Initiatives taken to increase exports, development of new export markets for products and services and export plans: Nil.

b) Total foreign exchange earned and used:

(i) Earnings: ₹ 79.40 Lacs

(ii) Expenditure: CIF Value of Imports: Nil

Others ₹ 5.32 Lacs

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

Daljit Singh
Chairman
DIN: 000135414

Date: May 24, 2022
Place: Gurugram

Annexure IV

CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the Company CSR Policy

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

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

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

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

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

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

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

2. Composition of the CSR Committee

The composition of the CSR committee as on March 31, 2022 is as follows:

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

Annexure IV (Contd..)

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

The Board has approved the constitution of a standalone CSR Committee with a delegated mandate. The current composition and mandate of the committee are available and updated on the Company's website at https://www.fortismalar.com/investorrelations/investorcatdetails/corporate-social-responsibility-committee1

The policy as approved by the Board is available on the Company's web site at https://www.fortismalar.com/investorrelations/investorcatdetails/corporate-social-responsibility-committee1

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

Not Applicable

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

Not applicable

6. Average Net Profit of the Company as per Section 135(5): ₹ (652.72) Lacs

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

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

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

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

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

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

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

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

Annexure IV (Contd..)

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

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

1	2	3	4	5	6	7	8	9
S. No.	CSR Project or activity identified	Sector in which the Project is covered (Schedule VII of the Companies Act, 2013)	Contributing Entity	Projects or program Local Area or other Specify the State and District where projects and programs were undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the Projects or Programs Sub Heads 1. Direct expenditure on Projects or Programs 2. Overheads	Cumulative Expenditure up to the Reporting Period	Amount Spent: Direct or through implementing agency
Nil								

8 (d) Amount spent in Administrative Overheads: Nil

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

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

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

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

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

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

Annexure IV (Contd..)

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

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

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

(a) **Date of creation or acquisition of the capital asset(s):** Nil

(b) **Amount of CSR spent for creation or acquisition of capital asset:** Nil

(c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:** Nil

(d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not applicable

On behalf of the CSR Committee
Fortis Malar Hospitals Limited

Chandrasekar Ramasamy
Whole Time Director
DIN: 09414564

Daljit Singh
Chairman of Board and Chairman of CSR Committee
DIN: 000135414

Annexure V

AOC-2

PARTICULARS OF CONTRACT / ARRANGEMENT MADE WITH RELATED PARTIES

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which are not at arm's length basis.

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

The details of material contracts or arrangements or transactions entered into during the year ended March 31, 2022, which are at arm's length basis.

Name of Related Party	Nature of Relationship	Nature of Contract / arrangement / transaction	Duration of the Contract / arrangement / transaction	Salient terms of the of the Contract / arrangement / transaction including the value, if any	Date of approval by the Board / Committee, if any	Amount paid in advance
Fortis Health Management Limited	Fellow Subsidiary	Availing of services	Continuing Agreement (upto October, 2027)	Existing hospital service agreement is a continuous agreement; ₹ 2,82,15,716/- per quarter fixed + 7.5% on Operating Income	April 16, 2018	-
Escorts Heart Institute & Research Centre Limited	Fellow subsidiary	Inter Corporate Loan given	Arrangement upto January 2022 (Loan Fully settled during the year FY 21-22)	Loan Limit of ₹ 35,00,00,000 as per MoU. Interest @ 10.50% PA Loan fully settled. Loan closing Balance as on March 31, 2022 - ₹ Nil	April 16, 2018	-
Fortis Healthcare Limited	Intermediate Holding Company	Inter Corporate Loan given	Up to July 8, 2023	Loan Limit of ₹ 28,00,00,000 as per MoU. Loan Closing Balance as on March 31, 2022 - ₹ 28,00,00,000 Interest @ 10.50% PA	July 7, 2020	-
Fortis Healthcare Limited	Intermediate Holding Company	Inter Corporate Loan given	From February 22, 2022 to February 21, 2024	Loan Limit of ₹ 40,00,00,000 as per MoU. Loan Closing Balance as on March 31, 2022 - ₹ 40,00,00,000 Interest @ 6.50% PA	January 11, 2022	-

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

Date: May 24, 2022
Place: Gurugram

Daljit Singh
Chairman
DIN: 000135414

Management Discussion and Analysis

SECTION I

Overview of the Indian Healthcare Industry

The overall economic development and rising population of the country has led the Healthcare sector to become one of the largest sectors of the Indian economy, both in terms of revenue and employment. It has been growing at a CAGR of 22% since 2016, employing 4.7 million people directly.

Several factors continue to drive the growth of the Indian healthcare sector including an aging population, a growing middle class with significant level of awareness, the rising proportion of lifestyle diseases, expanding health insurance coverage as well as accelerated adoption of digital technologies.

The Indian Government is further strengthening the healthcare sector by undertaking structural and sustained reforms and has been announcing conducive policies for encouraging FDI. The Aatmanirbhar Bharat Abhiyaan packages include several short-term and longer-term measures for the health system, including Production-Linked Incentive (PLI) schemes for boosting domestic manufacturing of pharmaceuticals and medical devices. Additionally, India is working towards becoming a hub for spiritual and wellness tourism, as the country has much to offer in Ayurveda and Yoga.

COVID-19 pandemic has not only presented challenges but also several opportunities for India to grow. The crisis has opened the flood gates for Indian start-ups, many of whom have risen to the occasion and accelerated the development of low-cost, scalable, and quick solutions; especially through various digital platforms.

A) Indian Healthcare Sector & Key Developments

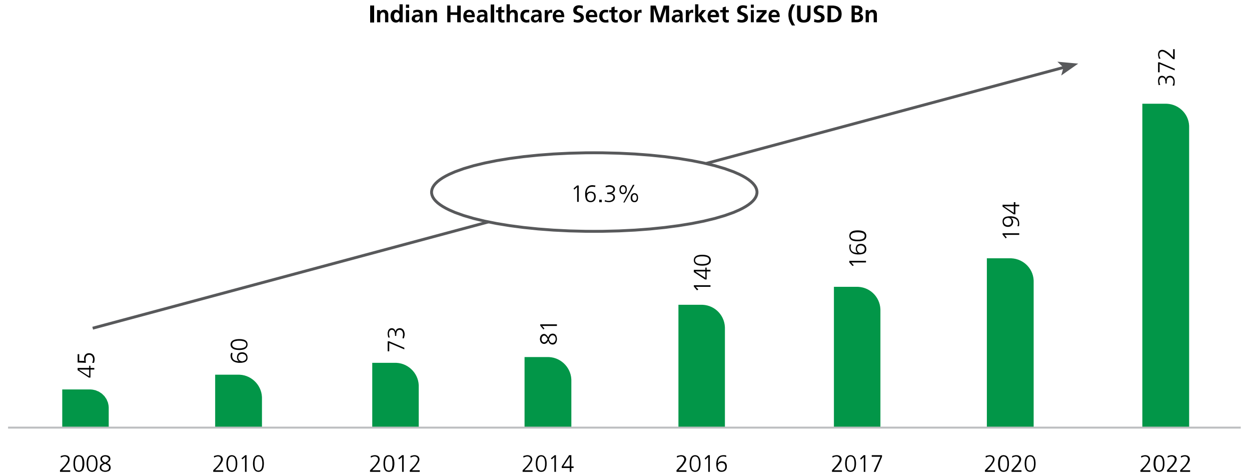
India's healthcare industry largely comprises the key segments of hospitals, pharmaceuticals, diagnostics, medical devices and equipment, health insurance and medical tourism. The industry comprising all these segments has been growing at a Compound Annual Growth Rate of around 22%. The hospital industry in India was forecasted to increase to US$ 133 billion by FY22 from US$ 62 billion in FY17 at a CAGR of 16–17%. And according to research firm Edelweiss, the domestic diagnostic industry is estimated at US$9 billion which is expected to grow at a 10% CAGR over the next five years.

India has emerged as one of the fastest-growing emerging economies over the last two decades, receiving significant FDI inflows, which have grown from a mere USD 2.5 Billion in 2000-01 to USD 50 Billion in 2019-20. A slew of investments by global healthcare players have strengthened the perception of India as an attractive healthcare investment destination.

In the hospital segment, the expansion of private players to Tier 2 and Tier 3 locations, beyond metropolitan cities, offers an attractive investment opportunity. According to Invest India's Investment Grid, there are nearly 600 investment opportunities worth USD 32 Billion in the country's hospital/medical infrastructure sub-sector.

In the medical devices and equipment segment, expansion of diagnostic and pathology centres as well as miniaturized diagnostics have high potential for growth. Medical Value Travel, especially wellness tourism, also has bright

Indian Healthcare Sector Market Size (USD Bn



prospects, given India's inherent strengths in alternative systems of medicine.

(i) Key highlights of the Indian Healthcare Sector in 2021-22

- The Ministry of Tourism established the 'National Medical & Wellness Tourism Board' to promote the Medical and Wellness Tourism in India during the year.
- During 2021, the Union Cabinet approved continuation of the National Ayush Mission, responsible for the development of traditional medicines in India, as a centrally sponsored scheme until 2026.
- In March 2021, Union Health Ministry informed the Rajya Sabha that 157 medical colleges are under various stages of implementation across India.
- As of May 2021, 11.9 lakh Health IDs have been generated and 3,106 doctors and 1,490 facilities have registered on the National Digital Health Mission (NDHM) platform.
- In May 2021, Defense Minister Mr. Rajnath Singh launched 'Services e-Health Assistance & Tele-consultation (SeHAT)' OPD portal to provide telemedicine services to armed forces personnel and veterans.
- In March 2021, various states and UTs started implementation of the 'Intensified Mission Indradhanush 3.0'—a campaign aimed to reach those children and pregnant women who were missed out or have been left out of the routine immunisation programme due to the COVID-19 pandemic. This is aimed to accelerate the full immunisation of children and pregnant women through a mission mode intervention.
- In March 2021, the Parliament passed the National Commission for Allied, Healthcare Professions Bill 2021, which aims to create a body that will regulate and maintain educational and service standards for healthcare professionals.
- In the Union Budget 2021, investment in health infrastructure expanded 2.37x, or 137% YoY; the total health sector allocation for FY22 stood at Rs. 223,846 crore (US$ 30.70 billion).
- The government announced Rs. 64,180 crore (US$ 8.80 billion) outlay for the healthcare sector over six years in the Union Budget 2021-22 to strengthen the existing 'National Health Mission' by developing capacities of primary, secondary and tertiary care, healthcare systems and institutions for detection and cure of new & emerging diseases.
- In Union Budget 2021-22, the government announced its plans to launch 'Mission Poshan 2.0' to merge 'Supplementary Nutrition Programme' with 'Poshan Abhiyan' (Nutrition Mission) in order to improve nutritional outcomes across 112 aspirational districts.
- The Government of India approved continuation of 'National Health Mission' with a budget of Rs. 37,130 crore (US$ 5.10 billion) under the Union Budget 2021-22.

(ii) Indian healthcare sector to witness technology-led revolution

The COVID-19 pandemic and its adverse implications resulted in a significant transformation amongst others the global healthcare ecosystem. Due to the rising demand for effective treatment, an uptick in digital technologies was witnessed within the ambit of healthcare, leading to the evolution of an array of solutions comprising e-pharmacies, teleconsultation, e-diagnostics and others. This is clearly reflected in the tremendous growth of the digital healthcare market which was witnessed over the last two years. Valued at INR 116.6 billion in 2018, it is expected to reach INR 485.4 billion by 2024, at a CAGR of ~27.4% during the 2019-2024 period.

Countrywide lockdowns and fear of contagious Covid-19 infection led to decrease in physical interactions and mobility of the patients. This has enabled patients to get online services; increasing internet penetration together with the adoption of e-commerce has further accentuated the demand for digital healthcare.

The digital transformation within the healthcare segment is helping address the gap in availability of specialist doctors while reducing the burden on tertiary-care hospitals. Digital technology-led e-pharmacies, on the other hand, have helped bring about greater price transparency and improved choices for end consumers along with accessibility. With the

Management Discussion and Analysis (Contd..)

rising need for technology, healthcare providers are quickly onboarding a diverse set of tools as follows:

- **Moving towards internet of medical things (IoMT):** The Healthcare industry is emulating the concept of internet of things (IoT) with the adoption of IoMT, a connected infrastructure of smart devices and software applications to improve healthcare services. Using IoT driven technologies, industry players developed unique solutions targeting home health and remote monitoring services. These technologies can help them assess a patient's health conditions in real time and exchange information remotely.

- **Artificial intelligence (AI) and machine learning (ML):** Increasing drive for automation and streamlined workflows is further emphasising on the use of ML and AI in several clinical practices and diagnosis. AI, for instance, can play a significant role in enhancing the efficiency of administrative processes within healthcare service providers and pharmaceutical organisations.

- **Electronic health records (EHR):** EHR is said to reduce the incidence of medical errors by improving the accuracy and clarity of medical records due to which it is being widely adopted and utilised. EHR will eventually facilitate the transfer of patient records from one service provider to another.

The government is also giving impetus to healthtech adoption through various schemes. The rollout of the Pradhan Mantri Digital Health Mission is one example, which will create a unique digital health ID to provide a one-stop access to all health records. Programmes like 'Ayushman Bharat Digital Mission' are further encouraging an integrated digital health infrastructure.

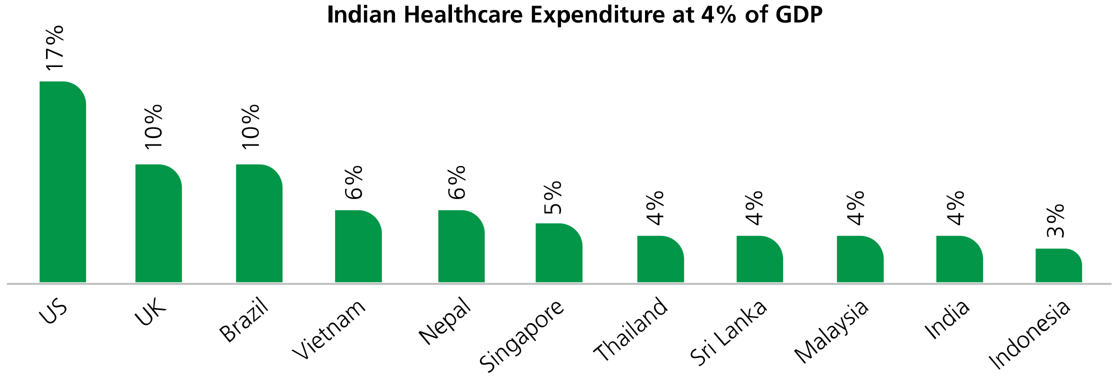
Digital healthcare techniques coupled with other technologies are the future that would present a variety of opportunities. However, maximising the healthcare system's potential through these technologies would require building on key areas, including supportive infrastructure, upskilled talent and robust guidelines ensuring data security protocols.

(iii) Key Growth Drivers

The demand for healthcare services in India is expected to remain strong primarily driven by ageing population, burgeoning lifestyle diseases, rising affordability which in turn drives quality healthcare and improving medical insurance penetration. We believe Hospital's segment being the largest component of the overall healthcare industry will be the biggest beneficiaries of the healthcare market in India as public spend likely to be limited to ~25-30% of annual healthcare spend.

- **Lower Healthcare Spend:** India healthcare spend is 3.8% of GDP vs 17% in case of US. This works out to be USD 73 per person annually on health care vs USD 10,600 in case of US.

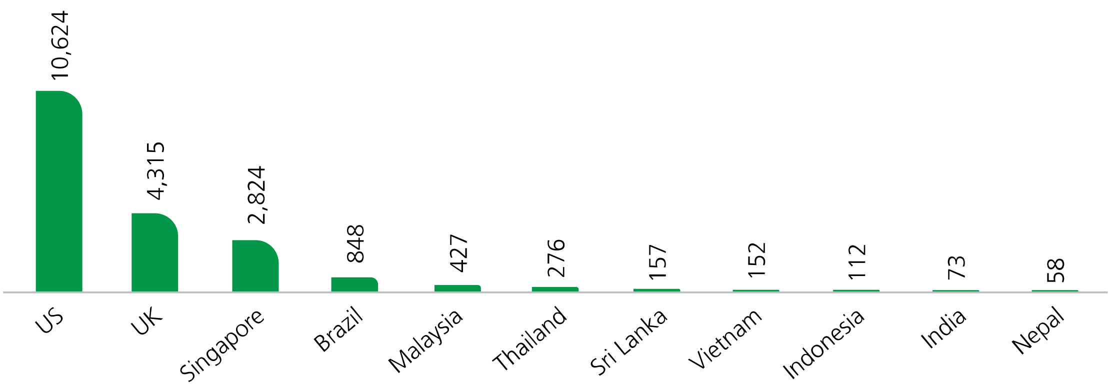
Indian Healthcare Expenditure at 4% of GDP



Source: PL Equity Research on Indian Healthcare

Management Discussion and Analysis (Contd..)

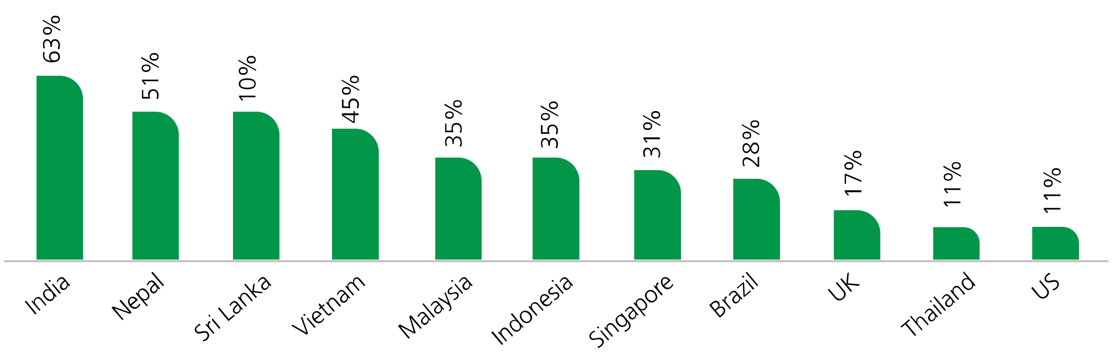
Per-capita Healthcare Expenditure (in USD)



Source: PL Equity Research on Indian Healthcare

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

Out-of-pocket expenses as % of Healthcare expenditure



Source: PL Equity Research on Indian Healthcare

- **Increasing burden of Non-Communicable Diseases:** Non-communicable diseases (NCDs) encompass a vast group of diseases such as cardiovascular diseases, cancer, diabetes, and chronic respiratory diseases. NCDs contribute to around 38 million (68%) of all the deaths globally and to about 5.87 million (60%) of all deaths in India. The majority of NCD deaths occur in low and middle-income countries such as India, which is undergoing an epidemiological health transition owing to rapid urbanization, which in turn has led to an overall economic rise, but with certain associated flipsides.

  Various lifestyle related behavioral and biological risk factors, with a predisposition to the development of NCDs, are use of tobacco and alcohol, physical inactivity, overweight and obesity, increased fat and sodium intake, low fruit, and vegetable intake, raised blood pressure (BP), blood glucose and cholesterol levels.

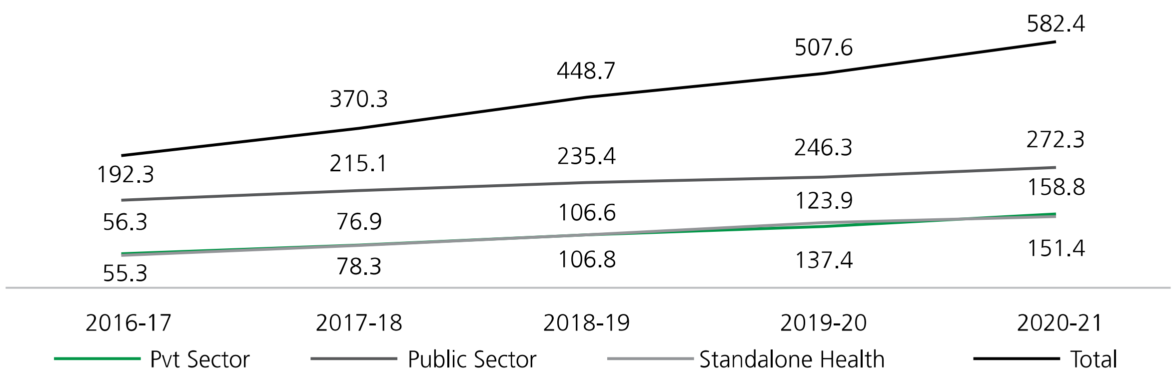
  According to Ministry of Health and Family Welfare (MOHFW), Government of India (GOI) report "India: Health of the Nation's States" by, it was found that there is an increase in the contribution of NCDs from 30% of the total disease burden- 'disability-adjusted life years' (DALYs) in 1990 to 55% in 2016 and also an increase in proportion of deaths due to NCDs (among all deaths) from 37% in 1990 to 61% in 2016. This shows a rapid epidemiological transition with a shift in disease burden to NCDs.

Management Discussion and Analysis (Contd..)

- **Increase in Health Insurance Penetration:** During 2020-21, the general and health insurance companies witnessed 14.7% growth in premium collection while the compounded annual growth rate over 2016 to 2021 stood at 17.7%. In addition, it was observed that the market share of private sector insurers increased from 18.5% in 2016-17 to 27.3% in 2020-21 while market share of public sector insurers declined from 63.3% to 47.8% in the same period. And standalone health insurers market share increased from 18.2% to 26% in the same period.

  Furthermore, it was observed that the share of Individual business in terms of health insurance has increased from 39% in 2019-20 to 44% in 2020-21. And in terms of lives covered under health insurance, the share of group and individual business witnessed expansion from 16% & 7% in 2016-17 to 23% and 10% in 2020-21, respectively.

Increasing Trend in Health Insurance Premium (INR Bn)

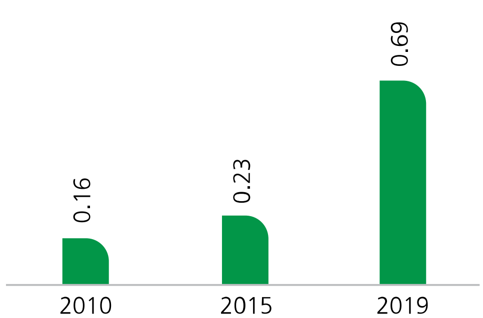


Exclude Personal Accident and Travel Insurance

Source: IRDA 2020-21 Annual Report

- **Significant opportunity from Medical tourism:** Medical tourism is expected to be one of significant growth drivers for India's Healthcare Sector. The medical tourism market is expected to grow at a CAGR of 65- 70% between FY21-25 (source: PL Equity Research). In addition, India offers a significant cost advantage globally along with best-in-class clinical outcomes.

Medical Tourists (in million)



Source: PL Equity Research on Indian Healthcare

- Continuing demand supply gap for quality healthcare services and healthcare infrastructure: Despite huge investments being made in the Indian healthcare space, India continues to witness significant demand supply gap for both availability of quality healthcare services and healthcare infrastructure.

  India currently has 1.3 hospital beds per 1,000 population. There is also a shortage of skilled health workers, with 0.65 physicians per 1,000 people (the World Health Organisation standard is 1 per 1,000 people) and 1.3 nurses per 1,000 people.

  With respect to the availability of treatment services, similar gaps exist as up to 60% of health facilities are concentrated in a handful of large cities across the country. Presently, 30%-35% patients in India undergo surgery compared to 60%-65% globally.

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

Management Discussion and Analysis (Contd..)

With the expansion of initiatives like Ayushman Bharat (PM-JAY), demand for health personnel will increase not only in larger cities but also in Tier 2 and Tier 3 cities. India will therefore need to increase the numbers of trained health personnel across various categories to achieve a ratio of at least 2.5 doctors and 5 nurses per 1,000 people by 2034.

Outlook On the Healthcare Sector

Private healthcare players will continue to play a critical role in the healthcare industry as they continue to provide healthcare services to more than 70% rural population and 80% urban population in India. In addition, private healthcare players will continue to invest heavily which will entail addition of new bed capacity, bringing in new high end medical infrastructure, uplifting the overall healthcare services in the country by adopting new technologies which should further enhance the overall experience of the patients.

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

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

SECTION II

(A) THE COMPANY

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

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

Today, Fortis Malar Hospital has a vast pool of talented and experienced doctors, who are further supported by a team of highly qualified, experienced & dedicated support staff & cutting-edge technology. The hospital has an infrastructure comprising of around 160 beds including about 40 ICU/ICCU/RTU beds.

In November 2018, Northern TK Ventures Pte Ltd (a 100% subsidiary of IHH Healthcare Bhd) became the largest shareholder of FHL on account of acquisition of ~31% stake through preferential allotment for INR 4000 crore. Subsequently, IHH / Northern TK Ventures Pte Ltd was classified as promoter of FHL. Further, pursuant to the Preferential Issue, Northern TK Venture Pte. Ltd is under an obligation to make a mandatory open offer to the public shareholders of the Company and Fortis Malar Hospitals Limited in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. However, pursuant to order dated December 14, 2018 passed by the Court, the open offer has been put on hold. **As of May 12,2021, the hearings in the Honourable Supreme Court have been concluded and the judgement/order has been reserved. As of 31 March 2022, the judgement from Honourable Supreme Court is awaited. Further details are mentioned in the Directors Report under the sub-heading of 'Significant Matters during the year under review.**'

(i) Clinical Excellence

- 41-year-old woman with congestive cardiac failure underwent successful keyhole valve replacement surgery at Fortis Malar.
- Chennai's first successful implantation of non-invasive dual chamber leadless pacemaker saved the life of two patients (60yrs & 92yrs) at Fortis Malar.
- Treated 1700 covid patients with the success rate of 96%.
- New CTVS team has completed 175 surgeries within a span of 9 months.
- Malar has restarted its transplant program with a successful live kidney donor transplant and few cases have been scheduled in near future.

Management Discussion and Analysis (Contd..)

(B) OPERATIONAL AND FINANCIAL PERFORMANCE (To be updated post the annual results)

Your Company achieved a consolidated total income of ₹ 93.57 Crores during the current year as against ₹ 77.49 Crores in the corresponding financial year ended March 31, 2021. EBITDA for the year stood at ₹ 10.83 Crore compared to ₹ 1.91 Crore for the previous corresponding year. The Profit / (Loss) before exceptional and tax for the period stood at ₹ (8.26) Crores as against ₹ (18.16) Crores during the corresponding year. The Profit / (Loss) before tax for the period stood at ₹ (8.26) Crores as against ₹ (11.31) Crores during the corresponding year. Profit / (Loss) for the year stood at ₹ (8.27) Crores in the current financial year compared to ₹ (7.87) Crores in the previous year.

Regarding the key performance indicators, the Company's average revenue per occupied bed (ARPOB) for the current year stood at ₹ 163 Lacs as against ₹ 144 Lacs in the previous year. The average length of stay (ALOS) was at 4.29 days in Financial Year 2021-22 compared to 5.27 days in Financial Year 2020-21. Occupancy of the hospital during the year was at 39% as compared to 36% in the previous year. There has been no change in the nature of business of the Company during the year under review.

Key Ratio	2020-21	2021-22	Change %
Debtors Turnover (x)	23.8	40.2	68.8%
Inventory Turnover (x)	9.6	9.8	1.8%
Interest Coverage Ratio (x)	0.97	0.88	-8.9%
Current Ratio (x)	2.43	1.56	-35.7%
Debt Equity Ratio (x)	0.64	0.67	3.5%
Operating Profit Margin (%)	-9.2%	4.0%	143.6%
Net Profit Margin (%)	-11.4%	-9.6%	15.5%
Return on Networth (%)	-8.9%	-10.3%	-16.4%

(C) HUMAN RESOURCE

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

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

The total number of employees stood at 445 as on March 31, 2022.

(D) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

FORWARD LOOKING STATEMENT

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

References

- Investment Opportunities in India's Healthcare Sector, NITI Aayog.
- IBEF report on Healthcare Sector, September 2021.
- Prabhudas Lilladher Equity Research report.
- IRDA Annual Report - 2020-21.
- Market Research, Equity and Other Reports, Web Articles, Press & Media Reports and Others.

Report on Corporate Governance

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

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

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

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

2. BOARD OF DIRECTORS

A) Composition of the Board

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

As on March 31, 2022, the Board comprises of 6 (six) directors, of whom, 1 (One) is an executive director and 5 (five) are non-executive directors (including two woman director). Amongst the non-executive directors, 3 (three) are independent directors. Non-executive directors bring an external and wider perspective in Board's deliberations and decisions. Size and composition of the Board conforms to the requirements of Regulation 17 of SEBI LODR, as on March 31, 2022. Other details relating to the directors as on March 31, 2022 are as follows:

S. No.	Name of Director	Category	Directorships held in other companies[1]	Committees Membership in Other Companies[2]	Chairmanship in committees of other Companies[2]	Names of the listed entities where the person is a director and the category of directorship
1	Mr. Daljit Singh DIN – 00135414	Chairman and Non-Executive Non- Independent Director	0	0	0	–
2	Dr. Nithya Ramamurthy DIN – 00255343	Non-Executive Non- Independent Director	0	0	0	–
3	Mr. Ramesh L. Adige DIN – 00101276	Non-Executive Independent Director	1	1	0	–
4	[3]Mr. Chandrasekar Ramasamy DIN-09414564	Whole Time Director	0	0	0	–

Report on Corporate Governance (Contd..)

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

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

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

[3]Appointed as Whole-time Director w.e.f. January 11, 2022.

During the financial year under review, tenure of Mr. C.K. Nageswaran as Whole-time Director of the Company completed on October 02, 2021.

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

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

Particulars / Names	Mr. Daljit Singh	Dr. Nithya Ramamurthy	Mr. Ramesh L. Adige	C. Ramasamy	Mr. Ravi Rajagopal	Ms. Shailaja Chandra
Educational Qualifications in respective functional domain.	✓	✓	✓	✓	✓	✓
Understanding of the corporate governance and stakeholder management frameworks.	✓	✓	✓	✓	✓	✓
Strong Financial Acumen and understanding of financial controls	✓		✓	✓	✓	
Able to provide prudent insights on issues of strategy, performance, risk management & standards of conduct.	✓	✓	✓	✓	✓	✓
Experience / Exposure / association with healthcare industry.	✓	✓	✓	✓		✓
Understanding of a multi-faceted business operation.	✓	✓	✓	✓	✓	✓
Is well networked in the industry / Functional domain	✓	✓	✓	✓	✓	✓

Report on Corporate Governance (Contd..)

B) Independent Directors

Independent Directors fulfil all the conditions for being Independent to the Company, as stipulated under Regulation 16(1)(b) of SEBI LODR and the Companies Act, 2013. The maximum tenure of Independent Directors is determined in accordance with the Companies Act, 2013 and Regulation 25(2) of SEBI LODR. The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013 and the terms and conditions of such appointment are disclosed on the website of the Company viz. https://www.fortismalar.com/investorrelations/investorcatdetails/policies-other-documents1

Further, in compliance with Regulation 25(7) of SEBI (LODR), the Company has made familiarization programmes to familiarise Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The detail of such familiarisation programme is available at https://www.fortismalar.com/investorrelations/investorcatdetails/policies-other-documents1

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

C) Disclosure regarding appointment or re-appointment of Directors

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

During the year under review, the Board has appointed Mr. Chandrasekar Ramasamy as a Whole-time Director of the Company for a period of three years with effect from January 11, 2022 his appointment and was also approved by the shareholders of the Company via Postal Ballot dated January 11, 2022.

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

Board Functioning & Procedure

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

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

During the year ended March 31, 2022, 5 (Five) Board Meetings were held on:

i) May 25, 2021;

ii) August 10, 2021;

iii) November 08, 2021;

iv) January 11, 2022; and

v) February 7, 2022.

Last Annual General Meeting of the Company was held on July 29, 2021. Attendance of each Director at the Board Meetings held during the year ended March 31, 2022 and at the last Annual General Meeting (AGM) is as under: -

Name of Directors	No. of Board Meetings attended	Attendance at last AGM
Mr. Daljit Singh	5	Yes
[1]Mr. Chandrasekar Ramasamy	1	NA
Dr. Nithya Ramamurthy	5	Yes
Mr. Ramesh Lakshman Adige	5	Yes
[2]Mr. C K Nageswaran	2	Yes
Mr. Ravi Rajagopal	5	Yes
Ms. Shailaja Chandra	5	Yes

[1]*Appointed w.e.f. January 11, 2022*

[2]*Resigned w.e.f. October 02, 2021*

Report on Corporate Governance (Contd..)

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

Availability of information to the members of Board:

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

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of meetings of Audit and Risk Management Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Statutory Compliances

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

Code of Conduct

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

Further, in terms of Schedule IV of the Companies Act, 2013, the Company has adopted a separate Code of Conduct for Independent Directors. In terms of Regulation 26 of SEBI LODR, Senior Management and Board Members have confirmed compliance with the Codes for FY 2021-22. The aforesaid codes are also hosted on the website of the Company.

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

3. COMMITTEES OF THE BOARD

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

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

Report on Corporate Governance (Contd..)

A) AUDIT AND RISK MANAGEMENT COMMITTEE

Composition of the Committee

As on March 31, 2022, Audit and Risk Management Committee comprised of the following members, namely:

S. No.	Name of Members	Designation	Category
1	Mr. Ramesh L. Adige	Chairman	Non-Executive Independent Director
2	Mr. Daljit Singh	Member	Non-Executive Non-Independent Director
3	Mr. Ravi Rajagopal	Member	Non-Executive Independent Director
4	[1]Ms. Shailaja Chandra	Member	Non-Executive Independent Director

[1]Ms. Shailaja Chandra was appointed as member of the Committee w.e.f. November 09, 2021.

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

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

- Oversight of the financial reporting process and the disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible;
- To recommend appointment, remuneration and terms of appointment of auditors of the Company;
- To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
- To review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv) Significant adjustments made in the financial statements arising out of audit findings.
  - v) Compliance with listing and other legal requirements relating to financial statements.
  - vi) Disclosure of any related party transactions.
  - vii) Qualifications in the draft audit report.
- To review with the management, the quarterly financial statements before submission to the board for approval;
- To review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- To approve fresh or any subsequent modification of transactions of the Company with related parties;
- To scrutinise inter-corporate loans and investments;
- To do valuation of undertakings or assets of the Company, wherever it is necessary;
- To do evaluation of internal financial controls and risk management systems;
- To monitor the end use of funds raised through public offers and related matters;
- To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

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- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- To discuss with internal auditors for any significant findings and follow up there on;
- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- To approve appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- To review utilisaiton of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loan/ advances/investments; and
- To consider and recommend on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc.

The above said roles, accountabilities and responsibilities reflect salient terms of reference of the Audit and Risk Management Committee. However, the detailed and exhaustive mandate / terms of reference of the Audit and Risk Management Committee are also available on the website of the Company at https://www.fortismalar.com/investorrelations/investorcatdetails/audit-and-risk-management-committee1

Meetings and Attendance during the year

During the financial year ended March 31, 2022, 5 (Five) meetings of Audit and Risk Management Committee were held on:

i) May 25, 2021;
ii) August 10, 2021;
iii) November 08, 2021;
iv) January 11, 2022; and
v) February 7, 2022.

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

S. No.	Name of Members	No. of Meetings attended
1	Mr. Ramesh Lakshman Adige, Chairman	5
2	Mr. Daljit Singh	5
3	Mr. Ravi Rajagopal	5
4	[1]Ms. Shailaja Chandra	2

[1]Appointed as Members of the Committee w.e.f. November 09, 2021

B) NOMINATION AND REMUNERATION COMMITTEE

Composition of the Committee

As on March 31, 2022, the Nomination and Remuneration Committee comprised of the following members: -

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

[1]The Committee was reconstituted and Dr. Nithya Ramamurthy ceased to be member of the Committee w.e.f. January 01, 2022.

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

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- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- To formulate criteria for evaluation of every Director's performance;
- To devise a policy on Board diversity;
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of Independent Directors on the basis of the report of performance evaluation; and
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

The above said roles, accountabilities and responsibilities reflect salient terms of reference of the Nomination and Remuneration Committee. However, the detailed and exhaustive mandate / terms of reference of the said Committee are also available on the website of the Company at x **Meetings and Attendance**

During the financial year ended March 31, 2022, 2 (Two) meetings of the Nomination and Remuneration Committee were held on:

i) May 25, 2021; and

ii) January 11, 2022.

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

S. No.	Name of Members	No. of Meetings attended
1	Mr. Ramesh Lakshman Adige	2
2	Mr. Daljit Singh	2
3	[1]Dr. Nithya Ramamurthy	1
4	Mr. Ravi Rajagopal	2

[1]The Committee was reconstituted and Dr. Nithya Ramamurthy Ceased to be member of the Committee w.e.f. January 01, 2022.

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

Remuneration policy and criteria of making payments to executive and non-executive directors

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

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

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

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

Remuneration to Directors / Executive Director(s)

The details of remuneration paid to Executive Directors during the financial year ended March 31, 2022 are as under: -

(Amount in ₹)

Name of the Director	Salary, Allowances & Perquisites (₹)	Performance Incentives (₹)	Retiral Benefits (₹)	Service Contract	
				Tenure	Notice Period
Mr. C K Nageswaran*	26,74,222	3,39,625	8,71,764	3 years	3 Months
Mr. Chandrasekar Ramasamy**	8,60,882	-	4,819	3 years	3 Months

* resigned w.e.f October 2, 2021

** appointed w.e.f. January 11, 2022

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Notes:

1) Retiral Benefits were paid to Mr. Nageswaran towards "Employer's PF Contribution and Gratuity" respectively.

2) No severance fees is payable on termination of contract.

3) As on March 31, 2022, Mr. Chandrasekar did not hold any equity shares in the Company.

4) No Stock options of the Company was granted to Mr. Nageswaran and Mr. Chandrasekar. Further, they were not paid any commission from the Company or its Holding / Subsidiary Company during the year.

Non – Executive Directors

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

Details of sitting fees paid to the Non-executive Directors for the financial year ended March 31, 2022 and their shareholding as on that date is as follows: -

Particulars of Director	Sitting Fee (Amount in ₹)	Shareholding in the Company as on March 31, 2022
Mr. Daljit Singh	800,000	Nil
Ms. Shailaja Chandra	400,000	Nil
Dr. Nithya Ramamurthy	400,000	8,59,377
Mr. Ramesh Lakshman Adige	850,000	Nil
Mr. Ravi Rajagopal	600,000	Nil

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

C) STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition of the Committee

As on March 31, 2022, Stakeholders Relationship Committee comprised of the following members, namely:

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

[1]*Ceased to be a member w.e.f. October 02, 2021*

Company Secretary acts as Secretary of the Committee.

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

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.

The above said roles, accountabilities and responsibilities reflect salient terms of reference of the Stakeholders Relationship Committee. However, the detailed and exhaustive mandate / terms of reference of the said Committee are also available on the website of the Company at https://www.fortismalar.com/investorrelations/investorcatdetails/stakeholders-relationship-committee1

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Meeting and Attendance

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

i) May 25, 2021;

ii) August 10, 2021;

iii) November 8, 2021; and

iv) February 7, 2022.

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

S. No.	Name of Members	No. of Meetings attended
1	Mr. Ramesh L. Adige, Chairman	4
2	Mr. Daljit Singh	4
3	Dr. Nithya Ramamurthy	2
4	[1]Mr. C. K. Nageswaran	2

[1] Ceased to be a members w.e.f. October 02, 2021

Status of Shareholders' Complaints during Financial Year 2021-22

Number of complaints pending from last year	Nil
Number of shareholders' complaints received during the year	49
Number of complaints not resolved to the satisfaction of shareholders	Nil
Number of pending complaints as on March 31, 2022	Nil

D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition of the Committee

The Committee as on March 31, 2022 comprised of the following members, namely: -

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

Company Secretary acts as the Secretary of the Committee.

Accountabilities, Roles and Responsibilities

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

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

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appropriate actions in respect of those matters and has been duly diligent in carrying out its responsibilities and to make recommendations for improvement, wherever appropriate; and

- To open various bank account(s) and authorise the bank signatories, as may be required, for execution of various CSR programmes or projects of the Company and change, if any, of said signatories and closure of said bank account(s).

The above-mentioned roles and responsibilities reflect the salient terms of reference and responsibilities for the Corporate Social Responsibility Committee. The detailed and exhaustive mandate of the Corporate Social Responsibility Committee is available on the website of the Company at https://www.fortismalar.com/investorrelations/investorcatdetails/corporate-social-responsibility-committee1

Meetings and Attendance during the year

Corporate Social Responsibility Committee meets as and when required. During the year under review, no meeting was held for CSR Committee.

INDEPENDENT DIRECTORS MEETING

Independent Directors meet as and when required. During the year under review, 1 (one) meeting was held on February 07, 2022.

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

a) Review the performance of non-independent directors and the board of directors as a whole;

b) Review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;

c) Assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

4. SUBSIDIARY COMPANY

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

The Company has also formulated a policy for determining 'material' subsidiaries and such policy has also been disclosed on the Company's website and the web link of the same is https://www.fortismalar.com/investorrelations/investorcatdetails/policies-other-documents1

Basis the Consolidated Audited Financial Statement of the Company for FY 2021-22, the Company has no "material subsidiary" in terms of the provisions of SEBI LODR.

5. WHOLE TIME DIRECTOR / CHIEF FINANCIAL OFFICER CERTIFICATION

Certificates of Whole-time Director and Chief Financial Officer as stipulated in Regulation 17(8) of SEBI LODR was placed before the Board along with financial statements for the year ended March 31, 2022. The Board reviewed and took the same on record. The said certificate forms part of the Annual Report.

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6. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Address	Special resolution passed
2020-21	July 29, 2021	2.00 P.M.	Through Video Conferencing / Other Audio - Visual Means	NIL
2019-20	August 27, 2020	2.00 P.M.	Through Video Conferencing / Other Audio - Visual Means	NIL
2018-19	September 26, 2019	10:30 A.M.	National Institute of Pharmaceutical Education and Research Mohali, Sector 67, SAS Nagar, Mohali, Punjab - 160062	• Appointment of Mr. CK Nageswaran as Whole Time Director of the Company. • Approval of re-appointment of Mr. Ramesh L. Adige as Non-Executive and Independent Director for second term. • Approval of re-appointment of Mr. Murari Pejavar as Non-Executive and Independent Director for second term.

Details of resolution passed by way of Postal Ballot

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

I. Postal ballot notice dated January 11, 2022 (Result declared on February 18, 2022)

(a) Approval for appointment of Mr. Chandrasekar Ramasamy (DIN: 09414564) as a director of the Company (Ordinary Resolution);

(b) Approval for appointment of Mr. Chandrasekar Ramasamy (DIN: 09414564) as a Whole-time director of the Company (Special Resolution);

(c) Approval for entering into material related party transaction under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Ordinary Resolution); and

(d) Approval for entering into material contract under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Special Resolution).

For the conduct of the aforementioned postal ballot / electronic voting exercise, Mr. Mukesh Agarwal of M/s Mukesh Agarwal & Co., Company Secretaries (C.P. No. 3851), was appointed as the Scrutinizer.

Summary of the results of aforementioned Postal Ballot / electronic voting process was announced by Mr. Sandeep Singh, Company Secretary of the Company on February 18, 2022:

Item	Net Valid Votes Polled (No. of Equity Shares)	Votes with assent for the Resolution (No. of Equity Shares and % of net valid votes)	Votes with dissent for the Resolution (No. of Equity Shares and % of net valid votes)
Approval for appointment of Mr. Chandrasekar Ramasamy (DIN: 09414564) as a director of the Company.	1,30,98,988	1,30,97,592 (99.9893%)	1,396 (0.0107%)
Approval for appointment of Mr. Chandrasekar Ramasamy (DIN: 09414564) as a Whole-time director of the Company.	1,30,98,988	1,30,97,117 (99.9857%)	1,871 (0.0143%)
Approval for entering into material related party transaction under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.	13,46,587	13,42,181 (99.6728%)	4,406 (0.3272%)
Approval for entering into material contract under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.	1,30,98,989	1,30,94,582 (99.9664%)	4,407 (0.0336%)

Report on Corporate Governance (Contd..)

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

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

Further, resolution(s), if required, shall be passed by Postal Ballot during the year ending on March 31, 2023, as per the prescribed procedure under the Companies Act, 2013 and SEBI LODR.

Procedure for voting by Postal Ballot and E-voting

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder and read with the General Circular nos. 14/2020, 17/2020, 02/2021 and 21/2021 dated April 8, 2020, April 13, 2020, January 13, 2021 and December 14, 2021 respectively issued by the Ministry of Corporate Affairs

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

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

Scrutinizer appointed for the purpose, scrutinizes postal ballots and e-votes received and submits his consolidated report to the Company. Results are thereafter displayed on the website of the Company i.e. www.fortismalar.com.

7. DISCLOSURES

Related party transactions

Details of transactions with related parties, as prescribed in SEBI LODR, are placed before the Audit and Risk Management Committee periodically. Further, details of all material transactions, if any, with related parties are also disclosed quarterly along with the compliance report on Corporate Governance. The Company has adopted a Policy on 'Materiality on Related Party Transactions' and the weblink for the same is https://www.fortismalar.com/investorrelations/investorcatdetails/policies-other-documents1

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

Accounting Treatment

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

Compliances by the Company

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

Management

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

Code of Conduct and Prevention of Insider Trading

Code of Conduct for Prevention of Insider Trading of Fortis Malar Hospitals Limited, as approved by the Board of Directors, inter alia, prohibits purchase or sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company. The said Code is available on the Company's website https://www.fortismalar.com/investorrelations/investorcatdetails/policies-other-documents1

Report on Corporate Governance (Contd..)

Whistle Blower Policy / Vigil Mechanism

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

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

The Company has adopted a Whistle Blower Policy in line with the requirements laid down under the Companies Act, 2013 and SEBI LODR. The same is available at the weblink https://www.fortismalar.com/investorrelations/investorcatdetails/policies-other-documents1

8. MEANS OF COMMUNICATION

i) **Results:** The financial results are generally published in Business Standard/Financial Express (English - all editions across India) and Rozana Spokesman (Punjabi – Regional Editions).

ii) **Website:** The financial results hosted on the Company's website viz. www.fortismalar.com.

iii) **News Release, Presentations:** The press releases/ official news, detailed presentation made to media, analysts, institutional investors etc., if any, are displayed on the Company's website. Official Media Releases, if any, are also sent to the stock exchange before dissemination to the media.

iv) **Intimation to the Stock Exchange:** The Company also intimates the Stock Exchange all price sensitive information or such other matters, if any, which in its opinion are material and of relevance to the Shareholders and are statutorily required to be informed.

v) **BSE Corporate Compliance and the Listing Centre:** BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others in accordance with SEBI LODR are filed electronically.

vi) **SEBI Complaints Redress System (SCORES):** Investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

vii) **Designated Exclusive email-id:** The Company has designated the following email-id for investor servicing:secretarial.malar@malarhospitals.in. Investors can also mail their queries to Registrar and Transfer Agent at einward.ris@kfintech.com.

9. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting: Wednesday, July 27, 2022 at 2.00 P.M. (IST) through OAVM/VC.

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

Financial Calendar 2022-23 (tentative & subject to change)

S. No.	Tentative Schedule	Tentative Date (On or before)
1.	Financial Reporting for the quarter ending June 30, 2022	August 14, 2022
2.	Financial Reporting for the quarter ending September 30, 2022	November 14, 2022
3.	Financial Reporting for the quarter ending December 31, 2022	February 14, 2023
4.	Financial Reporting for the quarter ending March 31, 2023	May 30, 2023
5.	Annual General Meeting for the year ending March 31, 2023	On or before September 30, 2023

Report on Corporate Governance (Contd..)

c) Listing on Stock Exchanges

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

The Company has paid the listing fee of BSE Limited for FY 2021-22.

d) Stock Code

Stock / Scrip Code at BSE Limited is 523696

ISIN for Equity is INE842B01015.

e) Market Price Data

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

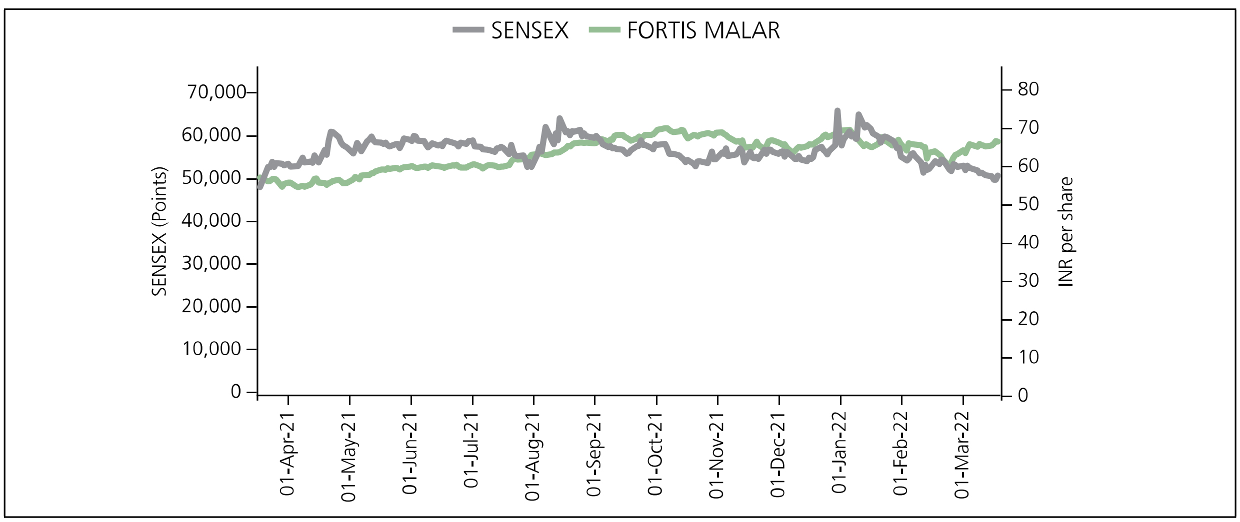
Monthly High and Low Quotations of Shares traded on BSE

	High	Low
Apr-21	63.10	54.55
May-21	69.50	63.25
Jun-21	68.45	65.10
Jul-21	67.20	64.10
Aug-21	73.10	60.05
Sep-21	70.05	63.55
Oct-21	67.15	61.30
Nov-21	65.00	60.20
Dec-21	64.70	61.55
Jan-22	75.20	63.40
Feb-22	68.20	58.45
Mar-22	62.00	56.50

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

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

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



Report on Corporate Governance (Contd..)

g) **Details of commodity price risk or foreign exchange risk and hedging activities (commodity or otherwise), as applicable, during financial year under review -** Details of commodity price, risk on foreign exchange risk & hedging activity (commodity or otherwise), as applicable, during the financial year under review are provided in notes to accounts which forms part of the Annual Report. It is hereby confirmed that the Company is not involved in commodity and / or derivative market.

(h) **Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)** – Not Applicable

(i) **The Company is in receipt of a certificate from M/s Mukesh Agarwal & Co., Practicing Company Secretaries certifying that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority. Certificate is enclosed with this report**.

It is confirmed that at there was no instance during FY 2021-22 when the Board had not accepted any recommendation of any committee of the Board.

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

Particular of Services	Name of Auditor	(Amount in ₹)
Statutory Audit Fees	B S R & Co. LLP	600,000
Tax Audit Fees	B S R & Co. LLP	55,000
Other Services Limited Review / OPE & GST	B S R & Co. LLP	831,627
TOTAL		**1,486,627**

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

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

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

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

m) **Registrar and Transfer Agent**

KFin Technologies Limited

Selenium, Tower B, Plot No. 31 & 32, Financial District,

Nanakramguda, Seilingampally Mandal

Hyderabad-500032

Phone No. - +91 40 6716 2222

Fax No. - +91 40 23431551.

E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

n) **Share Transfer System**

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

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

Report on Corporate Governance (Contd..)

o) Distribution of Shareholding as on March 31, 2022

Sr. No.	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	9052	93.44	84,39,400	4.50
2	5001- 10000	317	3.27	27,37,870	1.46
3	10001- 20000	151	1.56	23,41,310	1.25
4	20001- 30000	53	0.55	13,51,470	0.72
5	30001- 40000	20	0.21	7,44,030	0.40
6	40001- 50000	20	0.21	9,62,170	0.51
7	50001- 100000	30	0.31	23,33,020	1.24
8	100001& Above	45	0.46	16,85,08,320	89.91
	Total:	**9688**	**100.00**	**18,74,17,590**	**100.00**

p) Shareholding Pattern of Equity Shares as on March 31, 2022

S. No	Description	No. of Cases	Total Shares	% Equity
1	BODIES CORPORATES	61	14,93,040	7.97
2	CLEARING MEMBERS	8	675	0.00
3	DIRECTORS AND THEIR RELATIVES	1	8,59,377	4.59
4	EMPLOYEES	8	92,550	0.49
5	H U F	176	1,24,807	0.67
6	I E P F	1	7,73,753	4.13
7	MUTUAL FUNDS	1	13,500	0.07
8	NON RESIDENT INDIAN NON REPATRIABLE	31	47,925	0.26
9	NON RESIDENT INDIANS	35	1,95,969	1.05
10	PROMOTERS BODIES CORPORATE	1	1,17,52,402	62.71
11	RESIDENT INDIVIDUALS	9,362	33,85,561	18.06
12	TRUSTS	3	2,200	0.01
	Total:	**9,688**	**1,87,41,759**	**100.00**

q) Dematerialisation of Shares and Liquidity

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

As on March 31, 2022, 1,80,73,418 Equity shares representing 96.44% of the paid-up Equity Capital of the Company had been dematerialised.

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

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

The Company's equity shares are actively traded on BSE Limited. Further, the relevant data for the average daily turnover for FY 2021-22 is given below:

Particulars		BSE
Average Shares Traded	Share (Nos.)	8,875
Average Annual Turnover	Value (In Crores)	0.060

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

Report on Corporate Governance (Contd..)

r) **As on March 31, 2022, the Company has not issued any GDRs, ADRs, FCCBs, Warrants or any other convertible instruments.**

s) **Hospital Location**

Fortis Malar Hospitals

No. 52, 1st Main Road, Gandhi Nagar, Adyar, Chennai – 600 020, Tamil Nadu

Tel No. – 044 4289 2222

t) **Lock-in of Equity shares**

As on March 31, 2022 none of the shares of the Company are under Lock-in.

u) **Address for Correspondence**

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

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

KFin Technologies Limited
Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Seilingampally Mandal
Hyderabad-500032

Phone No. - +91 40 6716 2222
Fax No. - +91 40 23431551.
E-mail: einward.ris@kfintech.com
Website: www.kfintech.com

Correspodance Address for Investor Assistance
Secretarial Department
Fortis Malar Hospitals Limited,
3rd Floor, Tower A, Unitech Business Park, Block – F, South City 1, Sector – 41, Gurgaon, Haryana 122001, India

Tel: + 91-124 4921083
E-Mail: - secretarial.malar@malarhospitals.in

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

w) **Nomination Facility**

Shareholders who hold shares in the physical form and wish to make any nomination / change nomination made earlier in respect of their shareholding in the Company, should submit the nomination Form SH-13 of the Companies (Share Capital and Debentures) Rules, 2014, available with the Company's RTA. Those holding shares in dematerialised form may contact their respective Depository Participant (DP) to avail the nomination facility. The shareholders may refer below link to detailed procedure in this regard https://www.fortismalar.com/investorrelations/investorcatdetails/investor-services-nomination1

x) **Elimination of Duplicate Mailing**

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

y) **Reconciliation of Share Capital Audit**

The Reconciliation of Share Capital Audit Report as stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018) (erstwhile Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996) was carried out by a Practicing Company Secretary in each of the quarter in FY 2021-22, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The Reconciliation of Share Capital Audit Report confirm that the total issued/paid up capital agrees with the total number of shares in physical form and the total number of dematerialised shares held with the depositories. The Reconciliation of Share Capital Audit Reports for each quarter of the Financial Year ended March 31, 2022 has been filed with the Stock Exchange within 30 days from the end of the respective quarter.

Report on Corporate Governance (Contd..)

z) Demat Suspense Account

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

- Aggregate Number of the Shareholders and the outstanding lying in the Unclaimed Suspense Account at the beginning of the year (April 01, 2021): 25 Shareholders and 19,700 shares.
- Number of shareholders who approached issuer for transfer of shares from suspense account during the year: 1
- Number of shareholders to whom shares were transferred from suspense account during the year: 1
- Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. March 31, 2022: 24 Shareholders and 19,600 shares.

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

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

ab) Dividend payment date: Not applicable

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

ad) Adoption of Mandatory and Non-Mandatory Requirements

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

A. Reporting of Internal Auditor

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

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

For the Financial Year ended March 31, 2022, your Company published financial statements with unmodified audit opinion.

ae) GO GREEN INITIATIVE

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

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

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

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

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Fortis Code of Conduct for the financial year ended March 31, 2022.

Date: May 24, 2022
Place: Chennai

Chandrasekar Ramasamy
Whole-time Director
DIN: 09414564

Compliance Certificate

[For Financial Year ended on March 31, 2022]
[Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015]

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

Dear Sir(s) / Madam(s),

We, Chandrasekar Ramasamy, Whole Time Director and Yogendra Kumar Kabra, Chief Financial Officer, of the Company, certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee that:

   (1) There have been no significant changes in internal control over financial reporting during the year under review;

   (2) There has been no significant changes in accounting policies during the year except to the extent already disclosed in the notes to the financial statement(s); and

   (3) There are no instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Fortis Malar Hospitals Limited**

Sd/-	Sd/-
Chandrasekar Ramasamy	**Yogendra Kumar Kabra**
Whole Time Director	Chief Financial Officer
DIN: 09414564	
Place: Chennai	Place: Chennai
Date : May 24, 2022	Date : May 24, 2022

Corporate Governance Certificate

To
The Members
FORTIS MALAR HOSPITALS LIMITED
Fortis Hospital, Sector-62, Phase-VIII,
Mohali-160062

We, **M/s Mukesh Agarwal & Co**., have examined the compliance of conditions of Corporate Governance by Fortis Malar Hospitals Limited ("the Company") for the year ended March 31, 2022, as stipulated under regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D, and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

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

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

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

For **Mukesh Agarwal & Co.**
Company Secretaries

Mukesh Kumar Agarwal
Proprietor
C.P. No. 3851
UDIN: F005991D000309019

Place: New Delhi
Dated: May 12, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members
Fortis Malar Hospitals Limited ("the Company")
Fortis Hospital, Sector-62, Phase-VIII,
Mohali -160062

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

In our opinion and to the best of our information and according to the verifications **(including Directors Identification Number (DIN) status at the portal www.mca.gov.in**) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 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.	Ramesh Lakshman Adige	00101276	February 19, 2008
2.	Daljit Singh	00135414	December 24, 2014
3.	Nithya Ramamurthy	00255343	May 1, 2006
4.	Chandrasekar Ramasamy	09414564	January 11, 2022
5.	Ravi Rajagopal	00067073	October 23, 2019
6.	Shailaja Chandra	03320688	March 10, 2021

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

For **Mukesh Agarwal & Co.**
Company Secretaries

Mukesh Kumar Agarwal
M. No. F5991
C.P. No. 3851
UDIN: F005991D000308909

Place: New Delhi
Dated: May 12, 2022

FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of Fortis Malar Hospitals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Fortis Malar Hospitals Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of matter

We draw attention to Note 45 to the standalone financial statements which describes the litigation and issues pertaining to regularisation of the hospital building in which the Company operates today pursuant to agreements with Fortis Health Management Limited ("FHML") and the related matters. A letter was received from Chennai Metropolitan Development Authority (CMDA) on 25 August 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularisation. The Company is taking steps to complete the process of submission of the sought clearances and certificates, which involves taking a number of actions and significant expenses and capital expenditure. While the Company is co-operating to get all the clearances, it has been legally advised that, as per the agreement between the Company and FHML, it is not required to bear any expenses, revenue or capital nature, incurred towards regularisation of building and obtaining the requisite clearances and certificates (or for the expenses that may need to be incurred in the unlikely event that the regularisation is not approved) as all such expenses will be borne by FHML. The Company also continues to believe that all Orders / Notices issued by CMDA prima facie would not result in any significant adverse impact on its operations/ financial statements or on the going concern status.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Description of Key Audit Matter

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Related party transactions (refer note 32, 43 and 45 to the standalone financial statements)</td></tr>
<tr><td>Related party transactions are regulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Companies Act, 2013. In addition, the relevant accounting standards require specific compliance and disclosures of related parties and transactions with them to be made in the standalone financial statements.

We have identified the related party transactions as a key audit matter due to the significance of the amounts given as loans to related parties, recoverability of such loans and risk of non-compliance with various regulations. Also, a material portion of the expenses (clinical establishment expenses etc.) are paid to related parties.</td><td>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:
• Obtain an understanding of the Company's related party relationships and transactions.
• Obtained a list of related party relationships and significant related party transactions from the management. Made inquiries of management regarding the identity of the related parties including changes from the prior year and the nature of relationships and of the transactions with them. We also maintained alertness regarding related party information when examining records or documents regarding undisclosed related party relationships or transactions.
• Evaluated the design, implementation and operating effectiveness of key controls over identification and authorization of significant related party transactions.
• Obtained confirmation from related party with respect to transactions and balances and evaluated the management's assessment on the recoverability of the loans to related parties as and when they fall due. Performed substantive procedures to check the completeness of expenditure and interest income.
• Evaluated compliance of such related party transactions with the relevant accounting standard and applicable laws and regulations.
• Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard and applicable laws and regulations.</td></tr>
<tr><td colspan="2">Migration to new Information Technology (IT) System</td></tr>
<tr><td>The Company used Oracle EBS as its primary ERP for its accounting and operation purposes, which was upgraded to Oracle Fusion in December 2021. The audit approach relies on the effectiveness of automated controls of these applications and controls around interface of systems.

While transitioning to new information system, robustness of IT general and application controls is critical to assess changes to applications and underlying data are made in an appropriate manner.</td><td>In view of the significance of the matter, we applied the following audit procedures with the assistance of our IT specialists in this area, among others to obtain sufficient appropriate audit evidence:
• Identification of the IT risks based on our understanding of the IT environment.
• Determination whether each general IT control, individually or in combination with other controls, is designed to address the associated IT risk.
• Testing of the design, implementation and operating effectiveness of the relevant general IT controls.
We reviewed the management's processes around system migration in order to ascertain the accuracy of balances migrated to the new information system.

We obtained and tested the mitigating manual controls to address the IT control deficiencies noted around the Oracle Fusion application</td></tr>
</table>

Other Information

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

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

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

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

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud o r error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 1 April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 34 and Note 45 to the standalone financial statements.

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

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.

d) (i) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 49 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 49 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

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

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W / W-100022

Harsh Vardhan Lakhotia
Partner
Membership No. 222432
ICAI UDIN: 22222432AJNLUD8041

Place: Chennai
Date: 24 May 2022

Annexure A to the Independent Auditor's Report to the members of Fortis Malar Hospitals Limited for the year ended 31 March 2022

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

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause3(i)(c) of the Order is not applicable.

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

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

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

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

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any guarantee and security to companies, firms, limited liability partnership or any other parties during the year. The Company has granted loans to Companies during the year, in respect of which the requisite information is as below. The Company has not granted any loans, secured or unsecured, to limited liability partnership or any other parties during the year. Further, the Company has not given any advance in the nature of loan to any party during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans and advances in the nature of loans to any other entity as below:

Particulars	Loans
Aggregate amount during the year	Rs 40 crores
- Others (Intermediate Holding Company)	
Balance outstanding as at balance sheet date	Rs 68 Crores
- Others (Intermediate Holding Company)	

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the company.

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

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

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

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

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

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

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax and other statutory dues have been generally regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of provident fund. As explained to us, the Company did not have any dues on account of service tax, sales tax, duty of customs, duty of excise, value added tax and cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to income tax, value added tax, duty of customs, goods and service tax, provident fund, employees state insurance or cess or other statutory dues which have not been deposited on account of any disputes are as follows:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which amount relates to	Amount involved (Rs.)	Amount unpaid (Rs.)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2019-20	5,789,269	5,789,269
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	Honourable High Court of Madras	FY 2008-09 to FY 2011-12	25,493,296	25,493,296

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

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

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

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

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

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under Act. Further, the Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2022.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). Further, the Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2022.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

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

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

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

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

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

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

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

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company

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

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

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

(d) According to the information and explanations provided to us during the course of audit, the Group does not have more than one CIC.

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

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

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

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

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W / W-100022

Harsh Vardhan Lakhotia
Partner
Membership No. 222432
ICAI UDIN: 22222432AJNLUD8041

Place: Chennai
Date: 24 May 2022

Annexure B to the Independent Auditors' report on the standalone financial statements of Fortis Malar Hospitals Limited for the year ended 31 March 2022.

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Fortis Malar Hospitals Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W / W-100022

Harsh Vardhan Lakhotia
Partner
Membership No. 222432
ICAI UDIN: 22222432AJNLUD8041

Place: Chennai
Date: 24 May 2022

Standalone Balance Sheet

as at 31 March 2022

(All amounts are in Indian Rupees Lacs except share data and as stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4(a)	1,302.50	1,490.46
Capital work-in-progress	4(b)	0.18	35.95
Right of use assets	37	4,399.41	5,223.40
Intangible assets	4(c)	60.37	138.52
Intangible assets under development	4(d)	5.58	–
Financial assets			
Investment in subsidiary	5	5.00	5.00
Loans	13	4,000.00	2,800.00
Other financial assets	6	54.68	56.14
Deferred tax assets (net)	40	845.57	845.57
Income tax assets (net)	7	493.30	297.68
Other non-current assets	8	0.56	5.64
Total non-current assets		**11,167.15**	**10,898.36**
Current assets			
Inventories	9	186.36	162.67
Financial assets			
Trade receivables	10	219.93	209.11
Cash and cash equivalents	11	1,033.47	546.11
Bank balances other than above	12	15.05	613.99
Loans	13	2,800.00	3,500.00
Other financial assets	14	265.83	456.69
Income tax assets (net)	7	58.39	185.94
Other current assets	15	120.89	125.67
Total current assets		**4,699.92**	**5,800.18**
Total assets		**15,867.07**	**16,698.54**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,875.70	1,875.70
Other equity	17	5,921.30	6,785.88
Total equity		**7,797.00**	**8,661.58**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	18	4,639.77	5,341.47
Provisions	21	295.03	224.62
Total non-current liabilities		**4,934.80**	**5,566.09**
Current liabilities			
Financial liabilities			
Lease liabilities	18	701.70	376.00
Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		16.71	73.56
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,982.63	1,370.77
Other financial liabilities	20	105.52	56.68
Provisions	21	83.63	103.80
Other current liabilities	22	245.08	490.06
Total current liabilities		**3,135.27**	**2,470.87**
Total liabilities		**8,070.07**	**8,036.96**
Total equity and liabilities		**15,867.07**	**16,698.54**
Significant accounting policies	3		

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

As per our report of even date attached

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432

Place : Chennai
Date : 24 May 2022

for and on behalf of the Board of Directors of
FORTIS MALAR HOSPITALS LIMITED
CIN: L85110PB1989PLC045948

Nithya Ramamurthy
Director
DIN : 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877
Place : Delhi
Date : 24 May 2022

Yogendra Kumar Kabra
Chief Financial Officer

Place : Chennai

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lacs except share data and as stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	23	8,617.82	6,924.41
Other income	24	733.32	808.12
Total income		**9,351.14**	**7,732.53**
Expenses			
Purchases of medical consumables and drugs		1,726.18	1,437.68
Changes in inventories of medical consumables and drugs	25	(23.69)	(32.02)
Employee benefits expense	26	1,852.55	1,818.02
Finance costs	27	655.80	719.88
Depreciation and amortisation expense	28	1,253.17	1,287.54
Other expenses	29	4,717.68	4,332.94
Total expenses		**10,181.69**	**9,564.04**
Loss before exceptional item and tax		**(830.55)**	**(1,831.51)**
Exceptional item	47	–	(684.85)
Loss before tax		**(830.55)**	**(1,146.66)**
Tax expense	30		
Current tax		–	(13.89)
Deferred tax		–	(331.44)
Total tax expense		**–**	**(345.33)**
Loss for the year		**(830.55)**	**(801.33)**
Other comprehensive income/ (expense)	31		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability		(34.03)	28.16
Income tax relating to items that will not be reclassified to profit or loss		–	(7.83)
Total other comprehensive income/ (expense) for the year, net of taxes		**(34.03)**	**20.33**
Total comprehensive loss for the year		**(864.58)**	**(781.00)**
Earnings per equity share	41		
Basic (in ₹)		(4.43)	(4.28)
Diluted (in ₹)		(4.43)	(4.28)
Significant accounting policies	3		

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

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Date : 24 May 2022

Yogendra Kumar Kabra
Chief Financial Officer
Place : Chennai

Standalone Cash Flow Statement

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities			
Loss before tax for the year		(830.55)	(1,146.66)
Adjustments for:			
Waiver/ concession of fixed clinical establishment fees (refer note 47)		–	(684.85)
Interest income		(701.05)	(705.13)
Profit on sale of property, plant and equipment		(4.83)	–
Depreciation and amortisation expense		1,253.17	1,287.54
Interest expense on lease liability		634.01	693.17
Allowance for credit losses (including bad debts written off)		30.42	64.08
Liabilities no longer required written back		(27.44)	(102.99)
Operating profit / (loss) before working capital changes		**353.73**	**(594.84)**
Movements in working capital:			
Decrease / (increase) in other current and non current financial assets		46.54	(25.97)
Decrease in other current and non-current assets		9.86	87.94
(Increase) / decrease in trade and other receivables		(41.24)	99.60
Increase in inventories		(23.69)	(32.02)
Increase in provisions		16.21	40.07
Increase / (decrease) in trade payables		582.45	(340.60)
Increase / (decrease) in financial liabilities		48.84	(5.78)
Decrease in other current liabilities		(244.98)	(513.94)
Cash generated from / (used in) operations		**747.72**	**(1,285.54)**
Income taxes (paid) / refund (net)		(68.07)	1,165.70
Net cash generated from / (used in) operating activities		**679.65**	**(119.84)**
Cash flows from investing activities			
Payments for purchase of property, plant and equipment, intangible assets, capital work-in-progress and intangibles asset under development		(140.49)	(52.89)
Proceeds from sale of property, plant and equipment		12.44	–
Inter-corporate deposit placed with related parties		(4,000.00)	(2,800.00)
Proceeds from Inter-corporate deposits repaid by related parties		3,500.00	–
Bank balances not considered as cash and cash equivalents		598.94	(593.30)
Interest received		846.83	685.91
Net cash generated from / (used in) investing activities		**817.72**	**(2,760.28)**
Cash flows from financing activities			
Repayment of lease liabilities (including interest)		(1,010.01)	(724.74)
Net cash used in financing activities		**(1,010.01)**	**(724.74)**
Net increase / (decrease) in cash and cash equivalents		**487.36**	**(3,604.86)**
Cash and cash equivalents at the beginning of the year		546.11	4,150.97
Cash and cash equivalents at the end of the year	11	**1,033.47**	**546.11**
Significant accounting policies	3		

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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
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Sandeep Singh
Company Secretary
Membership No.: F9877
Place : Delhi
Date : 24 May 2022

Yogendra Kumar Kabra
Chief Financial Officer

Place : Chennai

Standalone Statement of Change in Equity

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
A Equity share capital	16		
Balance at the beginning of year		1,875.70	1,875.70
Changes in equity share capital during the year		–	–
Closing balance		**1,875.70**	**1,875.70**
B Other equity	17		

Particulars	Reserves and surplus		Total
	Securities Preimium	Retained Earnings	
Balance as at 1 April 2020	**957.23**	**6,609.65**	**7,566.88**
Changes in accounting policy or prior period errors	–	–	–
Restated balance as at 1 April 2020	957.23	6,609.65	7,566.88
Loss for the year	–	(801.33)	(801.33)
Other comprehensive income for the year, net of taxes	–	20.33	20.33
Total comprehensive loss for the year	**–**	**(781.00)**	**(781.00)**
Balance as at 31 March 2021	**957.23**	**5,828.65**	**6,785.88**
Changes in accounting policy or prior period errors	–	–	–
Restated balance as at 1 April 2021	957.23	5,828.65	6,785.88
Loss for the year	–	(830.55)	(830.55)
Other comprehensive income for the year, net of taxes	–	(34.03)	(34.03)
Total comprehensive loss for the year	**–**	**(864.58)**	**(864.58)**
Balance as at 31 March 2022	**957.23**	**4,964.07**	**5,921.30**

Loss of INR 34.03 Lacs and gain of INR 20.33 Lacs on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended 31 March 2022 and 31 March 2021 respectively.

Significant accounting policies	3

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

As per our report of even date attached

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432

Place : Chennai
Date : 24 May 2022

for and on behalf of the Board of Directors of
FORTIS MALAR HOSPITALS LIMITED
CIN: L85110PB1989PLC045948

Nithya Ramamurthy
Director
DIN : 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877

Yogendra Kumar Kabra
Chief Financial Officer

Place : Delhi
Date : 24 May 2022

Place : Chennai

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

1 Nature of operations

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

2 Basis of preparation

a) Statement of compliance

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

The standalone financial statements were authorised for issue by the Company's Board of Directors on 24 May 2022.

b) Functional and presentation currency

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

c) Basis of measurement

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

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

d) Use of estimates and judgements

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

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

Judgements

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the following notes (Also refer note 46, relating to impact on Covid -19 Pandemic):

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

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

c. Recognition and measurement of income taxes and deferred taxes (refer note 3.12 and note 40)

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

d. Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; (refer note 3.8, 3.15, 34 and 45)

e. Expected credit loss: The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period. (refer note 3.6)

e) Measurement of fair values

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

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

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

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

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

f) Current and non-current classification

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

An asset is treated as current when:

– it is expected to be realised or intended to be sold or consumed in normal operating cycle;

– it is held primarily for the purpose of trading;

– it is expected to be realised within twelve months after the reporting period; or

– it is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

– it is expected to be settled in normal operating cycle;

– it is held primarily for the purpose of trading;

– it is due to be settled within twelve months after the reporting period; or

– there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

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

3 Significant accounting polices

3.1 Foreign currency transactions

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

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

3.2 Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

v) Cash and cash equivalents

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

3.3 Property, plant and equipment

i. Recognition and measurement

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

Cost of an item of property, plant and equipment comprises its purchase price, including import duties

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

ii. Subsequent expenditure

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

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

iii. Depreciation

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

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

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

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

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

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

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

3.4 Intangible assets

i. Recognition and measurement

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

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

ii. Subsequent expenditure

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

iii. Amortisation

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

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

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

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

3.5 Inventories

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

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

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

3.6 Impairment

i) Impairment of financial instruments

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

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

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

ii) Impairment of non-financial assets

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

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

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

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

3.7 Employee benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii) Defined benefit plans - Gratuity

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

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

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

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

iii) Compensated absences

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

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

iv) Share-based compensation

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

v) Contributions to provident fund

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

Notes forming part of the standalone financial statements

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3.8 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

3.9 Revenue recognition

Sale of Services

The Company earns revenue primarily from providing healthcare services. The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company assessed its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all its revenue arrangements.

Sale of traded goods – pharmacy items

Revenue from sale of pharmacy items are recognized on delivery of items to the customers which is when the Company satisfies a performance obligation by transferring a promised good to a patient. Pharmacy items are transferred when the patient obtains the control of that items.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

Inpatient and Outpatient Revenue

Inpatient and Outpatient revenue is recognized as and when the related services are rendered.

Export benefits- Government grants

Income from 'Service Export from India Scheme' is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is receivable to the extent it is certain that economic benefits will flow to the Company.

3.10 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.11 Leases

The Company has applied Ind AS 116 using the modified retrospective approach from 1 April 2019. Accordingly, the Company has recognized a lease liability at the date of initial application, at the present value of the remaining lease payments discounted using the incremental borrowings rate at the date of initial application, recognized right-of-use asset at the date of initial application equals to the lease liability recognized.

Notes forming part of the standalone financial statements

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At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of an identified asset, the Company uses the definition of a lease in Ind AS 116.

(i) Company as a lessee:

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

The lease payments shall include:

– fixed payments, including in substance fixed payments;

– variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

(ii) Short term leases

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

3.12 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it

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relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;"

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.13 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred

3.14 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares.

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted average number of equity and dilutive equivalent shares outstanding during the period except where the results would be anti-dilutive.

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Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year / period presented.

3.15 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

3.16 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

3.17 Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes forming part of the standalone financial statements

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4(a) Property, plant and equipment

Particulars	Plant and machinery	Medical equipments	Furniture and fittings	Computers	Office equipments	Total
Gross carrying amount						
As at 31 March 2020	**192.98**	**2,774.86**	**232.64**	**135.65**	**61.08**	**3,397.21**
Additions	–	23.71	0.36	0.92	–	24.99
Disposals	–	–	–	–	–	–
As at 31 March 2021	**192.98**	**2,798.57**	**233.00**	**136.57**	**61.08**	**3,422.20**
Additions	1.35	48.16	12.38	86.18	8.50	156.57
Disposals	–	–	15.42	–	–	15.42
As at 31 March 2022	**194.33**	**2,846.73**	**229.96**	**222.75**	**69.58**	**3,563.35**
Accumulated depreciation						
As at 31 March 2020	**68.18**	**1,282.57**	**106.31**	**118.84**	**37.63**	**1,613.53**
Charge for the year	16.66	258.18	22.81	9.11	11.45	318.21
Disposals	–	–	–	–	–	–
As at 31 March 2021	**84.84**	**1,540.75**	**129.12**	**127.95**	**49.08**	**1,931.74**
Charge for the year	29.33	250.85	28.34	19.44	8.96	336.92
Disposals	–	–	7.81	–	–	7.81
As at 31 March 2022	**114.17**	**1,791.60**	**149.65**	**147.39**	**58.04**	**2,260.85**
Net carrying amount						
As at 31 March 2021	**108.14**	**1,257.82**	**103.88**	**8.62**	**12.00**	**1,490.46**
As at 31 March 2022	**80.16**	**1,055.13**	**80.31**	**75.36**	**11.54**	**1,302.50**

Note:

1. There are no immovable properties for which title deeds are not in the name of the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

2. The Company has not revalued its Property, Plant and Equipment during the year.

4(b) Capital work-in-progress (CWIP)

Capital work-in-progress includes installation of computer/ medical equipments in progress amounting to ₹0.18 Lacs (Previous year: ₹35.95 Lacs)

As at 31 March 2022	Amount in CWIP for				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	0.18	–	–	–	0.18

As at 31 March 2021	Amount in CWIP for				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	35.95	–	–	–	35.95

Notes forming part of the standalone financial statements

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4(c) Intangible assets

Particulars	Software
Gross carrying amount	
As at 31 March 2020	**596.55**
Additions	7.28
Disposals	–
As at 31 March 2021	**603.83**
Additions	14.12
Disposals	–
As at 31 March 2022	**617.95**
Accumulated amortisation	
As at 31 March 2020	**320.35**
Amortisation for the year	144.97
Accumulated amortisation on disposals	–
As at 31 March 2021	**465.32**
Amortisation for the year	92.26
Accumulated amortisation on disposals	–
As at 31 March 2022	**557.58**
Net carrying amount	
As at 31 March 2021	**138.52**
As at 31 March 2022	**60.37**

4(d) Intangible assets under development (IUAD)

Intangible assets under development includes amount incurred on implementation of Oracle Fusion amounting to ₹5.58 Lacs (Previous year: ₹Nil)

As at 31 March 2022	Amount in IUAD for				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	5.58	–	–	–	5.58
Projects temporarily suspended	–	–	–	–	–

As at 31 March 2021	Amount in IUAD for				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–

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5 Investments in subsidiary - Non-current

Particulars	As at 31 March 2022	As at 31 March 2021
Unquoted investments (fully paid)		
Investments in equity instruments- at cost		
Malar Stars Medicare Limited [50,000 (31 March 2021: 50,000) equity shares of ₹ 10 each]	5.00	5.00
Total	**5.00**	**5.00**
Aggregate value of unquoted investments	5.00	5.00

6 Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non current		
Unsecured, considered good		
Security deposits	44.38	40.83
Advance to related parties (refer note 32)	10.30	15.31
Total	**54.68**	**56.14**

7 Income tax assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Advance income tax (net of provision for taxation)	493.30	297.68
Total	**493.30**	**297.68**
Current		
Advance income tax (net of provision for taxation)	58.39	185.94
Total	**58.39**	**185.94**

8 Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
Capital advances	0.56	5.64
Total	**0.56**	**5.64**
Note:		
- Considered good	0.56	5.64
- Considered doubtful	–	–
Total	**0.56**	**5.64**

Notes forming part of the standalone financial statements

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9 Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
Medical consumables and drugs	186.36	162.67
Total	**186.36**	**162.67**

10 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Trade receivables considered good - Unsecured	219.93	209.11
Trade receivables which have significant increase in credit risk- Unsecured	9.42	-
Credit impaired - Unsecured	514.61	516.54
	743.96	**725.65**
Less: Allowance for expected credit loss	(524.03)	(516.54)
Total	**219.93**	**209.11**
The movement in allownace for expected credit loss is as follow:		
Balances at the beginning of the year	516.54	524.22
Provision for the year (net)	7.49	(7.68)
Balance at the end of the year	**524.03**	**516.54**

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

Particulars	Outstanding for following period 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	
(i) Undisputed Trade Receivables - Considered good	208.09	11.84	–	–	–	–	219.93
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	1.61	7.81	–	–	–	–	9.42
(iii) Undisputed Trade Receivables - Credit Impaired	–	23.29	38.94	49.82	96.49	306.07	514.61
(iv) Disputed Trade Receivables - Considered Good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables - Credit Impaired	–	–	–	–	–	–	–
Total	**209.70**	**42.94**	**38.94**	**49.82**	**96.49**	**306.07**	**743.96**

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

10 Trade receivables (Contd..)

Ageing for trade receivables outstanding as at 31 March 2021 is as follows:

Particulars	Outstanding for following period 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	
(i) Undisputed Trade Receivables - Considered good	118.25	78.60	12.26	–	–	–	209.11
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
(iii) Undisputed Trade Receivables - Credit Impaired	3.70	22.18	21.92	157.61	299.64	11.49	516.54
(iv) Disputed Trade Receivables - Considered Good	–	–	–	–	–	–	–
(v) Disputed Trade Receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
(vi) Disputed Trade Receivables - Credit Impaired	–	–	–	–	–	–	–
Total	**121.95**	**100.78**	**34.18**	**157.61**	**299.64**	**11.49**	**725.65**

11 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	2.33	7.63
Balances with banks:		
– Current accounts	201.14	438.48
– Deposits with original maturity of less than three months	830.00	100.00
Total	**1,033.47**	**546.11**

12 Bank balances other than above

Particulars	As at 31 March 2022	As at 31 March 2021
Unpaid dividend accounts	13.52	13.52
Deposits with original maturity of more than 3 months but less than 12 months	1.28	600.22
Margin money deposit	0.25	0.25
Total	**15.05**	**613.99**

Notes forming part of the standalone financial statements

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13 Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Non Current		
Unsecured, considered good		
Inter-corporate deposits to related parites (refer note 43)	4,000.00	2,800.00
Total	**4,000.00**	**2,800.00**
Current		
Unsecured, considered good		
Inter-corporate deposits to related parites (refer note 43)	2,800.00	3,500.00
Total	**2,800.00**	**3,500.00**

14 Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Unsecured, considered good		
Interest accrued but not due		
(i) Inter-corporate deposits	89.61	236.56
(ii) Deposit with banks	2.11	0.94
Advances to related parties (refer note 32)	12.51	102.04
Loans and advances to employees	1.59	6.39
Unbilled revenue from undischarged patients	160.01	110.76
Total	**265.83**	**456.69**

15 Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advance to vendors	19.28	22.47
Prepaid expenses	55.53	57.12
Others	46.08	46.08
Total	**120.89**	**125.67**

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

16 Equity Share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
30,000,000 (31 March 2021: 30,000,000) equity shares of ₹10/- each	3,000.00	3,000.00
	3,000.00	**3,000.00**
Issued		
18,772,259 (31 March 2021: 18,772,259) equity shares of ₹10/- each	1,874.17	1,874.17
	1,874.17	**1,874.17**
Subscribed and Paid Up		
18,741,759 (31 March 2021: 18,741,759) equity shares of ₹ 10/- each fully paid up*	1,875.70	1,875.70
	1,875.70	**1,875.70**

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

Notes :

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Number	Amount in ₹	Number	Amount in ₹
At the beginning of the year	1,87,41,759	1,875.70	1,87,41,759	1,875.70
Outstanding at the end of the year	**1,87,41,759**	**1,875.70**	**1,87,41,759**	**1,875.70**

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	Number	Amount in ₹	Number	Amount in ₹
Fortis Hospitals Limited, the Holding Company (Equity Shares of ₹10/- each)	1,17,52,402	1,175.24	1,17,52,402	1,175.24

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

16 Equity Share capital(Contd..)

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

Equity Shares

Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Hospitals Limited, the Holding Company	1,17,52,402	62.71%	1,17,52,402	62.71%
Rajasthan Global Securities Private Limited	13,29,776	7.10%	9,90,092	5.28%

(e) Shares reserved for issue under options

As at 31 March 2022, nil equity shares (As at 31 March 2021 11,250 equity shares) of ₹ 10/- each were reserved towards outstanding employee stock options granted / available for grant. (refer note 35).

(f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the five financial year ended March 31, 2022, no shares have been bought back by the Company and the Company has also not alloted any equity shares as full paid up without payment being received in cash.

(g) Details of shares held by promoters

As at 31 March 2022:

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

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

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

16 Equity Share capital(Contd..)

As at 31 March 2021:

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

17 Other equity

a Reserve and surplus

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium		
Opening balance	957.23	957.23
Closing balance	957.23	957.23
Retained earnings		
Opening balance	5,828.65	6,609.65
Add: Loss for the year	(830.55)	(801.33)
Add: Remeasurement (loss) / gain of defined employee benefit plans (net of taxes)	(34.03)	20.33
Closing balance	**4,964.07**	**5,828.65**
Total	**5,921.30**	**6,785.88**

b Nature and purpose of the reserve

i. Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

ii. Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders. It also includes remeasurements of defined benefit liability /(asset) which comprises actuarial gains and losses and return on plan assets (excluding interest income).

Dividends

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

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

18 Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Lease liabilities (refer note 3.11 and note 37)	4,639.77	5,341.47
Total	**4,639.77**	**5,341.47**
Current		
Lease liabilities (refer note 3.11 and note 37)	701.70	376.00
Total	**701.70**	**376.00**

19 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Total outstanding dues of micro enterprises and small enterprises (refer note 42)	16.71	73.56
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,982.63	1,370.77
Total	**1,999.34**	**1,444.33**
*Includes payable to related parties (refer note 32)	491.64	188.02

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

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

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

19 Trade payables (Contd..)

Ageing for trade payables outstanding as at 31 March 2021 is as follows:

Particulars	Outstanding for following period from due date of payment					Total
	Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	66.94	3.79	2.83	–	–	73.56
Total outstanding dues of creditors other than micro enterprises and small enterprises	405.85	362.36	69.02	9.64	64.53	911.40
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–
Sub-total (a)	**472.79**	**366.15**	**71.85**	**9.64**	**64.53**	**984.96**
Accrued expenses/ unbilled dues (b)						459.37
Total (a+b)						**1,444.33**

20 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Currrent		
Security deposits	4.14	4.14
Unpaid equity dividend	13.52	13.52
Capital creditors**	87.86	39.02
Total	**105.52**	**56.68**

***Includes outstanding dues of micro enterprises and small enterprises of ₹ Nil (31 March 2021 - 20.66 Lacs)*

21 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for gratuity	295.03	224.62
Total	**295.03**	**224.62**
Current		
Provision for compensated absences	83.63	103.80
Total	**83.63**	**103.80**

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

22 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from patients/Amounts unclaimed by patients	69.37	340.51
Employee benefits payable	88.73	91.42
Statutory dues payables	86.98	58.13
Total	**245.08**	**490.06**

23 Revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of services (refer note (b) below)		
In-Patient	7,240.28	5,913.21
Out-Patient	1,366.25	998.49
Total	**8,606.53**	**6,911.70**
Other operating revenue		
Others	11.29	12.71
Total	11.29	12.71
Total	**8,617.82**	**6,924.41**

Note:

a. Revenue disaggregation as per timing of transfer of service has been included above. The revenue recognized during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.

b. Discounts and deductions amounting to ₹312.30 Lacs (31 March 2021 - ₹298.63 Lacs) are netted against Sale of In-Patient and Out-Patient services.

Contract assets and liabilities

The following disclosure provide information about receivables, contract assets and liabilities from contract with customer:

Particulars	As at 31 March 2022	As at 31 March 2021
Receivable which are included in trade receivable (refer note 10)	219.93	209.11
Unbilled revenue from undischarged patients (refer note 14)	160.01	110.76
Advance from patients / amounts unclaimed by patients (refer note 22)	69.37	340.51

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

24 Other income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on:		
Bank deposits	39.24	61.73
Inter-corporate deposits	628.16	582.56
Income tax refund	28.82	55.99
Financial assets carried at amortised cost	4.83	4.85
Total	**701.05**	**705.13**
Other non-operating income		
Profit on Sale of assets	4.83	–
Liabilities no longer required written back	27.44	102.99
Total	**733.32**	**808.12**

25 Change in inventories of medical consumables and drugs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the year	162.67	130.65
Less: Inventory at the end of the year	(186.36)	(162.67)
Changes in inventories	**(23.69)**	**(32.02)**

26 Employee benefits expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	1,613.28	1,574.47
Contribution to provident and other funds (refer note 36)	139.76	129.55
Staff welfare expenses	99.51	114.00
Total	**1,852.55**	**1,818.02**

27 Finance costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on:		
credit card / bank charges	21.79	26.71
lease liabilities (refer note 37)	634.01	693.17
Total	**655.80**	**719.88**

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

28 Depreciation and amortisation expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of tangible assets (refer note 4(a))	336.92	318.21
Amortization of intangible assets (refer note 4(c))	92.26	144.97
Amortization of right of use assets (refer note 37)	823.99	824.36
Total	**1,253.17**	**1,287.54**

29 Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contractual manpower	93.29	87.96
Power, fuel and water	259.26	267.49
Housekeeping expenses including consumables	35.88	33.77
Patient food and beverages	70.38	78.13
Pathology laboratory expenses	386.70	323.84
Consultation fees to doctors	956.21	776.40
Professional charges to doctors	1,447.39	1,309.24
Clinical establishment fee (refer note 29.2 below)	637.58	518.35
Repairs and maintenance		
Building	0.44	3.42
Plant and machinery	281.92	273.17
Others	38.81	72.04
Rent		
Equipments	14.82	21.46
Hospital buildings, offices and labs	0.06	5.79
Legal and professional fee	91.23	101.44
Subscription fee	1.50	2.08
Travel and conveyance	58.51	87.18
Rates and taxes	0.68	1.62
Printing and stationery	31.83	29.23
Communication expenses	15.23	31.94
Directors' sitting fees	35.99	43.07
Insurance	118.77	103.98
Marketing and business promotion	92.99	77.11
Auditors' remuneration (refer note 29.1 below)	13.61	17.26
Allowance for credit losses (including bad debts written off)	30.42	64.08
Miscellaneous expenses	4.18	2.89
Total	**4,717.68**	**4,332.94**

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

29.1 Payments to auditors

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
As auditor		
Statutory audit	4.95	4.95
Tax audit	0.55	0.55
Limited review of quarterly results	4.50	4.50
Certificates	1.25	3.00
For GST on professional services	2.00	2.34
Reimbursement of expenses	0.36	1.92
Total	**13.61**	**17.26**

29.2 Clinical establishment fees:

Represents amount paid towards various services such as providing, maintaining and operating the Clinical Establishment (including infrastructure, fixtures and fittings etc.), out-patient department services, radio diagnostic services and other ancillary services provided by Fortis Health Management Limited to the Company in accordance with the agreement. Also refer note 32

30 Tax expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax (including prior years)		
In respect of the current year	–	–
In respect of prior year	–	(13.89)
Total	–	**(13.89)**
Deferred tax		
In respect of the current year	–	(331.44)
Total	–	**(331.44)**
Total tax expense	–	**(345.33)**

31 Other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans [refer note 36(II)(a)]	(34.03)	28.16
Total	**(34.03)**	**28.16**

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

32 Related party disclosures

Names of related parties and related party relationship

Description of Relationship	
Ultimate Holding Company	IHH Healthcare Berhad, Malaysia
Intermediate Holding Company	Integrated Healthcare Holdings Limited, Malaysia
	Parkway Pantai Limited, Singapore
	Northern TK Venture Pte Ltd, Singapore
	Fortis Healthcare Limited, India
Holding Company	Fortis Hospitals Limited, India
Subsidiary Company	Malar Stars Medicare Limited, India
Fellow Subsidiary or Entities Under Common Control	SRL Limited, India
	Escorts Heart Institute and Research Centre Limited, India
	International Hospital Limited, India
	Fortis Health Management Limited, India
	Fortis CSR Foundation, India
	Fortis Hospotel Limited, India
	Mitsui & Co India Pvt Limited, India
Key Management Personnel	Mr. Coimbatore Kalyanraman Nageswaran (Whole Time Director) (up to 02 Octobor 2021)
	Mr Chandrasekar R (Whole Time Director) (effective from 11-Jan-2022)
	Mr. Ramesh L Adige (Independent Director)
	Mrs. Nithya Ramamurthy (Non-Executive Director)
	Mr. Murari Pejavar (Non-Executive Director) (upto 17 January 2021)
	Mr Daljit Singh (Non-Executive Director)
	Mr Ravi Rajagopal (Independent Director)
	Ms Shailaja Chandra (Independent Director) (effective from 10 March 2021)
	Mr. Saravanan Venkatesan (Chief Financial Officer) (upto 12 June 2020)
	Mr.Yogendra Kumar Kabra (Chief Financial Officer) (effective from 13 June 2020)
	Mr.Shashank Porwal (Company Secretary) (up to 2 April 2020)
	Mr.Mayank Jain (Company Secretary) (From 3 April 2020 to 31 March 2021)
	Mr.Sandeep Singh (Company Secretary) (effective from 25 May 2021)
Relatives of Key Management Personnel	Dr. Radhi Malar
	Dr. M. Anand

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

32 Related party disclosures (Contd..)

The schedule of related party transactions:

Particulars	Name of the related party	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Sale of Service	Fortis Healthcare Limited	38.47	1.00
	Fortis Hospitals Limited	10.20	–
	Escorts Heart Institute and Research Centre Limited	3.00	–
	Mitsui & Co India Pvt Limited	0.75	–
Interest income on Inter-corporate deposits	Fortis Healthcare Limited	321.07	215.06
	Escorts Heart Institute and Research Centre Limited	307.09	367.50
Mediclaim reimbursement and transfer of accumulated balance in retirement benefit	Fortis Hospitals Limited	1.04	1.18
Expenses			
Clinical establishment fee**	Fortis Health Management Limited	637.58	518.35
Medical Consumables and Drugs	Fortis Healthcare Limited	9.20	–
	Fortis Hospitals Limited	42.00	–
	Escorts Heart Institute and Research Centre Limited	0.87	–
Interest expense on lease liabilities	Fortis Health Management Limited	599.35	652.08
Contractual manpower	SRL Limited	15.37	14.02
Pathology laboratory expenses	SRL Limited	372.11	276.52
	Fortis Healthcare Limited	1.34	0.11
Professional charges to doctors	Malar Stars Medicare Limited	8.28	8.28
	Mrs. Nithya Ramamurthy	159.00	142.77
	Dr. Radhi Malar	12.78	9.04
	Dr. M. Anand	31.34	30.00
Rental Expenses	Fortis Healthcare Limited	0.30	0.23
Travelling Expenses	Fortis Hospitals Limited	0.29	0.26
Recovery of Expenses incurred on behalf of other companies	Malar Stars Medicare Limited	0.05	0.15
Reimbursement of expenses incurred by other companies on behalf of the Company	Fortis Health Management Limited	252.21	255.11
Mediclaim reimbursement and transfer of accumulated balance in retirement benefits	Fortis Healthcare Limited	0.79	3.82
	Fortis Health Management Limited	–	4.98
	Fortis Hospotels Limited	–	0.03
	Fortis Hospitals Limited	–	7.50
Managerial remuneration (including director sitting fees)*	Mr. Ramesh L Adige	8.50	12.00
	Mrs. Nithya Ramamurthy	4.00	6.00
	Mr. Coimbatore Kalyanraman Nageswaran	37.65	54.31
	Mr. Daljit Singh	8.00	11.00
	Mr. Ravi Rajagopal	6.00	7.50
	Ms. Shailaja Chandra	4.00	–
	Mr. Saravanan Venkatesan	–	6.14
	Mr Chandrasekar R	8.61	–

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

32 Related party disclosures (Contd..)

The schedule of related party transactions (Contd..)

Particulars	Name of the related party	Year ended 31 March 2022	Year ended 31 March 2021
Collections done by related party on behalf of the Company	Fortis Healthcare Limited	–	3.58
	Fortis Health Management Limited	–	0.17
	Fortis Hospitals Limited	–	1.11
Reimbursement of Expenses incurred by Other Companies on behalf of the Company (Refund of advance received from patients)	Fortis Hospitals Limited	151.20	406.23
Inter Corporate Loan given	Fortis Healthcare Limited	4,000.00	2,800.00
Inter Corporate Loan repaid	Escorts Heart Institute and Research Centre Limited	3,500.00	–

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

***Also refer note 47 with regards to unconditional waiver/concession of fixed clinical establishment fees received from Fortis Health Management Limited.*

The schedule of year end balances of related parties:

Particulars	Name of the related party	As at 31 March 2022	As at 31 March 2021
Financial liabilities-non current	Fortis Health Management Limited	4,437.81	5,063.64
Trade payables / Other financial liabilities-current	SRL Limited	68.07	31.76
	Fortis Health Management Limited	1,047.24	309.43
	Fortis Hospitals Limited	0.29	144.88
	Fortis Healthcare Limited	–	1.98
	Fortis Hospotels Limited	–	0.03
	Malar Stars Medicare Limited	1.86	9.37
Other financial assets - current	Fortis Healthcare Limited	4.07	51.64
	Fortis Hospitals Limited	5.45	50.40
	Escorts Heart Institute and Research Centre Limited	2.24	–
	Mitsui & Co India Pvt Limited	0.75	–
Other financial assets - non-current	Fortis Health Management Limited	10.31	15.31
Inter corporate loan placed	Fortis Healthcare Limited	6,800.00	2,800.00
	Escorts Heart Institute and Research Centre Limited	–	3,500.00
Interest accrued but not due	Fortis Healthcare Limited	89.61	67.06
	Escorts Heart Institute and Research Centre Limited	–	169.50

Notes:

1. The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2022 and 31 March 2021 there are no further amounts payable to / receivable from them, other than as disclosed above.

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

33 Commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account, net of advances with regard to tangible and intangible assets	62.30	65.22

34 Claims against the Company not acknowledged as debts

Particulars	As at 31 March 2022	As at 31 March 2021
Claims against the Company not acknowledged as debts (in respect of compensation claims by the patients / their relatives). (refer note 2 below)	1,093.77	1,088.79
Sales tax related matters (refer note 1 below)	254.93	254.93

In earlier year, Supreme Court vide their judgment dated 28 February 2019 on Provident fund has interpreted that basic wages would include certain allowances. The Company has evaluated implications arising out of the Supreme Court judgment. Based on legal advice, the Company believes that retrospective application of the above judgement by PF authorities is remote. Accordingly, no provision has been recorded in the standalone financial statements. The Company would continue to evaluate the provision required in the books based on further clarifications from the authorities.

Note:

1. On 28 May 2020, the High Court of Judicature at Madras ("High Court") has pronounced a common order on the liability to pay Value Added Tax (VAT) under the provisions of Tamil Nadu Value Added Tax Act, 2006 on the stents, valve, x-ray etc. (except medicine) used while treating their in-house patients. High Court directed reply to be filed to notice, on the other hand has concluded on VAT applicability on prosthetics and implants. The said order pronounced disposes the writ petitions filed by the Company in 2012 against notices for proposal of revising the assessment order for assessment years from 2008-09 to 2011-12 issued by the Assistant Commissioner (CT) wherein an amount of ₹ 254.93 Lacs (₹73.37 Lacs pertaining to implants) has been proposed to demanded on 31 January 2012. Against the said order, the Company has filed Writ Appeals with the Division Bench of the Madras High Court on 16 October 2020. The Company, based on legal advice, believes that the possibility of negative outcome is remote and accordingly, no adjustments are made in the standalone financial statements.

2. These claims are pending with various Consumer Disputes Redressal Commissions and the Company has been advised by the legal counsel that there may not be any likely liability in respect of these matters and accordingly no provision has been recognized in these standalone financial statements.

3. Also refer note 45 pertaining to litigation in relation to regularisation of hospital building.

35 Employee stock option plan

Employees (including senior executives) of the Company and its Subsidiary receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Malar Employee Stock Option Plan 2008 (Scheme) was approved by the board of directors of the Company on 31 July 2008 / 28 May 2009 and by shareholders in the annual general meeting held on 29 September 2008 / 21 August 2009. The following are some of the important conditions to the scheme: The details of activity under the Plan have been summarized below:

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

35 Employee stock option plan (Contd..)

Vesting Plan:

- 25% of the option shall vest on the completion of 12 months from the grant date.
- 25% of the option shall vest on the completion of 24 months from the grant date.
- 25% of the option shall vest on the completion of 36 months from the grant date.
- 25% of the option shall vest on the completion of 48 months from the grant date.

Exercise plan:

There shall be no lock in period after the options have vested. The vested options will be eligible to be exercised on the vesting date itself. Notwithstanding any provisions to the contrary in this plan the options must be exercised before the end of the tenure of the plan.

Effective Date:

The plan was effective from 21 August 2009.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	11,250	26.20	22,500	26.20
Granted during the year	–	–	–	–
Forfeited during the year	–	–	–	–
Exercised during the year	–	–	–	–
Expired during the year	11,250	–	11,250	–
Outstanding at the end of the year	–	–	11,250	26.20
Exercisable at the end of the year	–	–	11,250	26.20

Particulars	As at 31 March 2022	As at 31 March 2021
Grant date share price (in Rupees)	Not applicable	26.20
Exercise price (in Rupees)		26.20
Expected volatility*		67.42%
Life of the options granted (Vesting and exercise period) in years		5
Expected dividends		₹ 0.00
Average risk-free interest rate		7.50%
Expected dividend rate		0%

**Expected volatility has been determined considering the daily volatility of the stock prices on Bombay Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.*

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

36 Employee benefits

(I) Defined contribution plan

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme. The Company's contribution to Provident Fund aggregating ₹93.34 Lacs (Previous year: ₹ 81.20 Lacs) has been recognised in the Standalone Statement of Profit and Loss under the head Employee Benefits Expense.

(II) Defined benefit plans

The Company has a defined benefit gratuity plan, where under employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service and is not subjected to limit in terms of the provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

(a) Amount recognised in the standalone statement of profit and loss in respect of the defined benefit plan are as follows

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amounts recognised in Standalone Statement of Profit and Loss in respect of these defined benefit plans are as follows:		
Service cost		
– Current service cost	31.60	34.20
Net interest expense	14.82	14.15
Components of defined benefit costs recognised in profit or loss	**46.42**	**48.35**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	2.85	1.45
Actuarial gains and loss arising from changes in financial assumptions	(8.63)	–
Actuarial gains and loss arising from experience adjustments	39.81	(29.61)
Components of defined benefit costs recognised in other comprehensive income	**34.03**	**(28.16)**
Total	**80.45**	**20.19**

(i) The current service cost and interest expense for the year are included in "Employee benefits expense" in the standalone statement of profit and loss under the line item "Contribution to provident and other funds"

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

36 Employee benefits (Contd..)

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Particulars	As at 31 March 2022	As at 31 March 2021
I. (Net Asset)/Liability recognised in the Balance Sheet		
1. Present value of defined benefit obligation as at 31 March	412.35	362.59
2. Fair value of plan assets as at 31 March	117.32	137.97
3. Deficit	295.03	224.62
4. Current portion of the above	–	–
5. Non current portion of the above	295.03	224.62

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Change in the obligation during the year ended 31 March		
Present value of defined benefit obligation at the beginning of the year	362.59	359.15
Expenses Recognised in Standalone Statement of Profit and Loss:		
– Current Service Cost	31.60	34.20
– Interest Expense / (Income)	23.25	23.42
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
– Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	(8.63)	–
ii. Experience Adjustments	39.81	(29.61)
Benefit payments	(36.23)	(24.51)
Acquisitions Credit/(Cost)	(0.04)	(0.06)
Present value of defined benefit obligation at the end of the year	**412.35**	**362.59**

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Change in fair value of assets during the year ended 31 March		
Fair value of plan assets at the beginning of the year	137.97	144.58
Expenses Recognised in Statement of Profit and Loss:		
– Expected return on plan assets	8.43	9.27
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
– Return on plan assets (excluding amount included in net interest expense)	(2.85)	(1.45)
Contributions by employer	10.00	10.09
Benefit payments	(36.23)	(24.52)
Fair value of plan assets at the end of the year	**117.32**	**137.97**

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

36 Employee benefits (Contd..)

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

Particulars	As at 31 March 2022	As at 31 March 2021
Life Insurance Corporation of India	117.32	137.97

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

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	7.00%	6.75%
Expected rate of salary increase	7.50%	7.50%
Expected return on plan assets	7.50%	7.50%
Withdrawal Rate		
Ages From 20 - 30	18.00%	18.00%
Ages From 31 - 44	6.00%	6.00%
Ages From 45 - 58	2.00%	2.00%
Expected average remaining working life *	10 years	10 years
Mortality	IALM 2006-08(Ult)	IALM 2006-08(Ult)

** Based on India's standard mortality table with modification to reflect the expected changes in mortality / others*

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant:

(i) If the discount rate is 50 basis point higher / (lower) the defined benefit obligation would decrease by ₹ 16.42 Lacs (increase by ₹17.55 Lacs) (As at 31 March 2021; decrease by ₹ 15.36 Lacs (increase by ₹ 16.47 Lacs)).

(ii) If the expected salary growth rate increase / (decreases) by 1% the defined benefit obligation would increase by ₹ 35.83 Lacs (decrease by ₹31.95 Lacs) (As at 31 March 2021 ; increase by ₹ 33.58 Lacs (decrease by ₹ 29.80 Lacs)).

(iii) If the withdrawal rate increases/(decreases) by 5% the defined benefit obligation would decrease by ₹ 6.26 Lacs (increase by ₹ 6.02 Lacs) (As at 31 March 2021 ; decrease by ₹ 8.39 Lacs (increase by ₹ 8.10 Lacs)).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

37 Leases

37.1 Leases as lessee (Ind AS 116)

The leased assets of the Company include hospital building, nurse hostel building and medical equipments which are taken on lease for providing healthcare services to the patients.

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

Particulars	As at 31 March 2022	As at 31 March 2021
Right-of-use assets under Ind AS 116		
Balance as at 1 April	5,223.40	6,047.76
Less: Depreciation charge for the year	(823.99)	(824.36)
Balance as at 31 March	**4,399.41**	**5,223.40**
Lease liabilities		
Current lease liabilities	701.70	376.00
Non-current lease liabilities	4,639.77	5,341.47
	5,341.47	**5,717.47**

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance as at 1 April	5,717.47	6,433.89
Finance cost accrued during the year	634.01	693.17
Deletions	–	–
Payment of lease liabilities	(1,010.01)	(724.74)
Waiver/ concession of fixed clinical establishment fees (refer note 47)	–	(684.85)
Balance as at 31 March	**5,341.47**	**5,717.47**

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

Particulars	As at 31 March 2022	As at 31 March 2021
Lease liabilities under Ind AS 116		
Less than one year	701.70	376.00
One to five years	3,938.03	3,490.09
More than five years	701.74	1,851.37
Total lease liabilities as at 31 March	**5,341.47**	**5,717.47**

Amount of recognised in standalone statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	634.01	693.17
Depreciation expense on righ of use assets	823.99	824.36
Expenses relating to short-term leases and leases of low-value assets	14.88	27.25

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

38 Financial instruments

(I) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through equity.

(II) Categories of financial instruments

(a) Financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Measured at cost		
Investment in subsidiary	5.00	5.00
Measured at fair value through profit or loss (FVTPL)	–	–
Measured at amortised cost		
– Security deposits	44.38	40.83
– Advance to related parties	22.81	117.35
– Trade receivables	219.93	209.11
– Cash and bank balances	1,048.52	1,160.10
– Loans	6,800.00	6,300.00
– Other financial assets	253.32	354.65

(b) Financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Measured at fair value through profit or loss (FVTPL)		
Measured at amortised cost		
– Trade payables	1,999.34	1,444.33
– Lease liabilities	5,341.47	5,717.47
– Other financial liabilities	105.52	56.68

(III) Risk management framework

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The focus of the chief operating decision maker (CODM) is to assess the unpredictability of the financial environment and to mitigate potential adverse effects, if any, on the financial performance of the Company.

The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

38 Financial instruments (Contd..)

(IV) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances .

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of patients to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets.

a. Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full except to the extent already provided, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several patients that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Company determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about patients. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due.

The average credit period is ranging from 30 to 90 days. No overdue interest is charged. Out of the total trade receivables balance (gross) as at 31 March 2022, ₹ 300.26 Lacs (As at 31 March 2021, ₹ 325.34 Lacs) is due from 4 international customer. There are no other customer dues that represent more than 5% of the total balance of trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, and their geographic location and existence of previous financial difficulties.

The ageing of trade receivables as at the reporting date was:

As at 31 March 2022

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

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

38 Financial instruments (Contd..)

As at 31 March 2021

Ageing	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Within the credit period	121.95	3%	3.71	No
1-30 days past due	32.06	21%	6.89	No
31-60 days past due	19.61	16%	3.08	No
61-90 days past due	17.19	20%	3.36	No
More than 90 days past due	534.84	93%	499.50	No
	725.65		**516.54**	

b. Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivable)

The Company holds cash and bank balances of ₹ 1,048.52 Lacs at 31 March 2022 (31 March 2021: ₹ 1,160.10 Lacs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

c. Security deposits

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

d. Advance to employees

This balance is primarily constituted by advances given to the employees. The Company does not expect any losses from non-performance by these counter-parties as the amounts are recoverable by salary deductions.

e. SEIS receivable from Government

This balance is primarily constituted by SEIS scrips and applications pending with authorities. The Company does not expect any losses from non-performance by these counter-parties as the amounts are due from Government.

(V) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

38 Financial instruments (Contd..)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Particulars	With in 1 Year (₹)	1 to 2 Years (₹)	More than 2 Years (₹)	Total (₹)
As at 31 March 2022				
– Trade Payables	1,999.34	–	–	1,999.34
– Lease liabilities	701.70	1,776.27	2,863.50	5,341.47
– Other financial liabilities	105.52	–	–	105.52
Total	**2,806.56**	**1,776.27**	**2,863.50**	**7,446.33**
As at 31 March 2021				
– Trade Payables	1,444.33	–	–	1,444.33
– Lease liabilities	376.00	1,523.30	3,818.17	5,717.47
– Other financial liabilities	56.68	–	–	56.68
Total	**1,877.01**	**1,523.30**	**3,818.17**	**7,218.48**

39 Fair value measurement

There are no financial assets and financial liabilities that are measured at fair value on a recurring basis.

The management considers that the carrying amount of all the financial asset and financial liabilities that are not measured at fair value in the standalone financial statements approximate the fair values and, accordingly, no disclosures of the fair value hierarchy is required to be made in respect of these assets/liabilities.

40 Current tax and deferred tax

(i) Income tax expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax:		
Current income tax charge	–	–
Income tax relating to earlier years	–	(13.89)
Total	–	**(13.89)**
Deferred tax		
Origination and reversal of temporary difference	–	(331.44)
Total	–	**(331.44)**
Total tax expense recognised in standalone statement of profit and loss	–	**(345.33)**

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

40 Current tax and deferred tax (Contd..)

(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Amount	Tax Amount	Amount	Tax Amount
Loss before tax from operations	(830.55)		(1,146.66)	
Income tax using the Company's domestic tax rate at 27.82% (31 March 2021 : 27.82%)	–	(231.06)	–	(319.00)
Tax effect of :				
Adjustments recognised in the current year in relation to the current tax of prior years.	–	–	–	(13.89)
Deferred tax assets not recognised during the year	–	231.06	–	–
Others	–	–	–	(12.44)
Total tax expense	**–**	**–**	**–**	**(345.33)**

(iii) Income tax on other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax		
Remeasurements of defined benefit plans	–	(7.83)
Total	**–**	**(7.83)**

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

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

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

40 Current tax and deferred tax (Contd..)

Particulars	Year ended 31 March 2021			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee benefits	117.81	3.63	(7.83)	113.61
Allowance for credit losses/Others	144.81	0.39	–	145.20
Lease liability	107.42	91.19	–	198.61
Carried forward of business and depreciation losses	174.74	205.89	–	380.63
	544.78	**301.10**	**(7.83)**	**838.05**
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	22.82	(30.33)	–	(7.51)
	22.82	**(30.33)**	**–**	**(7.51)**
Net deferred tax asset / (liability)	**521.96**	**331.44**	**(7.83)**	**845.57**

(v) Unrecognised deferred tax assets

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	344.13	95.74	–	–
Tax losses	486.42	135.32	–	–
Total	**830.55**	**231.06**	**–**	**–**

Tax losses carried forward

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amount	Expiry date	Amount	Expiry date
Expire	846.44	2028-31	663.61	2028-30
Never expire	969.65		666.06	

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

41 Earnings per share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Loss after tax - ₹	(830.55)	(801.33)
Weighted average number of equity shares (No's.):		
Weighted average number of equity shares for calculating Basic EPS	1,87,41,759	1,87,41,759
Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against stock option granted under ESOP 2008	–	–
WANES for calculating diluted EPS	1,87,41,759	1,87,41,759
Earnings Per Share (Basic) - in ₹		
– Basic - in ₹	(4.43)	(4.28)
– Diluted - in ₹	(4.43)	(4.28)
Face value per share - in ₹	10.00	10.00

42 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

As per the requirement of the MSMED Act, 2006, the following disclosure have been provided below. The disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 has been made in the standalone financial statements based on information received and available with the Company.

Particulars	As at 31 March 2022	As at 31 March 2021
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	16.71	94.22
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	–	–
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	–	–
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	–	–
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	–	–

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

43 Details of loans given to subsidiaries and associates and firms/ companies in which directors are interested

The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

Name of the party	Rate of Interest	Due date for Interest	Secured/ unsecured	As at 31 March 2022	As at 31 March 2021
Escorts Heart Institute and Research Centre Limited	10.50%	Half yearly	Unsecured	–	3,500.00
Fortis Healthcare Limited	10.50%	Quarterly	Unsecured	2,800.00	2,800.00
Fortis Healthcare Limited	6.50%	Quarterly	Unsecured	4,000.00	–

Particulars	Relation	Maximum amount outstanding during the year	
		31 March 2022	31 March 2021
Escorts Heart Institute and Research Centre Limited*	Fellow Subsidiary	3,500.00	3,500.00
Fortis Healthcare Limited**	Intermediate Holding	6,800.00	2,800.00

** The inter corporate deposit placed with Escorts Heart Institute and Research Centre Limited was backed by corporate guarantee issued by Fortis Healthcare Limited on 25 Apr 2020. As per Guarantee agreement executed, amount payable by Escorts Heart Institute and Research Centre Limited including interest if any till 31 January 2022, on default was repayable by Fortis Healthcare Limited to the Company. The Inter-Corporate Deposit was given for meeting the working capital requirements. The Inter-Corporate Deposit was repaid in full on due date.*

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

a) ₹ 2,800 Lacs were given for meeting its working capital/ general corporate requirements. This loan is repayable on or before 8 July 2023 and the Company has an option to recall this loan at any time after six months from drawdown, i.e. any time after 9 February 2021.

b) ₹4,000 Lacs is given for meeting its working capital / corporate requirement . This loan is repayable on or before 2 years from the date of drawdown i.e., 22 February 2024 and the Company has option to recall this loan post disbursement after giving one month prior written notice to the borrower. Based on cash flow projections the Company does not expect to realise this amount within twelve months after the reporting date and accordingly this balance has been classified as non-current.

44 Corporate social responsibility

As per section 135 of the Companies Act, 2013, a Company, meeting the applicable threshold, needs to spend at least 2% of its average net profits for the immediately preceding three financial years on CSR activities. The Company does not meet the applicable thresholds both in the year ended 31 March 2022 and 31 March 2021, accordingly, the Company has not spent any such amounts in both these years.

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

45 Order / notice received from CMDA

Request for regularization of the hospital building in which the Company operates was made vide an application dated 29th May 1999 to Chennai Metropolitan Development Authority ("CMDA"). In the year 2012, Land and hospital building was sold by the Company to Fortis Health Management Limited ("FHML"). Company and FHML had also simultaneously entered into a "Hospital and Medical Services Agreement" w.r.t. rendering of medical and healthcare services in the hospital premises (including right to use of the hospital building). CMDA by its Order dated 18th March 2016 ("Rejection Order") rejected the regularization application that was submitted in the year 1999. A statutory appeal was preferred in April 2016 before Secretary to the Government of Tamil Nadu, Housing and Urban Development Authority ("Authority") challenging the said rejection. During the pendency of the statutory appeal, on 3rd May 2016, CMDA served a "Lock & Seal" Notice stating that in view of the Rejection Order, construction at the site of the Hospital premises is unauthorized and called upon to restore the land to its original state within 30 days from the date of the Notice. A writ petition was filed before the Hon'ble High Court of Judicature at Madras which set aside the "Lock & Seal" Notice and ordered that no coercive steps should be taken by CMDA, till disposal of the statutory appeal. The said appeal is still subjudice.

At the request of the Company, CMDA inspected the hospital building and issued a letter dated 25th August 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularization. In this regard, an extension of time was sought in November 2020. Simultaneously, actions were initiated for collating/ obtaining requisitioned clearances and certificates which involves taking number of actions, significant expenses and capital expenditure. During the ongoing pandemic, there were lockdowns resulting in limited and restricted access to various offices all across, which slowed down the progress of actions initiated. The Company is taking bonafide steps to complete the process of submission of the clearances and certificates sought by CMDA. On 20th May 2021, an update was sent to CMDA confirming that out of six requirements, as set out in their letter dated 25 August 2020, three have already been complied with and steps were underway for completion of the remaining actions. Further, the Company has obtained NOC from Airport authority of India dated 24 February 2022. While the Company is co-operating to get all the clearances, based on legal advice, Company is of the view that it is not required to bear any expenses, revenue or capital in nature, incurred towards regularization of building and for obtaining requisite clearances and certificates (or for the expenses that may be incurred in the unlikely event that the regularization is not approved) as all such expenses will be borne by FHML. The Company also continues to believe that all Orders / Notices issued by CMDA prima facie would not result in any significant adverse impact on its operations/financial statements or on the going concern status.

46 Impact of COVID-19 pandemic

In respect of Coronavirus (COVID – 19) pandemic, the Company has considered internal and external information while finalizing various estimates in relation to these financials and use of the going concern basis for preparation of these financials upto the date of approval of these financial statements by the Board of Directors. Accordingly, the Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months based on the financial position and liquidity as on the date of signing of these financial statements. The actual impact of the global health pandemic may be different from the estimate, as the COVID 19 situation is still evolving in India and globally. However, the Company will continue to closely monitor any material changes to future economic condition.

47 Exceptional item

Exceptional items relates to the unconditional waiver/concession of fixed clinical establishment fees received from Fortis Health Management Limited. The waiver/concession has been provided on account of COVID – 19 pandemic. In accounting for this waiver/ concession, the Company has applied the practical expedient to such concessions as they meet the conditions specified in the notification dated 24 July, 2020 issued by the Ministry of Corporate Affairs, India.

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

48 Ratio Analysis and its elements

Particulars	Numerator	Denominator	Current year	Previous year	% of variance	Explanation for change in the ratio by more than 25%
Current Ratio (times)	Total Current Assets	Total Current Liabilities	1.50	2.35	–36.1%	The current ratio has decreased in the current year dues to decrease in current assets on account of movement in inter-corporate loans. Further, the current liabilites are also higher due to higher trade payable balance as at year end.
Debt-Equity Ratio (times)	Debt consists of borrowings and lease liabilities	Total equity	0.69	0.66	3.8%	
Debt Service Coverage Ratio (times)	Earning for debt service = Net Loss after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and Lease Payments + Principal Repayments	0.88	0.96	-8.0%	
Net Profit Ratio (%)	Loss for the year	Revenue from operations	–9.6%	–11.6%	16.7%	
Return on Equity Ratio (%)	Loss for the year	Average equity	–10.1%	–8.9%	-14.0%	
Return on Capital employed (%)	Loss before taxes and finance costs (after exceptional items)	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	–1.3%	–3.0%	55.2%	The improvement in return on capital employed is due to improvement in business as compared to previous year.
Return on Investment (%)	Income generated from invested funds	Average invested funds in treasury investments	9.1%	8.8%	3.4%	
Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivables	40.2	23.8	68.8%	The improvement in trade receivables turnover ratio is majorly on account of increase in revenue as compared to previous year.
Inventory turnover ratio (times)	Cost of goods sold	Average Inventory	9.8	9.6	1.8%	
Trade payables turnover ratio (times)	Net purchases	Average Trade Payables	1.0	0.9	16.2%	
Net capital turnover ratio (times)	Revenue from operations	Average working capital (i.e., Total Current assets less Total current liabilities)	3.5	2.4	48.2%	The improvement in net capital turnover ratio is majorly on account of increase in revenue during the current year.

49 Additional Regulatory Information

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

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

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

Notes forming part of the standalone financial statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

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

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

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

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

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

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

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

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

50 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Director to make decisions about resources to be allocated to the segments and assess their performance.

The Company is primarily engaged in only one business namely in the health care services. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments and these standalone financial statements are reflective of the information required by the Ind AS 108 . The Company's operations are entirely domiciled in India and as such all its noncurrent assets are located in India.

51 Subsequent events

There are no subsequent events other than those disclosed in the standalone financial statements that have occurred after the reporting period till the date of approval of these standalone financial statements.

As per our report of even date attached

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432

Place : Chennai
Date : 24 May 2022

for and on behalf of the Board of Directors of
FORTIS MALAR HOSPITALS LIMITED
CIN: L85110PB1989PLC045948

Nithya Ramamurthy
Director
DIN : 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877

Yogendra Kumar Kabra
Chief Financial Officer

Place : Delhi
Date : 24 May 2022

Place : Chennai

Independent Auditors' Report

To the Members of Fortis Malar Hospitals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Fortis Malar Hospitals Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to Note 44 to the consolidated financial statements which describes the litigation and issues pertaining to regularisation of the hospital building in which the Holding Company operates today pursuant to agreements with Fortis Health Management Limited ("FHML") and the related matters. A letter was received from Chennai Metropolitan Development Authority (CMDA) on 25 August 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularisation. The Holding Company is taking steps to complete the process of submission of the sought clearances and certificates, which involves taking a number of actions and significant expenses and capital expenditure. While the Holding Company is co-operating to get all the clearances, it has been legally advised that, as per the agreement between the Holding Company and FHML, it is not required to bear any expenses, revenue or capital nature, incurred towards regularisation of building and obtaining the requisite clearances and certificates (or for the expenses that may need to be incurred in the unlikely event that the regularisation is not approved) as all such expenses will be borne by FHML. The Holding Company also continues to believe that all Orders / Notices issued by CMDA prima facie would not result in any significant adverse impact on its operations/ financial statements or on the going concern status.

Our opinion is not modified in respct of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

Description of Key Audit Matter

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td colspan="2">Related party transactions (refer note 31, 42 and 44 to the consolidated financial statements)</td></tr>
<tr><td>Related party transactions are regulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Companies Act, 2013. In addition, the relevant accounting standards require specific compliance and disclosures of related parties and transactions with them to be made in the consolidated financial statements.

We have identified the related party transactions as a key audit matter due to the significance of the amounts given as loans to related parties, recoverability of such loans and risk of non-compliance with various regulations. Also, a material portion of the expenses (clinical establishment expenses etc.) are paid to related parties.</td><td>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:
• Obtain an understanding of the Group's related party relationships and transactions.
• Obtained a list of related party relationships and significant related party transactions from the management. Made inquiries of management regarding the identity of the related parties including changes from the prior year and the nature of relationships and of the transactions with them. We also maintained alertness regarding related party information when examining records or documents regarding undisclosed related party relationships or transactions.
• Evaluated the design, implementation and operating effectiveness of key controls over identification and authorization of significant related party transactions.
• Obtained confirmation from related party with respect to transactions and balances and evaluated the management's assessment on the recoverability of the loans to related parties as and when they fall due. Performed substantive procedures to check the completeness of expenditure and interest income.
• Evaluated compliance of such related party transactions with the relevant accounting standard and applicable laws and regulations.
• Assessed the adequacy and appropriateness of the disclosures made in accordance with the relevant accounting standard and applicable laws and regulations.</td></tr>
<tr><td>Migration to new Information Technology (IT) System</td><td></td></tr>
<tr><td>The Holding Company used Oracle EBS as its primary ERP for its accounting and operation purposes, which was upgraded to Oracle Fusion in December 2021. The audit approach relies on the effectiveness of automated controls of these applications and controls around interface of systems.

While transitioning to new information system, robustness of IT general and application controls is critical to assess changes to applications and underlying data are made in an appropriate manner.</td><td>In view of the significance of the matter, we applied the following audit procedures with the assistance of our IT specialists in this area, among others to obtain sufficient appropriate audit evidence:
• Identification of the IT risks based on our understanding of the IT environment.
• Determination whether each general IT control, individually or in combination with other controls, is designed to address the associated IT risk.
• Testing of the design, implementation and operating effectiveness of the relevant general IT controls
We reviewed the management's processes around system migration in order to ascertain the accuracy of balances migrated to the new information system.
We obtained and tested the mitigating manual controls to address the IT control deficiencies noted around the Oracle Fusion application.</td></tr>
</table>

Other Information

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

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

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

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

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 1 April 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31 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 financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 33 and Note 44 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year 31 March 2022.

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2022.

d) (i) The respective Managements of the Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 50 to the accounts, 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 or its subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective Managements of the Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the note 50 to accounts, no funds have been received by the Company or its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiary shall, 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.

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

e) The Holding Company and its subsidiary have neither declared nor paid any dividend during the year.

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

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W / W-100022

Harsh Vardhan Lakhotia
Partner
Membership No. 222432
ICAI UDIN: 22222432AJNLHU4231

Place: Chennai
Date: 24 May 2022

Annexure A to the Independent Auditor’s Report to the members of Fortis Malar Hospitals Limited for the year ended 31 March 2022

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

Claude (xxi) of Companies (Auditor's Report) Order (CARO) reports

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

for **B S R & Co. LLP**
Chartered Accountants
Firm’s registration number: 101248W / W-100022

Harsh Vardhan Lakhotia
Partner
Membership No. 222432
ICAI UDIN: 22222432AJNLHU4231

Place: Chennai
Date: 24 May 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements of Fortis Malar Hospitals Limited for the year ended 31 March 2022.

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Fortis Malar Hospitals Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company as of that date.

In our opinion, the Holding Company and such company incorporated in India which is it subsidiary company have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

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

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W / W-100022

Harsh Vardhan Lakhotia
Partner
Membership No. 222432
ICAI UDIN: 22222432AJNLHU4231

Place: Chennai
Date: 24 May 2022

Consolidated Balance Sheet

as at 31 March 2022

(All amounts are in Indian Rupees Lacs except share data and as stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4(a)	1,302.50	1,490.46
Capital work-in-progress	4(b)	0.18	35.95
Right of use assets	36	4,399.41	5,223.40
Intangible assets	4(c)	60.37	138.52
Intangible assets under development	4(d)	5.58	-
Financial assets			
Loans	12	4,000.00	2,800.00
Other financial assets	5	54.68	56.14
Deferred tax assets (net)	39	846.05	846.02
Income tax assets (net)	6	514.55	316.03
Other non-current assets	7	0.56	5.64
Total non-current assets		**11,183.88**	**10,912.16**
Current assets			
Inventories	8	186.36	162.67
Financial assets			
Trade receivables	9	219.93	209.11
Cash and cash equivalents	10	1,240.29	742.76
Bank balances other than above	11	15.05	613.99
Loans	12	2,800.00	3,500.00
Other financial assets	13	266.51	457.53
Income tax assets (net)	6	58.39	185.94
Other current assets	14	120.89	125.67
Total current assets		**4,907.42**	**5,997.67**
Total assets		**16,091.30**	**16,909.83**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,875.70	1,875.70
Other equity	16	6,137.45	6,998.76
Total equity		**8,013.15**	**8,874.46**
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	17	4,639.77	5,341.47
Provisions	20	296.30	225.78
Total non-current liabilities		**4,936.07**	**5,567.25**
Current liabilities			
Financial liabilities			
Lease liabilities	17	701.70	376.00
Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		16.71	73.56
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,983.43	1,363.82
Other financial liabilities	19	105.52	56.68
Provisions	20	84.26	104.42
Other current liabilities	21	250.46	493.64
Total current liabilities		**3,142.08**	**2,468.12**
Total liabilities		**8,078.15**	**8,035.37**
Total equity and liabilities		**16,091.30**	**16,909.83**
Significant accounting policies	3		

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

As per our report of even date attached

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432

Place : Chennai
Date : 24 May 2022

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

Nithya Ramamurthy
Director
DIN : 00255343
Place : Chennai

Chandrasekar R
Whole Time Director
DIN : 09414564
Place : Chennai

Sandeep Singh
Company Secretary
Membership No.: F9877
Place : Delhi
Date : 24 May 2022

Yogendra Kumar Kabra
Chief Financial Officer

Place : Chennai

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	22	8,617.82	6,924.41
Other income	23	739.05	825.09
Total income		**9,356.87**	**7,749.50**
Expenses			
Purchases of medical consumables and drugs		1,726.18	1,437.68
Changes in inventories of medical consumables and drugs	24	(23.69)	(32.02)
Employee benefits expense	25	1,859.83	1,825.36
Finance costs	26	655.80	719.88
Depreciation and amortisation expense	27	1,253.17	1,287.54
Other expenses	28	4,711.71	4,327.07
Total expenses		**10,183.00**	**9,565.51**
Loss before exceptional item and tax		**(826.13)**	**(1,816.01)**
Exceptional item	46	-	(684.85)
Loss before tax		**(826.13)**	**(1,131.16)**
Tax expense	29		
Current tax		1.25	(12.79)
Deferred tax		(0.03)	(331.50)
Total tax expense		**1.22**	**(344.29)**
Loss for the year		**(827.35)**	**(786.87)**
Other comprehensive income/ (expense)	30		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability		(33.93)	28.24
Income tax relating to items that will not be reclassified to profit or loss		(0.03)	(7.85)
Total other comprehensive income/ (expense) for the year, net of taxes		**(33.96)**	**20.39**
Total comprehensive loss for the year		**(861.31)**	**(766.48)**
Earnings per equity share	40		
Basic (in Rs.)		(4.41)	(4.20)
Diluted (in Rs.)		(4.41)	(4.20)
Significant accounting policies	3		

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

As per our report of even date attached

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Date : 24 May 2022

Yogendra Kumar Kabra
Chief Financial Officer
Place : Chennai

Consolidated Cash Flow Statement

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lacs except share data and as stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities			
Loss before tax for the year		(826.13)	(1,131.16)
Adjustments for:			
Waiver/ concession of fixed clinical establishment fees (refer note 46)		-	(684.85)
Interest income		(706.49)	(713.75)
Profit on sale of property, plant and equipment		(4.83)	-
Depreciation and amortisation expense		1,253.17	1,287.54
Interest expense on lease liability		634.01	693.17
Allowance for credit losses (including bad debts written off)		30.42	64.08
Liabilities no longer required written back		(27.72)	(111.34)
Operating profit / (loss) before working capital changes		**352.43**	**(596.31)**
Movements in working capital:			
Decrease / (increase) in other current and non current financial assets		46.54	(25.97)
Decrease in other current and non-current assets		9.86	87.94
(Increase) / decrease in trade and other receivables		(41.24)	99.60
Increase in inventories		(23.69)	(32.02)
Increase in provisions		16.40	40.35
Increase / (decrease) in trade payables		590.48	(339.68)
Increase / (decrease) in financial liabilities		48.84	(5.78)
Decrease in other current liabilities		(243.18)	(523.82)
Cash generated from/ (used in) operations		**756.44**	**(1,295.69)**
Income taxes (paid) /refund (net)		(72.22)	1,209.43
Net cash generated from / (used in) operating activities		**684.22**	**(86.26)**
Cash flows from investing activities			
Payments for purchase of property, plant and equipment, intangible assets, capital work-in-progress and intangibles asset under development		(140.49)	(52.89)
Proceeds from sale of property, plant and equipment		12.44	-
Inter-corporate deposit placed with related parties		(4,000.00)	(2,800.00)
Proceeds from Inter-corporate deposits repaid by related parties		3,500.00	-
Bank balances not considered as cash and cash equivalents		598.94	(593.30)
Interest received		852.43	695.03
Net cash generated from / (used in) investing activities		**823.32**	**(2,751.16)**
Cash flows from financing activities			
Repayment of lease liabilities (including interest)		(1,010.01)	(724.74)
Net cash used in financing activities		**(1,010.01)**	**(724.74)**
Net increase/ (decrease) in cash and cash equivalents		**497.53**	**(3,562.16)**
Cash and cash equivalents at the beginning of the year		742.76	4,304.92
Cash and cash equivalents at the end of the year	10	**1,240.29**	**742.76**
Significant accounting policies	3		

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

As per our report of even date attached

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

Harsh Vardhan Lakhotia
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Sandeep Singh
Company Secretary
Membership No.: F9877
Place : Delhi
Date : 24 May 2022

Yogendra Kumar Kabra
Chief Financial Officer

Place : Chennai

Consolidated Statement of Change in Equity

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
A Equity share capital	15		
Balance at the beginning of year		1,875.70	1,875.70
Changes in equity share capital during the year		-	-
Closing balance		**1,875.70**	**1,875.70**

B Other equity 16

Particulars	Reserves and surplus		Total
	Securities Preimium	Retained Earnings	
Balance as at 1 April 2020	**957.23**	**6,808.01**	**7,765.24**
Changes in accounting policy or prior period errors	-	-	-
Balance as at 31 March 2020	**957.23**	**6,808.01**	**7,765.24**
Loss for the year	-	(786.87)	(786.87)
Other comprehensive income for the year, net of taxes	-	**20.39**	**20.39**
Total comprehensive loss for the year	-	**(766.48)**	**(766.48)**
Balance as at 31 March 2021	957.23	6,041.53	6,998.76
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at 1 April 2021	**957.23**	**6,041.53**	**6,998.76**
Loss for the year	-	(827.35)	(827.35)
Other comprehensive income for the year, net of taxes	-	(33.96)	(33.96)
Total comprehensive loss for the year	**-**	**(861.31)**	**(861.31)**
Balance as at 31 March 2022	**957.23**	**5,180.22**	**6,137.45**

Loss of INR 33.96 Lacs and gain of INR 20.39 Lacs on remeasurement of defined employee benefit plans (net of tax) is recognised as a part of retained earnings for the years ended 31 March 2022 and 31 March 2021 respectively.

Significant accounting policies 3

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

As per our report of even date attached

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432

Place : Chennai
Date : 24 May 2022

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

Nithya Ramamurthy
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DIN : 00255343
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Membership No.: F9877
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Date : 24 May 2022

Yogendra Kumar Kabra
Chief Financial Officer
Place : Chennai

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

1 Nature of operations

Fortis Malar Hospitals Limited (the 'Parent Company') was incorporated in the year 1989 to set up, manage and operate a multi-specialty hospital and is a subsidiary of Fortis Hospitals Limited and Fortis Healthcare Limited is the Intermediate Holding Company and its equity shares are listed on the Bombay Stock Exchange (BSE) in India. The Parent Company operates its state of the art Hospital facility in Chennai. The Hospital building is owned by a fellow subsidiary, Fortis Health Management Limited ("FHML"). The Parent Company has entered into "Hospital and Medical Services Agreement" with FHML w.r.t. rendering of medical and healthcare services at the hospital building (also refer note 44).

The Parent Company has one wholly owned subsidiary company, Malar Stars Medicare Limited ('Malar Stars' or 'the subsidiary'), which was incorporated on July 7, 2009 in Chennai and is engaged in providing medical and surgical and consultancy services to the Parent Company. The Parent Company and the subsidiary are hereinafter collectively referred to as "the Group".

2 Basis of preparation

a) Statement of compliance

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

The consolidated financial statements were authorised for issue by the Parent Company's Board of Directors on 24 May 2022.

b) Functional and presentation currency

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

c) Basis of measurement

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

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

d) Principles of consolidation:

The consolidated financial statements relate to the Parent Company and its subsidiary. The consolidated financial statements have been prepared on the following basis:

The consolidated financial statements of the Parent Company and its subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating material intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

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

Name of the Subsidiary	Country of incorporation	Relationship	Effective ownership as at	
			31 March 2022	31 March 2021
Malar Stars Medicare Limited	India	Subsidiary	100%	100%

e) Use of estimates and judgements

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes (Also refer note 45, relating to impact on Covid -19 Pandemic):

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the following notes (Also refer note 45, relating to impact on Covid -19 Pandemic):

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

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

c. Recognition and measurement of income taxes and deferred taxes (refer note 3.12 and note 39)

d. Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; (refer note 3.8, 3.15, 33 and 44)

e. Expected credit loss: The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Group's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period. (refer note 3.6)

f) Measurement of fair values

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

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

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

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

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

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

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

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

Further information about the assumptions made in measuring fair values is included in note 37 and 38 – financial instruments.

g) Current and non-current classification

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

An asset is treated as current when:

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

The Group classifies all other assets as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

3 Significant accounting polices

3.1 Foreign currency transactions

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

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

3.2 Financial instruments

i) Recognition and initial measurement

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

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

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv) Offsetting

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

v) Cash and cash equivalents

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

3.3 Property, plant and equipment

i. Recognition and measurement

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

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

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

ii. Subsequent expenditure

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

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

iii. Depreciation

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

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

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

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

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

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

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

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

3.4 Intangible assets

i. Recognition and measurement

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

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

ii. Subsequent expenditure

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

iii. Amortisation

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

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

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

3.5 Inventories

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

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

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

3.6 Impairment

i) Impairment of financial instruments

In accordance with Ind AS 109, the Group applies Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost. At each reporting date,

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

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

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

ii) Impairment of non-financial assets

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

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

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

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

3.7 Employee benefits

i) Short-term employee benefits

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

ii) Defined benefit plans - Gratuity

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

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to

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the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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

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

iii) Compensated absences

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

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

iv) Share-based compensation

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

v) Contributions to provident fund

Eligible employees of the Group receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Group make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Group has no further obligation to the plan beyond its monthly contributions.

3.8 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

3.9 Revenue recognition

Sale of Services

The Group earns revenue primarily from providing healthcare services. The Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

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Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

The Group assessed its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all its revenue arrangements.

Sale of traded goods – pharmacy items

Revenue from sale of pharmacy items are recognized on delivery of items to the customers which is when the Group satisfies a performance obligation by transferring a promised good to a patient. Pharmacy items are transferred when the patient obtains the control of that items.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as other financial assets when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Unearned and deferred revenue ("contract liability") is recognised as other current liability when there is billings in excess of revenues.

Inpatient and Outpatient Revenue

Inpatient and Outpatient revenue is recognized as and when the related services are rendered.

Export benefits- Government grants

Income from 'Service Export from India Scheme' is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is receivable to the extent it is certain that economic benefits will flow to the Group.

3.10 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.11 Leases

The Group has applied Ind AS 116 using the modified retrospective approach from 1 April 2019. Accordingly, the Group has recognized a lease liability at the date of initial application, at the present value of the remaining lease payments discounted using the incremental borrowings rate at the date of initial application, recognized right-of-use asset at the date of initial application equals to the lease liability recognized.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of an identified asset, the Group uses the definition of a lease in Ind AS 116.

(i) Group as a lessee:

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. the Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

The lease payments shall include:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

(ii) Short term leases

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

3.12 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.13 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred

3.14 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares.

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted average number of equity and dilutive equivalent shares outstanding during the period except where the results would be anti-dilutive.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease earning per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each year / period presented.

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3.15 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

3.16 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

3.17 Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, the group will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

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4(a) Property, plant and equipment

Particulars	Plant and machinery	Medical equipments	Furniture and fittings	Computers	Office equipments	Total
Gross carrying amount						
As at 31 March 2020	**192.98**	**2,774.86**	**232.64**	**135.65**	**61.08**	**3,397.21**
Additions	-	23.71	0.36	0.92	-	24.99
Disposals	-	-	-	-	-	-
As at 31 March 2021	**192.98**	**2,798.57**	**233.00**	**136.57**	**61.08**	**3,422.20**
Additions	1.35	48.16	12.38	86.18	8.50	156.57
Disposals	-	-	15.42	-	-	15.42
As at 31 March 2022	**194.33**	**2,846.73**	**229.96**	**222.75**	**69.58**	**3,563.35**
Accumulated depreciation						
As at 31 March 2020	**68.18**	**1,282.57**	**106.31**	**118.84**	**37.63**	**1,613.53**
Charge for the year	16.66	258.18	22.81	9.11	11.45	318.21
Disposals	-	-	-	-	-	-
As at 31 March 2021	**84.84**	**1,540.75**	**129.12**	**127.95**	**49.08**	**1,931.74**
Charge for the year	29.33	250.85	28.34	19.44	8.96	336.92
Disposals	-	-	7.81	-	-	7.81
As at 31 March 2022	**114.17**	**1,791.60**	**149.65**	**147.39**	**58.04**	**2,260.85**
Net carrying amount						
As at 31 March 2021	**108.14**	**1,257.82**	**103.88**	**8.62**	**12.00**	**1,490.46**
As at 31 March 2022	**80.16**	**1,055.13**	**80.31**	**75.36**	**11.54**	**1,302.50**

Note:

1. There are no immovable properties for which title deeds are not in the name of the Group (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee).

2. The Group has not revalued its Property, Plant and Equipment during the year.

4(b) Capital work-in-progress (CWIP)

Capital work-in-progress includes installation of computer/ medical equipments in progress amounting to Rs.0.18 Lacs (Previous year: Rs.35.95 Lacs)

As at 31 March 2022	Amount in CWIP for				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	0.18	-	-	-	0.18

As at 31 March 2021	Amount in CWIP for				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	35.95	-	-	-	35.95

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4(c)Intangible assets

Particulars	Software
Gross carrying amount	
As at 31 March 2020	**596.55**
Additions	7.28
Disposals	-
As at 31 March 2021	**603.83**
Additions	14.12
Disposals	-
As at 31 March 2022	**617.95**
Accumulated amortisation	
As at 31 March 2020	**320.35**
Amortisation for the year	144.97
Accumulated amortisation on disposals	-
As at 31 March 2021	**465.32**
Amortisation for the year	92.26
Accumulated amortisation on disposals	-
As at 31 March 2022	**557.58**
Net carrying amount	
As at 31 March 2021	**138.52**
As at 31 March 2022	**60.37**

4(d) Intangible assets under development (IUAD)

Intangible assets under development includes amount incurred on implementation of Oracle Fusion amounting to Rs. 5.58 Lacs (Previous year: Rs. Nil)

As at 31 March 2022	Amount in IUAD for				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	5.58	-	-	-	5.58
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021	Amount in IUAD for				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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5 Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non current		
Unsecured, considered good		
Security deposits	44.38	40.83
Advance to related parties (refer note 31)	10.30	15.31
Total	**54.68**	**56.14**

6 Income tax assets

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Advance income tax (net of provision for taxation)	514.55	316.03
Total	**514.55**	**316.03**
Current		
Advance income tax (net of provision for taxation)	58.39	185.94
Total	**58.39**	**185.94**

7 Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured		
Capital advances	0.56	5.64
Total	**0.56**	**5.64**
Note:		
- Considered good	0.56	5.64
- Considered doubtful	-	-
Total	**0.56**	**5.64**

8 Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
Medical consumables and drugs	186.36	162.67
Total	**186.36**	**162.67**

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9 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Trade receivables considered good - Unsecured	219.93	209.11
Trade receivables which have significant increase in credit risk- Unsecured	9.42	-
Credit impaired - Unsecured	514.61	516.54
	743.96	**725.65**
Less: Allowance for expected credit loss	(524.03)	(516.54)
Total	**219.93**	**209.11**
The movement in allownace for expected credit loss is as follow:		
Balances at the beginning of the year	516.54	524.22
Provision for the year (net)	7.49	(7.68)
Balance at the end of the year	**524.03**	**516.54**

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

Particulars	Outstanding for following period 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	
(i) Undisputed Trade Receivables - Considered good	208.09	11.84	-	-	-	-	219.93
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	1.61	7.81	-	-	-	-	9.42
(iii) Undisputed Trade Receivables - Credit Impaired	-	23.29	38.94	49.82	96.49	306.07	514.61
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	**209.70**	**42.94**	**38.94**	**49.82**	**96.49**	**306.07**	**743.96**

Ageing for trade receivables outstanding as at 31 March 2021 is as follows:

Particulars	Outstanding for following period 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	
(i) Undisputed Trade Receivables - Considered good	118.25	78.60	12.26	-	-	-	209.11
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	3.70	22.18	21.92	157.60	299.65	11.49	516.54
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	**121.95**	**100.78**	**34.18**	**157.60**	**299.65**	**11.49**	**725.65**

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10 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	2.33	7.63
Balances with banks:		
- Current accounts	202.30	475.64
- Deposits with original maturity of less than three months	1,035.66	259.49
Total	**1,240.29**	**742.76**

11 Bank balances other than above

Particulars	As at 31 March 2022	As at 31 March 2021
Unpaid dividend accounts	13.52	13.52
Deposits with original maturity of more than 3 months but less than 12 months	1.28	600.22
Margin money deposit	0.25	0.25
Total	**15.05**	**613.99**

12 Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Non Current		
Unsecured, considered good		
Inter-corporate deposits to related parites (refer note 42)	4,000.00	2,800.00
Total	**4,000.00**	**2,800.00**
Current		
Unsecured, considered good		
Inter-corporate deposits to related parites (refer note 42)	2,800.00	3,500.00
Total	**2,800.00**	**3,500.00**

13 Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Unsecured, considered good		
Interest accrued but not due		
(i) Inter-corporate deposits	89.61	236.56
(ii) Deposit with banks	2.79	1.78
Advances to related parties (refer note 31)	12.51	102.04
Loans and advances to employees	1.59	6.39
Unbilled revenue from undischarged patients	160.01	110.76
Total	**266.51**	**457.53**

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

14 Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advance to vendors	19.28	22.47
Prepaid expenses	55.53	57.12
Others	46.08	46.08
Total	**120.89**	**125.67**

15 Equity Share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised		
30,000,000 (31 March 2021: 30,000,000) equity shares of Rs.10/- each	3,000.00	3,000.00
	3,000.00	**3,000.00**
Issued		
18,772,259 (31 March 2021: 18,772,259) equity shares of Rs.10/- each	1,874.17	1,874.17
	1,874.17	**1,874.17**
Subscribed and Paid Up		
18,741,759 (31 March 2021: 18,741,759) equity shares of Rs. 10/- each fully paid up*	1,875.70	1,875.70
	1,875.70	**1,875.70**

**Includes amount received on forfeited shares amounting to Rs.1.53 Lacs*

Notes :

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Number	Amount in Rs.	Number	Amount in Rs.
At the beginning of the year	18,741,759	1,875.70	18,741,759	1,875.70
Outstanding at the end of the year	**18,741,759**	**1,875.70**	**18,741,759**	**1,875.70**

(b) Terms/rights attached to equity shares

The Parent Company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

15 Equity Share capital (Contd..)

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

Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	Number	Amount in Rs.	Number	Amount in Rs.
Fortis Hospitals Limited, the Holding Company (Equity Shares of Rs.10/- each)	11,752,402	1,175.24	11,752,402	1,175.24

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

Equity Shares

Name of Shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Fortis Hospitals Limited, the Holding Company	11,752,402	62.71%	11,752,402	62.71%
Rajasthan Global Securities Private Limited	1,329,776	7.10%	990,092	5.28%

(e) Shares reserved for issue under options

As at 31 March 2022, nil equity shares (As at 31 March 2021 11,250 equity shares) of Rs. 10/- each were reserved towards outstanding employee stock options granted / available for grant. (refer note 35).

(f) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

During the five financial year ended March 31, 2022, no shares have been bought back by the Parent Company and the Parent Company has also not alloted any equity shares as full paid up without payment being received in cash.

(g) Details of shares held by promoters

As at 31 March 2022:

Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Fortis Hospitals Limited, the Holding Company	Equity shares of Rs. 10/- each fully paid up	11,752,402	62.71%	11,752,402	62.71%	-
Malvinder Mohan Singh		-	-	100	0.00%	Refer note below
Shivi Holdings (P) Ltd.		-	-	100	0.00%	
Fortis Healthcare Holdings Private Limited		-	-	100	0.00%	
RHC Finance Private Limited		-	-	100	0.00%	
Todays Holdings Private Limited		-	-	100	0.00%	

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

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

15 Equity Share capital (Contd..)

As at 31 March 2021:

Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
Fortis Hospitals Limited, the Holding Company	Equity shares of Rs. 10/- each fully paid up	11,752,402	62.71%	11,752,402	62.71%	-
Malvinder Mohan Singh		100	0.00%	100	0.00%	-
Shivi Holdings (P) Ltd.		100	0.00%	100	0.00%	-
Fortis Healthcare Holdings Private Limited		100	0.00%	100	0.00%	-
RHC Finance Private Limited		100	0.00%	100	0.00%	-
Todays Holdings Private Limited		100	0.00%	100	0.00%	-

16 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
a **Reserve and surplus**		
Securities premium		
Opening balance	957.23	957.23
Closing balance	**957.23**	**957.23**
Retained earnings		
Opening balance	6,041.53	6,808.01
Add: Loss for the year	(827.35)	(786.87)
Add: Other comprehensive income for the year, net of taxes	(33.96)	20.39
Closing balance	**5,180.22**	**6,041.53**
Total	**6,137.45**	**6,998.76**

b Nature and purpose of the reserve

i. Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

ii. Retained earnings

The amount that can be distributed by the Group as dividends to its equity shareholders. It also includes remeasurements of defined benefit liability /(asset) which comprises actuarial gains and losses and return on plan assets (excluding interest income).

Dividends

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

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

17 Lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Lease liabilities (refer note 3.11 and note 36)	4,639.77	5,341.47
Total	**4,639.77**	**5,341.47**
Current		
Lease liabilities (refer note 3.11 and note 36)	701.70	376.00
Total	**701.70**	**376.00**

18 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Total outstanding dues of micro enterprises and small enterprises (refer note 41)	16.71	73.56
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,983.43	1,363.82
Total	**2,000.14**	**1,437.38**
*Includes payable to related parties (refer note 31)	490.68	179.55

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

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

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

18 Trade payables (Contd.)

Ageing for trade payables outstanding as at 31 March 2021 is as follows:

Particulars	Outstanding for following period from due date of payment					Total
	Not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	66.94	3.79	2.83	-	-	73.56
Total outstanding dues of creditors other than micro enterprises and small enterprises	405.85	362.36	69.02	9.64	64.53	911.40
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Sub-total (a)	**472.79**	**366.15**	**71.85**	**9.64**	**64.53**	**984.96**
Accrued expenses/ unbilled dues (b)						452.42
Total (a+b)						**1,437.38**

19 Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Currrent		
Security deposits	4.14	4.14
Unpaid equity dividend	13.52	13.52
Capital creditors**	87.86	39.02
Total	**105.52**	**56.68**

***Includes outstanding dues of micro enterprises and small enterprises of Rs. Nil (31 March 2021 - 20.66 Lacs)*

20 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
Provision for gratuity	296.30	225.78
Total	**296.30**	**225.78**
Current		
Provision for gratuity	0.63	0.62
Provision for compensated absences	83.63	103.80
Total	**84.26**	**104.42**

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

21 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from patients / amounts unclaimed by patients	69.37	340.51
Employee benefits payable	94.03	94.95
Statutory dues payables	87.06	58.18
Total	**250.46**	**493.64**

22 Revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of services (refer note (b) below)		
In-Patient	7,240.28	5,913.21
Out-Patient	1,366.25	998.49
Total	**8,606.53**	**6,911.70**
Other operating revenue		
Others	**11.29**	**12.71**
Total	**11.29**	**12.71**
Total	**8,617.82**	**6,924.41**

Note:

a. Revenue disaggregation as per timing of transfer of service has been included above. The revenue recognized during the current year is the balancing number for transactions with customers after adjusting opening and closing balances of contract assets and liabilities.

b. Discounts and deductions amounting to Rs.312.30 Lacs (31 March 2021 - Rs.298.63 Lacs) are netted against Sale of In-Patient and Out-Patient services.

Contract assets and liabilities

The following disclosure provide information about receivables, contract assets and liabilities from contract with customer:

Particulars	As at 31 March 2022	As at 31 March 2021
Receivable which are included in trade receivable (refer note 9)	219.93	209.11
Unbilled revenue from undischarged patients (refer note 13)	160.01	110.76
Advance from patients/Amounts unclaimed by patients (refer note 21)	69.37	340.51

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022

(All amounts are in Indian Rupees Lacs except share data and as stated)

23 Other income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on:		
Bank deposits	44.68	67.42
Inter-corporate deposits	628.16	582.56
Income tax refund	28.82	58.92
Financial assets carried at amortised cost	4.83	4.85
Total	**706.49**	**713.75**
Other non-operating income		
Profit on Sale of assets	4.83	-
Liabilities no longer required written back	27.73	111.34
Total	**739.05**	**825.09**

24 Change in inventories of medical consumables and drugs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventory at the beginning of the year	162.67	130.65
Less: Inventory at the end of the year	(186.36)	(162.67)
Changes in inventories	**(23.69)**	**(32.02)**

25 Employee benefits expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	1,620.33	1,581.53
Contribution to provident and other funds (refer note 35)	139.99	129.83
Staff welfare expenses	99.51	114.00
Total	**1,859.83**	**1,825.36**

26 Finance costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on:		
credit card / bank charges	21.79	26.71
lease liabilities (refer note 36)	634.01	693.17
Total	**655.80**	**719.88**

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

27 Depreciation and amortisation expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of tangible assets (refer note 4(a))	336.92	318.21
Amortization of intangible assets (refer note 4(c))	92.26	144.97
Amortization of right of use assets (refer note 36)	823.99	824.36
Total	**1,253.17**	**1,287.54**

28 Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Contractual manpower	93.29	87.96
Power, fuel and water	259.26	267.49
Housekeeping expenses including consumables	35.88	33.77
Patient food and beverages	70.38	78.13
Pathology laboratory expenses	386.70	323.84
Consultation fees to doctors	956.21	776.40
Professional charges to doctors	1,439.11	1,300.96
Clinical establishment fee (refer note 28.2 below)	637.58	518.35
Repairs and maintenance		
Building	0.44	3.42
Plant and machinery	281.92	273.17
Others	38.81	72.04
Rent		
Equipments	14.82	21.46
Hospital buildings, offices and labs	0.06	5.79
Legal and professional fee	91.75	102.27
Subscription fee	1.50	2.08
Travel and conveyance	58.51	87.18
Rates and taxes	0.68	1.62
Printing and stationery	31.83	29.23
Communication expenses	15.23	31.94
Directors' sitting fees	35.99	43.37
Insurance	118.77	103.98
Marketing and business promotion	92.99	77.11
Auditors' remuneration (refer note 28.1 below)	14.87	18.39
Allowance for credit losses (including bad debts written off)	30.42	64.08
Miscellaneous expenses	4.71	3.04
Total	**4,711.71**	**4,327.07**

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

28.1 Payments to auditors

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
As auditor		
Statutory audit	6.00	5.75
Tax audit	0.55	0.55
Limited review of quarterly results	4.50	4.50
Certificates	1.25	3.00
For GST on professional services	2.00	2.49
Reimbursement of expenses	0.57	2.10
Total	**14.87**	**18.39**

28.2 Clinical establishment fees:

Represents amount paid towards various services such as providing, maintaining and operating the Clinical Establishment (including infrastructure, fixtures and fittings etc.), out-patient department services, radio diagnostic services and other ancillary services provided by Fortis Health Management Limited to the Parent Company in accordance with the agreement. Also refer note 31

29 Tax expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax (including prior years)		
In respect of the current year	1.26	3.99
In respect of prior year	(0.01)	(16.78)
Total	**1.25**	**(12.79)**
Deferred tax		
In respect of the current year	(0.03)	(331.50)
Total	**(0.03)**	**(331.50)**
Total tax expense	**1.22**	**(344.29)**

30 Other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans [refer note 35(II)(a)]	(33.93)	28.24
Total	**(33.93)**	**28.24**

Notes Forming Part of the Consolidated Financial Statements
for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

31 Related party disclosures

Names of related parties and related party relationship

Description of Relationship

Ultimate Holding Company	IHH Healthcare Berhad, Malaysia
Intermediate Holding Company	Integrated Healthcare Holdings Limited, Malaysia
	Parkway Pantai Limited, Singapore
	Northern TK Venture Pte Ltd, Singapore
	Fortis Healthcare Limited, India
Holding Company	Fortis Hospitals Limited, India
Fellow Subsidiary or Entities Under Common Control	SRL Limited, India
	Escorts Heart Institute and Research Centre Limited, India
	International Hospital Limited, India
	Fortis Health Management Limited, India
	Fortis CSR Foundation, India
	Fortis Hospotel Limited, India
	Mitsui & Co India Pvt Limited, India
Key Management Personnel	Mr. Coimbatore Kalyanraman Nageswaran (Whole Time Director) (up to 02 October 2021)
	Mr Chandrasekar R (Whole Time Director) (effective from 11-Jan-2022)
	Mr. Ramesh L Adige (Independent Director)
	Mrs. Nithya Ramamurthy (Non-Executive Director)
	Mr. Murari Pejavar (Non-Executive Director) (upto 17 January 2021)
	Mr Daljit Singh (Non-executive Director)
	Mr Ravi Rajagopal (Independent Director)
	Ms Shailaja Chandra (Independent Director) (effective from 10 March 2021)
	Mr. Saravanan Venkatesan (Chief Financial Officer) (upto 12 June 2020)
	Mr.Yogendra Kumar Kabra (Chief Financial Officer) (effective from 13 June 2020)
	Mr.Shashank Porwal (Company Secretary) (up to 2 April 2020)
	Mr.Mayank Jain (Company Secretary) (From 3 April 2020 to 31 March 2021)
	Mr.Sandeep Singh (Company Secretary) (effective from 25 May 2021)
	Dr. Sanjay Pandey (Director) (Upto 17 May 2022)
	Mr. Prabhat Kumar (Director) (effective from 17 May 2022)
	Mr. Ajey Maharaj (Director)
	Mr. Ranjan Bihari Pandey (Additional Director)
Relatives of Key Management Personnel	Dr. Radhi Malar
	Dr. M. Anand

The schedule of related party transactions:

Particulars	Name of the related party	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Sale of Service	Fortis Healthcare Limited	38.47	1.00
	Fortis Hospitals Limited	10.20	-
	Escorts Heart Institute and Research Centre Limited	3.00	-
	Mitsui & Co India Pvt Limited	0.75	-

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

31 Related party disclosures (Contd..)

The schedule of related party transactions (Contd..)

Particulars	Name of the related party	Year ended 31 March 2022	Year ended 31 March 2021
Interest income on Inter-corporate deposits	Fortis Healthcare Limited	321.07	215.06
	Escorts Heart Institute and Research Centre Limited	307.09	367.50
Mediclaim reimbursement and transfer of accumulated balance in retirement benefit	Fortis Hospitals Limited	1.04	1.18
Expenses			
Clinical establishment fee**	Fortis Health Management Limited	637.58	518.35
Medical Consumables & Drugs	Fortis Healthcare Limited	9.20	-
	Fortis Hospitals Limited	42.00	-
	Escorts Heart Institute and Research Centre Limited	0.87	-
Interest expense on lease liabilities	Fortis Health Management Limited	599.35	652.08
Contractual manpower	SRL Limited	15.37	14.02
Pathology laboratory expenses	SRL Limited	372.11	276.52
	Fortis Healthcare Limited	1.34	0.11
Professional charges to doctors	Mrs. Nithya Ramamurthy	159.00	142.77
	Dr. Radhi Malar	12.78	9.04
	Dr. M. Anand	31.34	30.00
Rental Expenses	Fortis Healthcare Limited	0.30	0.23
Travelling Expenses	Fortis Hospitals Limited	0.29	0.26
Reimbursement of expenses incurred by other companies on behalf of the Company	Fortis Health Management Limited	252.21	255.11
Mediclaim reimbursement and transfer of accumulated balance in retirement benefits	Fortis Healthcare Limited	0.79	3.82
	Fortis Health Management Limited	-	4.98
	Fortis Hospotels Limited	-	0.03
	Fortis Hospitals Limited	-	7.50
Managerial remuneration (including director sitting fees)*	Mr. Ramesh L Adige	8.50	12.00
	Mrs. Nithya Ramamurthy	4.00	6.00
	Mr. Coimbatore Kalyanraman Nageswaran	37.65	54.31
	Mr. Daljit Singh	8.00	11.00
	Mr. Ravi Rajagopal	6.00	7.50
	Ms. Shailaja Chandra	4.00	-
	Mr. Saravanan Venkatesan	-	6.14
	Dr Sanjay Pandey	-	0.10
	Mr Ajey Maharaj	-	0.10
	Mr Ranjan Bihari Pandey	-	0.10
	Mr Chandrasekar R	8.61	-
Collections done by related party on behalf of the Company	Fortis Healthcare Limited	-	3.58
	Fortis Health Management Limited	-	0.17
	Fortis Hospitals Limited	-	1.11

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

31 Related party disclosures (Contd..)

The schedule of related party transactions (Contd..)

Particulars	Name of the related party	Year ended 31 March 2022	Year ended 31 March 2021
Reimbursement of Expenses incurred by Other Companies on behalf of the Company (Refund of advance received from patients)	Fortis Hospitals Limited	151.20	406.23
Inter Corporate Loan given	Fortis Healthcare Limited	4,000.00	2,800.00
Inter Corporate Loan repaid	Escorts Heart Institute and Research Centre Limited	3,500.00	-

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

***Also refer note 46 with regards to unconditional waiver/concession of fixed clinical establishment fees received from Fortis Health Management Limited.*

The schedule of year end balances of related parties:

Particulars	Name of the related party	As at 31 March 2022	As at 31 March 2021
Financial liabilities-non current	Fortis Health Management Limited	4,437.81	5,063.64
Trade payables / Other financial liabilities-current	SRL Limited	68.07	31.76
	Fortis Health Management Limited	1,047.24	309.43
	Fortis Hospitals Limited	0.29	144.88
	Fortis Healthcare Limited	-	1.98
	Fortis Hospotels Limited	-	0.03
	Dr. Sanjay Pandey	0.40	0.40
	Mr. Coimbatore Kalyanraman Nageswaran	0.30	0.30
	Mr. Ajay Maharaj	0.10	0.10
	Mr Ranjan Pandey	0.10	0.10
Other financial assets - current	Fortis Healthcare Limited	4.07	51.64
	Fortis Hospitals Limited	5.45	50.40
	Escorts Heart Institute and Research Centre Limited	2.24	-
	Mitsui & Co India Pvt Limited	0.75	-
Other financial assets - non-current	Fortis Health Management Limited	10.31	15.31
Inter corporate loan placed	Fortis Healthcare Limited	6,800.00	2,800.00
	Escorts Heart Institute and Research Centre Limited	-	3,500.00
Interest accrued but not due	Fortis Healthcare Limited	89.61	67.06
	Escorts Heart Institute and Research Centre Limited	-	169.50

Notes:

1. The Group accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2022 and 31 March 2021 there are no further amounts payable to / receivable from them, other than as disclosed above.

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

32 Commitments

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account, net of advances with regard to tangible and intangible assets	62.30	65.22

33 Claims against the Group not acknowledged as debts

Particulars	As at 31 March 2022	As at 31 March 2021
Claims against the Group not acknowledged as debts (in respect of compensation claims by the patients / their relatives). (refer note 2 below)	1,093.77	1,088.79
Sales tax related matters (refer note 1 below)	254.93	254.93

In earlier year, Supreme Court vide their judgment dated 28 February 2019 on Provident fund has interpreted that basic wages would include certain allowances. The Group has evaluated implications arising out of the Supreme Court judgment. Based on legal advice, the Group believes that retrospective application of the above judgement by PF authorities is remote. Accordingly, no provision has been recorded in the consolidated financial statements. The Group would continue to evaluate the provision required in the books based on further clarifications from the authorities.

Note:

1. On 28 May 2020, the High Court of Judicature at Madras ("High Court") has pronounced a common order on the liability to pay Value Added Tax (VAT) under the provisions of Tamil Nadu Value Added Tax Act, 2006 on the stents, valve, x-ray etc. (except medicine) used while treating their in-house patients. High Court directed reply to be filed to notice, on the other hand has concluded on VAT applicability on prosthetics and implants. The said order pronounced disposes the writ petitions filed by the Parent Company in 2012 against notices for proposal of revising the assessment order for assessment years from 2008-09 to 2011-12 issued by the Assistant Commissioner (CT) wherein an amount of Rs. 254.93 Lacs (Rs.73.37 Lacs pertaining to implants) has been proposed to demanded on 31 January 2012. Against the said order, the Parent Company has filed Writ Appeals with the Division Bench of the Madras High Court on 16 October 2020. The Parent Company, based on legal advice, believes that the possibility of negative outcome is remote and accordingly, no adjustments are made in the consolidated financial statements.

2. These claims are pending with various Consumer Disputes Redressal Commissions and the Parent Company has been advised by the legal counsel that there may not be any likely liability in respect of these matters and accordingly no provision has been recognized in these consolidated financial statements.

3. Also refer note 44 pertaining to litigation in relation to regularisation of hospital building.

34 Employee stock option plan

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Malar Employee Stock Option Plan 2008 (Scheme) was approved by the board of directors of the Parent Company on 31 July 2008 / 28 May 2009 and by shareholders in the annual general meeting held on 29 September 2008 / 21 August 2009. The following are some of the important conditions to the scheme: The details of activity under the Plan have been summarized below:

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

34 Employee stock option plan (Contd.)

Vesting Plan:

- 25% of the option shall vest on the completion of 12 months from the grant date.
- 25% of the option shall vest on the completion of 24 months from the grant date.
- 25% of the option shall vest on the completion of 36 months from the grant date.
- 25% of the option shall vest on the completion of 48 months from the grant date.

Exercise plan:

There shall be no lock in period after the options have vested. The vested options will be eligible to be exercised on the vesting date itself. Notwithstanding any provisions to the contrary in this plan the options must be exercised before the end of the tenure of the plan.

Effective Date:

The plan was effective from 21 August 2009.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Outstanding at the beginning of the year	11,250	26.20	22,500	26.20
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	11,250	-	11,250	-
Outstanding at the end of the year	-	-	11,250	26.20
Exercisable at the end of the year	-	-	11,250	26.20

Particulars	As at 31 March 2022	As at 31 March 2021
Grant date share price (in Rupees)	Not applicable	26.20
Exercise price (in Rupees)		26.20
Expected volatility*		67.42%
Life of the options granted (Vesting and exercise period) in years		5
Expected dividends		Rs. 0.00
Average risk-free interest rate		7.50%
Expected dividend rate		0%

**Expected volatility has been determined considering the daily volatility of the stock prices on Bombay Stock Exchange, over a period prior to the date of grant, corresponding with the expected life of the options.*

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

35 Employee benefits

(I) Defined contribution plan

The Group makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme. The Group's contribution to Provident Fund aggregating Rs.93.34 Lacs (Previous year: Rs. 81.20 Lacs) has been recognised in the Consolidated Statement of Profit and Loss under the head Employee Benefits Expense.

(II) Defined benefit plans

The Group has a defined benefit gratuity plan, where under employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn basic salary) for each completed year of service and is not subjected to limit in terms of the provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of 5 years of service.

(a) Amount recognised in the consolidated statement of profit and loss in respect of the defined benefit plan are as follows

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Amounts recognised in Consolidated Statement of Profit and Loss in respect of these defined benefit plans are as follows:		
Service cost		
- Current service cost	31.73	34.37
Net interest expense	14.92	14.26
Components of defined benefit costs recognised in profit or loss	**46.65**	**48.63**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	2.85	1.45
Actuarial gains and loss arising from changes in financial assumptions	(8.64)	0.07
Actuarial gains and loss arising from experience adjustments	39.72	(29.76)
Components of defined benefit costs recognised in other comprehensive income	**33.93**	**(28.24)**
Total	**80.58**	**20.39**

(i) The current service cost and interest expense for the year are included in "Employee benefits expense" in the consolidated statement of profit and loss under the line item "Contribution to provident and other funds

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Particulars	As at 31 March 2022	As at 31 March 2021
I. (Net Asset)/Liability recognised in the Balance Sheet		
1. Present value of defined benefit obligation as at 31 March	414.25	364.36
2. Fair value of plan assets as at 31 March	117.32	137.96
3. Deficit	296.93	226.40
4. Current portion of the above	0.63	0.62
5. Non current portion of the above	296.30	225.78

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

35 Employee benefits (Contd..)

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Change in the obligation during the year ended 31 March		
Present value of defined benefit obligation at the beginning of the year	364.36	360.72
Expenses Recognised in Consolidated Statement of Profit and Loss:		
- Current Service Cost	31.73	34.37
- Interest Expense / (Income)	23.35	23.53
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	(8.64)	0.07
ii. Experience Adjustments	39.72	(29.76)
Benefit payments	(36.23)	(24.51)
Acquisitions Credit/(Cost)	(0.04)	(0.06)
Present value of defined benefit obligation at the end of the year	**414.25**	**364.36**

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Change in fair value of assets during the year ended 31 March		
Fair value of plan assets at the beginning of the year	137.97	144.57
Expenses Recognised in Statement of Profit and Loss:		
- Expected return on plan assets	8.43	9.27
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
- Return on plan assets (excluding amount included in net interest expense)	(2.85)	(1.45)
Contributions by employer	10.00	10.09
Benefit payments	(36.23)	(24.52)
Fair value of plan assets at the end of the year	**117.32**	**137.96**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Life Insurance Corporation of India	117.32	137.96

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

35 Employee benefits (Contd..)

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

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	7.00%	6.75%
Expected rate of salary increase	7.50%	7.50%
Expected return on plan assets	7.50%	7.50%
Withdrawal Rate		
Ages From 20 - 30	18.00%	18.00%
Ages From 31 - 44	6.00%	6.00%
Ages From 45 - 58	2.00%	2.00%
Expected average remaining working life *	10 years	10 years
Mortality	IALM 2006-08(Ult)	IALM 2006-08(Ult)

** Based on India's standard mortality table with modification to reflect the expected changes in mortality / others*

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and withdrawal rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant:

(i) If the discount rate is 50 basis point higher / (lower) the defined benefit obligation would decrease by Rs. 18.28 Lacs (increase by Rs.19.48 Lacs) (As at 31 March 2021; decrease by Rs. 15.36 Lacs (increase by Rs. 16.47 Lacs)).

(ii) If the expected salary growth rate increase / (decreases) by 1% the defined benefit obligation would increase by Rs. 37.80 Lacs (decrease by Rs.33.79 Lacs) (As at 31 March 2021 ; increase by Rs. 33.58 Lacs (decrease by Rs. 29.80 Lacs)).

(iii) If the withdrawal rate increases/(decreases) by 5% the defined benefit obligation would decrease by Rs. 8.16 Lacs (increase by Rs. 7.92 Lacs) (As at 31 March 2021; decrease by Rs. 8.39 Lacs (increase by Rs. 8.10 Lacs)).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

36 Leases

36.1 Leases as lessee (Ind AS 116)

The leased assets of the Group include hospital building, nurse hostel building and medical equipments which are taken on lease for providing healthcare services to the patients.

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

36 Leases (Contd.)

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

Particulars	As at 31 March 2022	As at 31 March 2021
Right-of-use assets under Ind AS 116		
Balance as at 1 April	5,223.40	6,047.76
Less: Depreciation charge for the year	(823.99)	(824.36)
Balance as at 31 March	**4,399.41**	**5,223.40**
Lease liabilities		
Current lease liabilities	701.70	376.00
Non-current lease liabilities	4,639.77	5,341.47
	5,341.47	**5,717.47**

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

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balance as at 1 April	5,717.47	6,433.89
Finance cost accrued during the year	634.01	693.17
Deletions	-	-
Payment of lease liabilities	(1,010.01)	(724.74)
Waiver/ concession of fixed clinical establishment fees (refer note 46)	-	(684.85)
Balance as at 31 March	**5,341.47**	**5,717.47**

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

Particulars	As at 31 March 2022	As at 31 March 2021
Lease liabilities under Ind AS 116		
Less than one year	701.70	376.00
One to five years	3,938.03	3,490.09
More than five years	701.74	1,851.37
Total lease liabilities as at 31 March	**5,341.47**	**5,717.47**

Amount of recognised in consolidated statement of profit and loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	634.01	693.17
Depreciation expense on righ of use assets	823.99	824.36
Expenses relating to short-term leases and leases of low-value assets	14.88	27.25

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

37 Financial instruments

(I) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through equity.

(II) Categories of financial instruments

(a) Financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Measured at cost	-	-
Measured at fair value through profit or loss (FVTPL)	-	-
Measured at amortised cost		
- Security deposits	44.38	40.83
- Advance to related parties	22.81	117.35
- Trade receivables	219.93	209.11
- Cash and bank balances	1,255.34	1,356.75
- Loans	6,800.00	6,300.00
- Other financial assets	254.00	355.49

(b) Financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Measured at fair value through profit or loss (FVTPL)		
Measured at amortised cost		
- Trade payables	2,000.14	1,437.38
- Lease liabilities	5,341.47	5,717.47
- Other financial liabilities	105.52	56.68

(III) Risk management framework

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

The Group manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including interest rate risk and other price risk), credit risk and liquidity risk. The focus of the chief operating decision maker (CODM) is to assess the unpredictability of the financial environment and to mitigate potential adverse effects, if any, on the financial performance of the Group.

The Group does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

37 Financial instruments (Contd.)

(IV) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances .

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of patients to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Group's trade receivables, certain loans and advances and other financial assets.

a. Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 90 days are still collectible in full except to the extent already provided, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several patients that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Group determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about patients. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due.

The average credit period is ranging from 30 to 90 days. No overdue interest is charged. Out of the total trade receivables balance (gross) as at 31 March 2022, Rs. 300.26 Lacs (As at 31 March 2021, Rs. 325.34 Lacs) is due from 4 international customer. There are no other customer dues that represent more than 5% of the total balance of trade receivables. In monitoring customer credit risk, customers are grouped according to their credit characteristics, and their geographic location and existence of previous financial difficulties.

The ageing of trade receivables as at the reporting date was:

As at 31 March 2022

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

Notes Forming Part of the Consolidated Financial Statements

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37 Financial instruments (Contd.)

As at 31 March 2021

Ageing	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit -impaired
Within the credit period	121.95	3%	3.71	No
1-30 days past due	32.06	21%	6.89	No
31-60 days past due	19.61	16%	3.08	No
61-90 days past due	17.19	20%	3.36	No
More than 90 days past due	534.84	93%	499.50	No
	725.65		**516.54**	

b. Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivable)

The Group holds cash and bank balances of Rs. 1,255.34 Lacs at 31 March 2022 (31 March 2021: Rs. 1,356.75 Lacs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

c. Security deposits

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Group for carrying out its operations. The Group does not expect any losses from non-performance by these counter-parties.

d. Advance to employees

This balance is primarily constituted by advances given to the employees. The Group does not expect any losses from non-performance by these counter-parties as the amounts are recoverable by salary deductions.

e. SEIS receivable from Government

This balance is primarily constituted by SEIS scrips and applications pending with authorities. The Group does not expect any losses from non-performance by these counter-parties as the amounts are due from Government.

(V) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

Notes Forming Part of the Consolidated Financial Statements

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37 Financial instruments (Contd.)

Particulars	With in 1 Year (Rs.)	1 to 2 Years (Rs.)	More than 2 Years (Rs.)	Total (Rs.)
As at 31 March 2022				
- Trade Payables	2,000.14	-	-	2,000.14
- Lease liabilities	701.70	1,776.27	2,863.50	5,341.47
- Other financial liabilities	105.52	-	-	105.52
Total	**2,807.36**	**1,776.27**	**2,863.50**	**7,447.13**
As at 31 March 2021				
- Trade Payables	1,437.38	-	-	1,437.38
- Lease liabilities	376.00	1,523.30	3,818.17	5,717.47
- Other financial liabilities	56.68	-	-	56.68
Total	**1,870.06**	**1,523.30**	**3,818.17**	**7,211.53**

38 Fair value measurement

There are no financial assets and financial liabilities that are measured at fair value on a recurring basis.

The management considers that the carrying amount of all the financial asset and financial liabilities that are not measured at fair value in the consolidated financial statements approximate the fair values and, accordingly, no disclosures of the fair value hierarchy is required to be made in respect of these assets/liabilities.

39 Current tax and deferred tax

(i) Income tax expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax:		
Current income tax charge	1.26	3.99
Income tax relating to earlier years	(0.01)	(16.78)
Total	**1.25**	**(12.79)**
Deferred tax		
Origination and reversal of temporary difference	(0.03)	(331.50)
Total	**(0.03)**	**(331.50)**
Total tax expense recognised in consolidated statement of profit and loss	**1.22**	**(344.29)**

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

39 Current tax and deferred tax (Contd.)

(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Amount	Tax Amount	Amount	Tax Amount
Loss before tax from operations	(826.13)		(1,131.16)	
Income tax using the Group's domestic tax rate at 27.82% (31 March 2021 : 27.82%)		(229.83)		(314.69)
Tax effect of :				
Adjustments recognised in the current year in relation to the current tax of prior years.	-	(0.01)	-	(16.78)
Deferred tax assets not recognised during the year	-	231.06	-	-
Others	-	-	-	(12.82)
Total tax expense		**1.22**		**(344.29)**

(iii) Income tax on other comprehensive income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax		
Remeasurements of defined benefit plans	(0.03)	(7.85)
Total	**(0.03)**	**(7.85)**

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

Particulars	Year ended 31 March 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee benefits	114.06	-	0.03	114.09
Allowance for credit losses/Others	145.20	-	-	145.20
Lease liability	198.61	-	-	198.61
Carried forward of business and depreciation losses	380.63	-	-	380.63
Property, plant and equipment	7.51	-	-	7.51
	846.02	**-**	**0.03**	**846.05**
Net deferred tax asset / (liability)	**846.02**	**-**	**0.03**	**846.05**

Particulars	Year ended 31 March 2021			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee benefits	118.22	3.69	(7.85)	114.06
Allowance for credit losses/Others	144.81	0.39	-	145.20
Lease liability	107.42	91.19	-	198.61
Carried forward of business and depreciation losses	174.74	205.89	-	380.63
	545.19	**301.16**	**(7.85)**	**838.50**

Notes Forming Part of the Consolidated Financial Statements

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39 Current tax and deferred tax (Contd.)

Particulars	Year ended 31 March 2021			
	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	22.82	(30.33)	-	(7.51)
	22.82	**(30.33)**	**-**	**(7.51)**
Net deferred tax asset / (liability)	**522.37**	**331.50**	**(7.85)**	**846.02**

(v) Unrecognised deferred tax assets

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences	344.13	95.74	-	-
Tax losses	486.42	135.32	-	-
Total	**830.55**	**231.06**	**-**	**-**

Tax losses carried forward

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amount	Expiry date	Amount	Expiry date
Expire	846.44	2028-31	663.61	2028-30
Never expire	969.65		666.06	

40 Earnings per share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Loss after tax - Rs.	(827.35)	(786.87)
Weighted average number of equity shares (No's.):		
Weighted average number of equity shares for calculating Basic EPS	18,741,759	18,741,759
Add: Weighted average number of equity shares which would be issued on the allotment of equity shares against stock option granted under ESOP 2008	-	-
WANES for calculating diluted EPS	18,741,759	18,741,759
Earnings Per Share (Basic) - in Rs.		
- Basic - in Rs.	(4.41)	(4.20)
- Diluted - in Rs.	(4.41)	(4.20)
Face value per share - in Rs.	10.00	10.00

Notes Forming Part of the Consolidated Financial Statements

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41 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

As per the requirement of the MSMED Act, 2006, the following disclosure have been provided below. The disclosure in respect of the amounts payable to such enterprises as at 31 March 2022 has been made in the consolidated financial statements based on information received and available with the Group.

Particulars	As at 31 March 2022	As at 31 March 2021
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	16.71	94.22
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

42 Details of loans given to subsidiaries and associates and firms/ companies in which directors are interested

The particulars of loans given as required to be disclosed by Section 186 (4) of Companies Act 2013 are as below:

Name of the party	Rate of Interest	Due date for Interest	Secured/ unsecured	As at 31 March 2022	As at 31 March 2021
Escorts Heart Institute and Research Centre Limited	10.50%	Half yearly	Unsecured	-	3,500.00
Fortis Healthcare Limited	10.50%	Quarterly	Unsecured	2,800.00	2,800.00
Fortis Healthcare Limited	6.50%	Quarterly	Unsecured	4,000.00	-

Particulars	Relation	Maximum amount outstanding during the year	
		31 March 2022	31 March 2021
Escorts Heart Institute and Research Centre Limited*	Fellow Subsidiary	3,500.00	3,500.00
Fortis Healthcare Limited**	Intermediate Holding	6,800.00	2,800.00

** The inter corporate deposit placed with Escorts Heart Institute and Research Centre Limited was backed by corporate guarantee issued by Fortis Healthcare Limited on 25 Apr 2020. As per Guarantee agreement executed, amount payable by Escorts Heart Institute and Research Centre Limited including interest if any till 31 January 2022, on default was repayable by Fortis Healthcare Limited to the Parent Company. The Inter-Corporate Deposit was given for meeting the working capital requirements.The Inter-Corporate Deposit was repaid in full on due date.*

Notes Forming Part of the Consolidated Financial Statements

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42 Details of loans given to subsidiaries and associates and firms/ companies in which directors are interested (Contd.)

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

a) Rs. 2,800 Lacs were given for meeting its working capital/ general corporate requirements. This loan is repayable on or before 8 July 2023 and the Parent Company has an option to recall this loan at any time after six months from drawdown, i.e. any time after 9 February 2021.

b) Rs.4,000 Lacs is given for meeting its working capital / corporate requirement . This loan is repayable on or before 2 years from the date of drawdown i.e., 22 February 2024 and the Parent Company has option to recall this loan post disbursement after giving one month prior written notice to the borrower. Based on cash flow projections the Parent Company does not expect to realise this amount within twelve months after the reporting date and accordingly this balance has been classified as non current.

43 Corporate social responsibility

As per section 135 of the Companies Act, 2013, a Company, meeting the applicable threshold, needs to spend at least 2% of its average net profits for the immediately preceding three financial years on CSR activities. The Group does not meet the applicable thresholds both in the year ended 31 March 2022 and 31 March 2021, accordingly, the Group has not spent any such amounts in both these years.

44 Order / notice received from CMDA

Request for regularization of the hospital building in which the Parent Company operates was made vide an application dated 29th May 1999 to Chennai Metropolitan Development Authority ("CMDA"). In the year 2012, Land and hospital building was sold by the Parent Company to Fortis Health Management Limited ("FHML"). The Parent Company and FHML had also simultaneously entered into a "Hospital and Medical Services Agreement" w.r.t. rendering of medical and healthcare services in the hospital premises (including right to use of the hospital building). CMDA by its Order dated 18th March 2016 ("Rejection Order") rejected the regularization application that was submitted in the year 1999. A statutory appeal was preferred in April 2016 before Secretary to the Government of Tamil Nadu, Housing and Urban Development Authority ("Authority") challenging the said rejection. During the pendency of the statutory appeal, on 3rd May 2016, CMDA served a "Lock & Seal" Notice stating that in view of the Rejection Order, construction at the site of the Hospital premises is unauthorized and called upon to restore the land to its original state within 30 days from the date of the Notice. A writ petition was filed before the Hon'ble High Court of Judicature at Madras which set aside the "Lock & Seal" Notice and ordered that no coercive steps should be taken by CMDA, till disposal of the statutory appeal. The said appeal is still sub judice. At the request of the Parent Company, CMDA inspected the hospital building and issued a letter dated 25th August 2020, wherein certain clearances and certificates were sought within 30 days in connection with the regularization.

In this regard, an extension of time was sought in November 2020. Simultaneously, actions were initiated for collating/ obtaining requisitioned clearances and certificates which involves taking number of actions, significant expenses and capital expenditure. During the ongoing pandemic, there were lockdowns resulting in limited and restricted access to various offices all across, which slowed down the progress of actions initiated. The Parent Company is taking bonafide steps to complete the process of submission of the clearances and certificates sought by CMDA. On 20th May 2021, an update was sent to CMDA confirming that out of six requirements, as set out in their letter dated 25 August 2020, three have already been complied with and steps were underway for completion of the remaining actions. Further, the Parent Company has obtained NOC from Airport authority of India dated 24 February 2022. While the Parent Company is co-operating to get all the clearances, based on legal advice, the Parent Company is of the view that it is not required to bear any expenses, revenue or capital in nature, incurred towards regularization of building and for obtaining requisite clearances and certificates (or for the expenses that may be incurred in the unlikely event that the regularization is not approved) as all such expenses will be borne by FHML. The Parent Company also continues to believe that all Orders / Notices issued by CMDA prima facie would not result in any significant adverse impact on its operations/financial statements or on the going concern status.

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

45 Impact of COVID-19 pandemic

In respect of Coronavirus (COVID – 19) pandemic, the Group has considered internal and external information while finalizing various estimates in relation to these financials and use of the going concern basis for preparation of these financials upto the date of approval of these financial statements by the Board of Directors. Accordingly, the Management believes that the Group will not have any challenge in meeting its financial obligations for the next 12 months based on the financial position and liquidity as on the date of signing of these financial statements. The actual impact of the global health pandemic may be different from the estimate, as the COVID 19 situation is still evolving in India and globally. However, the Group will continue to closely monitor any material changes to future economic condition.

46 Exceptional item

Exceptional items relates to the unconditional waiver/concession of fixed clinical establishment fees received from Fortis Health Management Limited. The waiver/concession has been provided on account of COVID – 19 pandemic. In accounting for this waiver/concession, the Group has applied the practical expedient to such concessions as they meet the conditions specified in the notification dated 24 July, 2020 issued by the Ministry of Corporate Affairs, India

47 Information as required by Part III of General instructions for the preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

31 March 2022

Name of the entity	Net assets (i.e. total assets minus total liabilities)	Share in profit and loss	Share in other comprehensive income	Share in total comprehensive income
Parent				
As a % of consolidated	97.30%	100.39%	100.21%	100.38%
Amount	**7,797.00**	**(830.55)**	**(34.03)**	**(864.58)**
Subsidiary - Indian				
Malar Stars Medicare Limited				
As a % of consolidated	2.76%	-0.39%	-0.21%	-0.38%
Amount	**221.15**	**3.20**	**0.07**	**3.27**
Inter-company eliminations				
As a % of consolidated	-0.06%	0.00%	0.00%	0.00%
Amount	**(5.00)**	-	-	-
Total				
As a % of consolidated	100%	100%	100%	100%
Amount	**8,013.15**	**(827.35)**	**(33.96)**	**(861.31)**

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

47 Information as required by Part III of General instructions for the preparation of consolidated financial statements to Schedule III to the Companies Act, 2013

31 March 2021

Name of the entity	Net assets (i.e. total assets minus total liabilities)	Share in profit and loss	Share in other comprehensive income	Share in total comprehensive income
Parent				
As a % of consolidated	97.60%	101.84%	99.71%	101.89%
Amount	**8,661.58**	**(801.33)**	**20.33**	**(781.00)**
Subsidiary - Indian				
Malar Stars Medicare Limited				
As a % of consolidated	2.46%	-1.84%	0.29%	-1.89%
Amount	**217.88**	**14.46**	**0.06**	**14.52**
Inter-company eliminations				
As a % of consolidated	-0.06%	0.00%	0.00%	0.00%
Amount	**(5.00)**	-	-	-
Total				
As a % of consolidated	100%	100%	100%	100%
Amount	**8,874.46**	**(786.87)**	**20.39**	**(766.48)**

48 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Parent Company's Director to make decisions about resources to be allocated to the segments and assess their performance.

The Group is primarily engaged in only one business namely in the health care services. The entity's chief operating decision maker considers the Group as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Group does not have multiple segments and these consolidated financial statements are reflective of the information required by the Ind AS 108 . The Group's operations are entirely domiciled in India and as such all its noncurrent assets are located in India.

49 Ratio Analysis and its elements

Particulars	Numerator	Denominator	Current year	Previous year	% of variance	Explanation for change in the ratio by more than 25%
Current Ratio (times)	Total Current Assets	Total Current Liabilities	1.56	2.43	-35.7%	The current ratio has decreased in the current year dues to decrease in current assets on account of movement in inter-corporate loans. Further, the current liabilites are also higher due to higher trade payable balance as at year end.

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

49 Ratio Analysis and its elements (Contd.)

Particulars	Numerator	Denominator	Current year	Previous year	% of variance	Explanation for change in the ratio by more than 25%
Debt-Equity Ratio (times)	Debt consists of borrowings and lease liabilities	Total equity	0.67	0.64	3.5%	
Debt Service Coverage Ratio (times)	Earning for debt service = Net Loss after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and Lease Payments + Principal Repayments	0.88	0.97	-8.9%	
Net Profit Ratio (%)	Loss for the year	Revenue from operations	-9.6%	-11.4%	15.5%	
Return on Equity Ratio (%)	Loss for the year	Average equity	-9.8%	-8.5%	-15.3%	
Return on Capital employed (%)	Loss before taxes and finance costs (after exceptional items)	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	-1.3%	-2.8%	54.7%	The improvement in return on capital employed is due to improvement in business as compared to previous year.
Return on Investment (%)	Income generated from invested funds	Average invested funds in treasury investments	9.0%	8.7%	3.0%	
Trade Receivables turnover ratio (times)	Revenue from operations	Average trade receivables	40.2	23.8	68.8%	The improvement in trade receivables turnover ratio is majorly on account of increase in revenue as compared to previous year.
Inventory turnover ratio (times)	Cost of goods sold	Average Inventory	9.8	9.6	1.8%	
Trade payables turnover ratio (times)	Net purchases	Average Trade Payables	1.0	0.9	16.2%	
Net capital turnover ratio (times)	Revenue from operations	Average working capital (i.e., Total Current assets less Total current liabilities)	3.3	2.2	45.0%	The improvement in net capital turnover ratio is majorly on account of increase in revenue during the current year.

50 Additional Regulatory Information

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

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

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

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

Notes Forming Part of the Consolidated Financial Statements

for the year ended 31 March 2022 (All amounts are in Indian Rupees Lacs except share data and as stated)

50 Additional Regulatory Information (Contd.)

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

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

51 Subsequent events

There are no subsequent events other than those disclosed in the consolidated financial statements that have occurred after the reporting period till the date of approval of these consolidated financial statements.

As per our report of even date attached		
For **B S R & Co. LLP** Chartered Accountants Firm's registration No: 101248W/W-100022	for and on behalf of the Board of Directors of **Fortis Malar Hospitals Limited** CIN: L85110PB1989PLC045948	
Harsh Vardhan Lakhotia Partner Membership No.: 222432	**Nithya Ramamurthy** Director DIN : 00255343 Place : Chennai	**Chandrasekar R** Whole Time Director DIN : 09414564 Place : Chennai
	Sandeep Singh Company Secretary Membership No.: F9877	**Yogendra Kumar Kabra** Chief Financial Officer
Place : Chennai Date : 24 May 2022	Place : Delhi Date : 24 May 2022	Place : Chennai

Fortis
MALAR
HOSPITAL

Registered Office:

Fortis Hospital, Sector - 62,
Phase - Phase - VIII, Mohali,
Punjab - 1600062

Tel: +91 172 5096001

Fax: +91 172 5096221

Website: www.fortismalar.com

FORTIS MALAR HOSPITALS LIMITED
CIN: L85110PB1989PLC045948
Regd. Office: Fortis Hospital, Sector 62, Phase VIII, Mohali, Punjab – 160062
Tel.: No.: +91 172 5096001 **Fax No.:** +91 172 5096002
Email Id: secretarial.malar@malarhospitals.in **Website:** www.fortismalar.com

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the members of **Fortis Malar Hospitals Limited** will be held on **Wednesday, July 27, 2022 at 2.00 P.M. (IST)** through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility to transact following business (es):

ORDINARY BUSINESS

1. To consider and adopt Audited Standalone Financial Statements of the Company together with the Report of Board of Directors and Auditors thereon and Audited Consolidated Financial Statements of the Company including Report of Auditors thereon for the Financial Year ended on March 31, 2022.

2. To appoint a Director in place of Mr. Daljit Singh (DIN: 00135414), who retires by rotation and being eligible, offers himself for re-appointment as a Director.

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Cost Records and Audit) Rules, 2014, remuneration up to Rs. 75,000/- (Rupees Seventy Five Thousand only) plus out of pocket expenses and taxes, being paid to M/s. Jitender, Navneet & Co., Cost Auditors appointed by the Board of Directors, to conduct the audit of the cost records of the Company, for the Financial Year ended March 31, 2022, be and is hereby ratified and confirmed.

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

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

Date: May 24, 2022
Place: Gurugram

Sandeep Singh
Company Secretary

NOTES:

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") for the matter included in the notice, which is unavoidable and therefore proposed for seeking approval at AGM, is enclosed herewith.

2. Pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and secretarial standards, the particulars of Director seeking appointment/ re-appointment at this Annual General Meeting are annexed to the Notice.

3. In view of the ongoing COVID-19 pandemic, and pursuant to General Circular Nos.14/2020, 17/2020, 20/2020, 21/2021 and 03/2022 dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 14th December, 2021 and 5th May, 2022, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 12th May, 2020, 15th January, 2021 and 13th May, 2022, issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with provisions of the Act and Listing Regulations, physical attendance of the Members to the

EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the 31st AGM shall be registered office of the Company.

4. Pursuant to the MCA/SEBI Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

5. Shareholders who will participate in the AGM through VC/ OAVM can also pose question/feedback through question box option. Such questions by the Members shall be taken up during the meeting or shall be replied suitably, after the meeting by the Company.

6. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation upto 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend 31st AGM without any restriction on account of first-come-first-served principle.

7. In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars issued by the Ministry of Corporate Affairs the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

8. Attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

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

10. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the AGM through VC/OAVM Facility and e-Voting during the 31st AGM.

11. The Company has fixed, July 20, 2022 as the Cut-off Date for remote e-voting. The remote e-voting/voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as at close of business hours on the Cut-off Date i.e. July 20, 2022 only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

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

    The remote e-voting period begins on July 24, 2022 at 9:00 A.M. and ends on July 26, 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. July 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 July 20, 2022.

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

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

Step 1: Access to NSDL e-Voting system

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

In terms of 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'?

        - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

        - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

    a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

    b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

    c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

    d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

a. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

b. 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".

c. Now you are ready for e-Voting as the Voting page opens.

d. Cast your vote by selecting appropriate options i.e. assent/for or dissent/against, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

e. Upon confirmation, the message "Vote cast successfully" will be displayed.

f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

II. GENERAL GUIDELINES FOR SHAREHOLDERS

a. 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 magarwalandco@

gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

b. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh, Assistant Manager, NSDL at evoting@nsdl.co.in

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

a. In case shares are held in physical mode please provide Folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial.malar@malarhospitals.in.

b. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretarial.malar@malarhospitals.in. If you are an individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

c. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

d. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by the Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

b. Only those members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

c. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

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

a. Members are provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

b. Members are encouraged to join the Meeting through Laptops for better experience.

c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

13. Members seeking any information with regard to the accounts or any other matter to be placed at the AGM, are requested to write to the Company latest by July 20, 2022 through email on secretarial.malar@malarhospitals.in. Such questions shall be taken up during the meeting or replied by the Company suitably.

    Members who would like to express their views or ask questions during the AGM may register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and client ID/ Folio no, No. of shares, PAN, mobile number at secretarial.malar@malarhospitals.in on or before July 20, 2022. Those Members who have registered themselves as a speaker will only be allowed to express their views, ask questions during the AGM. The Company reserves the right to restrict the number of speakers as well as the speaking time depending upon the availability of time at the AGM.

14. During 31st AGM, members may access scan copy of Register of Director and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contract and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon login into NSDL e-voting system at https://www.evoting.nsdl.com

15. Pursuant to Sections 205A and 205C of the Companies Act, 1956 and/ or Section 123 of the Companies Act, 2013 and other applicable provisions, if any, all unclaimed/ unpaid application money etc. remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company, will be / have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Any person may claim the shares or apply for refund, as the case may be, to the Authority by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in along with fee specified by the Authority.

16. The Board of Directors has appointed Mr. Mukesh Agarwal, Company Secretary in whole-time practice (C.P. No. 3851), as Scrutinizer to scrutinize the remote e-voting process and voting through electronic voting system at the AGM in a fair and transparent manner.

    The Scrutinizer shall, after conclusion of voting at the AGM, first download votes cast at the Meeting and thereafter unblock votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the Company and shall within 48 hours of conclusion of the AGM, submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or an authorised person who shall countersign the same and declare the results of voting forthwith.

17. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions. The results shall be declared within 48 hours after the Annual General Meeting of the Company. The results along with Scrutiniser's Report shall be placed on the website of the Company (www.fortismalar.com), website of NSDL (www.evoting.nsdl.com) and by filing with the Stock Exchange.

18. In respect of the physical shareholding, in order to prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar of any change in their addresses, telephone numbers, e-mail ids, nominees or joint holders, as the case may be.

    The Securities and Exchange Board of India ('SEBI') has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.

19. Pursuant to the Listing Regulations, shares of a listed entity can only be transferred in demat form w.e.f. April 1, 2019 except in cases of transmission or transposition. Therefore, shareholders are encouraged in their own interest to dematerialize their shareholding to avoid hassle in transfer of shares and eliminate risks associated with physical shares. Members can write to the Registrar in this regard.

20. Pursuant to the provisions of Section 72 of the Act, the members holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Members holding shares in demat form may contact their respective Depository Participants for availing this facility and the Registrar in respect of shares held in physical form.

21. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut- off date of July 20, 2022.

22. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 31st AGM by email and holds shares as on the cut-off date i.e. July 20, 2022, may obtain the User ID and password by sending a request to the Company's email address secretarial.malar@malarhospitals.in. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com

23. During 31st AGM, the Chairman shall, after response to questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.

24. The Notice calling the AGM has been uploaded on the website of the Company at www.fortismalar.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

EXPLANATORY STATEMENT

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

Item No. 3

The Board, on the recommendation of the Audit & Risk Management Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ended on March 31, 2022 as per the following details:

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

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended March 31, 2022.

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

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

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

Date: May 24, 2022
Place: Gurugram

Sandeep Singh
Company Secretary

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

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

Mr. Daljit Singh, aged about 69 years, is the Chairman of Fortis Malar Hospitals Limited. He has over 45 years of rich management experience in the corporate sector. Mr. Singh held the position of President of Fortis Healthcare Limited. During his tenure of approximately 17 years he was a pivotal thought leader who helped to conceptualize, formulate and implement Fortis' growth strategy to position it as one of India's leading Healthcare delivery organizations. Prior to joining Fortis, Mr. Singh was on the Board of Directors of ICI India Limited, a subsidiary of the British Multinational, Imperial Chemicals Industry plc, as the Executive Director in charge of Human Resources, Manufacturing, External Relations, SHE and Communications. Amongst key responsibilities held at ICI India Limited, he was the Chief Executive for Pharmaceuticals, Speciality Chemicals, Rubber Chemicals and Catalyst businesses. He was a member of the ICI Global Manufacturing Group, SSHE Excellence Group and the Global HR Forum. His key experience and achievements have been in the areas of developing progressive HR strategies and ensuring their implementation, organizational restructuring, building high performance culture and leading teams to deliver business value. He successfully planned and executed significant change programs.

Mr. Singh is an acknowledged expert and thought leader in the domain of Healthcare Delivery. He has represented Fortis at Industry forums like the CII, FICCI, NATHEALTH and led several healthcare related committees, including as President of NATHEALTH. He has been an active participant on the World Economic Forum's healthcare platform and was on the Steering Boards constituted by the Forum to guide a number of major Global projects: "Scenarios for Sustainable Health Systems", "The Healthy Living Charter", and "Health Systems Leapfrogging". He was on the Forum's Advisory Board on "The Economic Burden of Non-communicable Diseases in India". He has spoken on panels and presented to Indian and International audiences on themes related to Healthcare.

A certified Life and Executive Coach, he works with Top Management, across industry sectors, to enhance personal performance and fulfilment. He also leads and facilitates workshops on Strategy, Business Planning & Leadership. He has mentored and coached several leaders across Industry sectors, including ICI, Mercedes Benz, Sapient, Ricoh, WNS, Carrier Midea, SI group, Schneider, PwC, M&M, CIPLA, Fractal Analytics etc. A graduate from the Indian Institute of Technology, Delhi, Mr. Singh was a Commonwealth Scholar to the Senior Management Programme at the Manchester Business School. With an outstanding track record in the field of athletics, his current interests include fitness, high altitude trekking, adventure sports, spirituality, music and reading.

Original date of appointment: December 24, 2014

Shareholding in the Company as on March 31, 2022: Nil

Mr. Daljit Singh is not related to any other Director and/or Key Managerial Personnel of the Company.

During the financial year 2021-22, Mr. Daljit Singh attended five Board meetings.

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

Mr. Daljit Singh is a Non-Executive Director liable to retire by rotation, entitled to receive sitting fee for attending Board and Committee meetings.

Details of sitting fees paid to him during FY 2021-22 has been disclosed in Corporate Governance Report which is forming part of the Annual Report.

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

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