



## “Fortis Healthcare Limited Annual General Meeting”

July 30, 2021



**MANAGEMENT: MR. RAVI RAJAGOPAL – CHAIRMAN, FORTIS HEALTHCARE LIMITED**  
**DR. ASHUTOSH RAGHUVANSHI – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, FORTIS HEALTHCARE LIMITED**  
**MR. SUMIT GOEL - COMPANY SECRETARY, FORTIS HEALTHCARE LIMITED**

**BOARD OF DIRECTORS:**

**MR. DILIP KADAMBI – NON-EXECUTIVE DIRECTOR**  
**DR. FARID BIN MOHAMED SANI – NON-EXECUTIVE DIRECTOR**  
**MR. INDRAJIT BANERJEE – INDEPENDENT DIRECTOR**  
**MR. JOE SIM – NON-EXECUTIVE DIRECTOR**  
**DR. KELVIN LOH – NON-EXECUTIVE DIRECTOR**  
**MS. SHAILAJA CHANDRA – INDEPENDENT DIRECTOR**  
**MS. SUVALAXMI CHAKRABORTY – INDEPENDENT DIRECTOR**  
**MR. TAKESHI SAITO – NON-EXECUTIVE DIRECTOR (ADDITIONAL)**

**Moderator:** Dear members, good afternoon. Welcome to the 25th annual general meeting of Fortis Healthcare Limited being conducted through video conferencing. For smooth conduct of the meeting, members will be on mute mode. The members have preregistered themselves to speak at the AGM. The audio/video will open when the management takes up questions from the members. Please note, that the proceedings of the AGM will be recorded and will be available on the company's website.

I would request Mr. Sumit Goel, Company Secretary of the Company to take over and start the proceedings of the meeting. Over to you, Mr. Sumit Goel.

**Sumit Goel:** Thank you. Dear members, good afternoon. I Sumit Goel, Company Secretary on behalf of board of directors and management of the company welcome all the members present at 25th annual general meeting. This AGM is being held through video conferencing in compliance with the relevant circulars issued by Ministry of Corporate Affairs and SEBI in this regard. The management of the company has made necessary arrangement for conducting the Annual General Meeting through video conferencing and for voting by the shareholders on the item being considered in this meeting through e-voting platform and all effort feasible under the present circumstances have been made by the company in this regard.

Dear members, all board of directors of the company are present. Let me introduce the board members present on the screen. Mr. Ravi Rajagopal is our Chairman and member of Audit Committee and Corporate Social Responsibility Committee. He is participating from London. Dr. Ashutosh Raghuvanshi is our Managing Director and Chief Executive Officer is a member of Shareholder Relationship Committee and CSR Committee. He is participating from Gurugram. Mr. Dilip Kadambi is a Non-Executive Director and a member of Audit Committee. He is participating from Singapore. Dr. Farid Bin Mohamed Sani is a Non-Executive Director and a member of Nomination Remuneration Committee. He is participating from Malaysia. Mr. Joe Sim is a Non-Executive Director and Chairperson of Risk Management Committee. He is participating from Singapore. Mr. Joerg Ayrlle is a Non-Executive Director. He is participating from Singapore. Dr. Kelvin Loh is a Non-Executive Director and a member of Nomination Remuneration Committee. He is participating from Singapore. Mr. Indrajit Banerjee is an Independent Director. He is Chairperson of Nomination Remuneration Committee, also a member of Audit Committee, Stakeholder Relationship Committee and CSR Committee. He is participating from Delhi. Ms. Shailaja Chandra is an Independent Director. She is Chairperson of Stakeholder Relationship Committee and a member of Audit Committee, NRC, and Risk Management Committee. She is participating from Delhi. Ms. Suvalaxmi Chakraborty, she is an Independent Director. She is Chairperson of Audit Committee. She is participating from Mumbai. Mr. Takeshi Saito is a Non-Executive Director. He is participating from Singapore. Mr. Vivek Goel is our Chief Financial Officer. He is participating from Gurugram.

Apart from them, we also have other key executive and senior management joining from their respective location. Statutory auditors and Secretarial auditors have also joined the meeting. The

requisite quorum as required under the law is present. Therefore, we hereby call the meeting in order. Members may kindly note that all statutory registers maintained under the companies act which are required to be placed at the annual general meeting are available for inspection during the meeting on NSDL website under the tab AGM documents. The board report as well as notice of annual general meeting has already been dispatched to shareholders through email on July 7, 2021, and public notice were issued in newspaper in compliance with various circular issued by Ministry of Corporate Affairs and SEBI.

Dear members, our Chairman is suffering some fever and has requested Dr. Ashutosh Raghuvanshi to deliver his message to the shareholders. Now, I would request Dr. Ashutosh Raghuvanshi, Managing Director to address the shareholders. Over to you, sir.

**Ashutosh Raghuvanshi:**

Thank you. Distinguished members, I extend a warm welcome to all of you on this annual general meeting 2020-2021 of Fortis Health Care Limited. In the last 1-1/2 years, even though tremendous uncertainty and economic fallout and widespread disruption hit us with COVID-19 pandemic, India and particularly the hospital sector managed the crisis ably through commendable collaborative efforts. The untiring consistent effort of our expert clinicians and the management across the network coupled with the goodwill and support of our extreme shareholders, all have had significant role to play. In particular, I am thankful to the doctors, nurses, paramedics, and other staff members who have demonstrated tremendous resolve and dedication towards patients. No words can do justice to their exemplary commitment to patient care. Today, as we ramp up the vaccine drive and prepare to prevent a possible third wave, concentrated efforts need to continue by pooling together the means, experience and resolve to make Fortis a stronger institution in every sense in the year ahead.

As I summarize the report cast for the last one year, it gives me great pride to say that Fortis managed the challenge brought on by the pandemic excellently on several fronts and with many outcomes achieved. The results reflect our continued effort in speeding of COVID patient recoveries while also maintaining focus on non-COVID disease and treatment services which are the main stay of our business. Efforts during the pandemic, we played a stellar role in helping patient's recoveries across our hospitals. Over 33,000 COVID-19 patients were successfully treated and discharged during the year. Over 1.18 lakh patients were treated at the Flu Clinic and OPDs and approximately 2.5 million COVID-19 molecular and serology tests were conducted by our subsidiary, SRL Diagnostics.

We reserve 1600 beds, 40% of available beds for COVID patients and 23 hospitals are closely partnering with the government in vaccination drive across the country. We were able to procure the timely and valuable guidance of the Fortis Medical Council which guided our task force set up for the pandemic helped align with the government guidelines on COVID and non-COVID treatment, monitored clinical outcomes and helped us to stay updated on all new international standards and protocol. While we saw revenue declines in the early months, last year as compared with the previous financial year, with full support from the board, we implemented

multiple cash generation and liquidity improvement as well as cost management measures. These steps enabled us to make a considerable difference in business recovery for September 2020.

Our occupancy improved from 37% in quarter 1 to 64% in quarter 4 with the overall occupancy for the year at 55% versus 68% in the previous year. This resulted in consolidated revenue from operations of Rs. 4030 crores for the financial year 21 with 11.2% operating margins as compared to 4632 crores in financial year 20 and 14.3% operating margin. Several new initiatives were taken during the year, to mention a few, Fortis Hospital Vadapalani opened in October 2020 as the second Fortis Specialty in Chennai. This unit will ultimately have 250 beds and endoscopy unit was inaugurated at Fortis Hospital, Bannerghatta Road Bangalore, apart from Karnataka's first state of art advance Biplane Cath Lab to provide safer care for neurovascular disorders.

Fortis, Anandpur, Kolkata launched the city's first Dual Source Dual Energy Somatom Drive CT scanner, making it a fast and clinically superior means of diagnostic for geriatric, pediatric and trauma patients. Fortis Hospital, Mulund, Mumbai introduced Central Mumbai's first Tesla Advanced Biomatrix MRI to ramp up the radiology offerings. Fortis Escorts, New Delhi launched Laser Atherectomy to treat complex cardiac blockages. Fortis Memorial Research Institute, Gurugram launched a dedicated Pediatric Solid Tumor Clinic and Fortis Hospital, Shalimar Bagh, New Delhi launched a Sports Injury Clinic. The Fortis National Mental Health Program launched Sukoon Health, a dedicated inpatient psychiatric hospital. Additionally, 13 SRL laboratories for COVID-19 RT-PCR tests were added over a span of 9 months bringing the total to 15 and 498 collection centers were added to the network to improve the reach and access.

In regards to SRL in year 2021, SRL Diagnostic was one of the first labs to bring critical COVID-19 testing to our country. Additionally, SRL also delivered the highest number of COVID molecular and serology tests along with record revenues for the third and fourth quarter. From a two-lab setup at the beginning of the year, we scaled our COVID-19 RT-PCR testing capacity to 15 RT-PCR labs across the country in a span of 6 to 9 months. Today, SRL is offering home collection services in 90 cities and districts with the new leadership and renewed strategy, service capacity and test offering have developed further to bring in stronger business momentum reflecting in a healthy growth trajectory witnessed through the year.

We completed the acquisition of 50% balance stake in our DDRL-SRL joint venture, bolstering SRL's presence in Kerala and helping us to further leverage our size, scale, and test repertoire in South India. We have implemented new technologies to empower our pathologists to read images remotely. To enable real-time virtual collaboration between teams, we have set up digital pathology network in Gurugram, Mumbai and Bengaluru. In addition, we have also set up an advance center for Genomics at our Mumbai reference laboratory that can provide solutions to clinicians through precision diagnostics for various specialties.

Digital health is playing an important role in the future. Telemedicine and video-based consults increased rapidly across the Fortis network amidst the pandemic. We conducted 1,12,000 tele and video consults touching a peak of 15% of total consultations, one of the highest in the country. On the testing and diagnostic front, SRL ramped up its technological infrastructure to handle the surge in testing, specifically with respect to home collection. AI tools, data analytics and ChatBots were leveraged to improve customer experience and ensure safety for those conducting tests. Today, roughly, 3.3 million patients have SRL Diagnostic mobile app.

I am pleased to share that we won several prestigious recognitions and awards during the year. Fortis Memorial Research Institute, Gurugram, at Rank 23 was the only Indian hospital to be listed in Newsweek's top 25 World's Best Smart Hospitals of 2021. In addition, four Fortis Hospitals were also named along the best hospitals in India by the publication; Fortis Rajan Dhall Hospital, Vasant Kunj, New Delhi; Fortis Memorial Research Institute, Gurugram; Fortis Hospital, Mulund, Mumbai and Fortis Malar Hospital, Chennai, were ranked 13th, 16th, 22nd and 34th in the country respectively. Fortis Escorts Heart Institute, Okhla Road, New Delhi featured in Newsweek's Best Hospitals, 2021 as the Top Specialized Hospitals list of Cardiology Specialty. As far as open offer from IHH Berhad is concerned, this matter is subjudice due to Supreme Court order. The hearings have concluded and orders have been reserved. We are hopeful of a clear decision soon. IHH has reiterated its commitment to growing our hospital team and remaining our largest shareholder continuing to support our growth plans.

The focus in the next year, our concentrated effort will be on revenue growth, building our franchisee in catchment areas, engaging with key corporate clients, strengthening community connect and leveraging our digital platforms. Our core specialties, cardiology, neurology, oncology, nephrology, orthopedics, gastroenterology, and pulmonology will be strengthened further through latest technology, new investment, and on-boarding of senior clinicians. Fortis has also reinitiated its growth and investment plans which are currently underway and these include an addition of 1300 beds over the next 3 to 4 years in selected facilities such as Shalimar Bagh, Noida, FMRI, Mulund, Mohali, Anandapur and few others. For SRL, the focus will be on strengthening capacity in COVID testing, recovery, and growth in non-COVID revenue streams. Network expansion, digital initiatives, growing our business in reference laboratory segment through next generation diagnostics and look at ways to improve market share across the cities we operated.

As I conclude, I would like to reiterate that we need to sustain the business momentum we have achieved within the last few months, despite the pandemic challenges and continue to focus on achieving our long-term goals. I thank our respected members for their hard work in the past year under very difficult circumstances. The road ahead for us is well charted where we see ourselves as an integrated service provider par excellence. We will continue to build upon our team of exceptionally committed clinicians, nurses, and paramedical staff, ensure a safe environment for our patients and employees alike, bring focus back on our multispecialty business, continue the vaccination drive and promote COVID appropriate behavior.

With the new Minister of Health and Family Welfare who is also holding the portfolio of chemical and fertilizer, we hope to see greater synergies between healthcare and pharma sectors and a strong region on how the sector has to be taken forward. Private healthcare has a very vital role and needs greater recognition and opportunities for participation. We request the government to consider ensuring recovery and sustenance of healthcare providers contrary to popular belief that hospitals would do well in pandemic, private hospitals have been badly hit as non-emergency treatments, elective procedures and medical travel have come to a standstill. Tax incentives on medical device and international value travel could enable swift recovery.

At the same time, we also would urge to provide policy incentives and tax benefits benefits to private hospitals to expand into tier 2 and 3 cities, unlock the potential of medical tourism by providing required infrastructure and support. With the unlocking of immense potential of telehealth and digital health services during the pandemic, government support is required for infrastructure strengthening, uniform digital health policy aligned to national digital health mission ensuring that the protection integrated private healthcare apps to bridge gaps and address patient needs and supporting skill building for digitization. With that, I would end this statement. Thank you so much.

**Management:**

Thank you sir. With the permission of Chair, now I would read the auditor's report. To the members of Fortis Healthcare Limited, the report on the audit of standalone financial statement.

Qualified opinion: We have audited the standalone financial statement of Fortis Healthcare Limited, the company which comprises standalone balance as at 31st March 2021 and the standalone statement of profit and loss including other comprehensive income. Standalone statement has changes in equity and standalone statement of cash flow for the year then ended and the notes to the standalone financial statements, including a summary of significant accounting policy 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, except for the possible effects, if any, of the matter described in the Basis for Qualified Opinion paragraph in our report, the aforesaid standalone financial statements give the information required by the Company's Act, 2013 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 2021, of its profit, other comprehensive income, change in equity and its cash flows for the year ended on that date.

**Basis of Qualified Opinion:**

We draw attention to note number 32 of the standalone financial statement, which explains that due to a significant amount of dividend received during the previous year ended 31st March 2020 from a wholly owned overseas subsidiary, the income from financial assets of the company was more than 50% of the gross income for the year then ended. Further, in view of the

investment in the subsidiary and financing provided to them, the company's financial asset as on that date are also more than 50% of its total asset. Consequently, the company technically meets the principal business test criteria for classification as non-banking financial company. As per the press release by the Reserve Bank of India, vide number 1998-1999/1269 dated 8th April 1999 as at 1st April 2020 and is required to obtain a certificate of registration as NBFC.

As per the company, such dividend is nonrecurring in nature and does not represent income from ordinary activities of the company and the company does not intend to carry on the business of NBFC. Accordingly, the company vide its letter dated 8th November 2019 had made a representation to the RBI that keeping in view the objective behind the principal business test criteria, its registration as NBFC should not be required. Subsequently, the completion of the audit of the standalone financial statement of the company for the year ended 31st March 2020, we as statutory auditors have also intimated the RBI regarding the company technically meeting the Principal Business Test and regarding the above effort representation by the company to the RBI which inter alia stated that the company is primarily engaged in the healthcare business and the company has represented to the RBI that it is not presently or in future intent to take the business of nonbanking financial institution. Further, in September 2020, the company has written another letter to RBI with a request to confirm that no such registration as NBFC is required. RBI advised the company to submit the financial results for the quarter ended June 30th, 2020, 30th September 2020, and December 31, 2020, which were duly submitted by the company.

Pending resolution of the matter with RBI, we are unable to comment upon the impact thereof, if any on the standalone financial statement for the year ended 31st March 2021. We conduct our audit in accordance with the standards of accounting specially mentioned under section 143(10) of the act. Our responsibility under those standards of accounting is further described in the Auditor's Responsibilities for the audit of the Standalone Financial Statement section in our report. We are independent of the company in accordance with the Code of Ethics issued by Institute of Chartered Accountant of India together with ethical requirements that are relevant to our audit of the standalone financial statement under the provision of the act and the rules made there under and we have fulfilled our ethical responsibility in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis of our qualified opinion on the standalone financial statement.

Matter of Emphasis: Point number one, We draw attention to note number 27 and 28 of the standalone financial statement which deal with various matters including the ongoing investigation by Serious Fraud Investigation Officer and ongoing adjudication proceeding by SEBI, Security and Exchange Board of India on Fortis Healthcare Limited and its subsidiary regarding the alleged improper transaction and noncompliance with law and regulations including the companies Act, 2013 including matters relating to the remuneration paid to the managerial person and the SEBI law and regulation. These transaction and noncompliance relate

to or originated prior to the takeover of control by the present board of directors in the year ended March 31, 2018. As I mentioned in the note, the Group has submitted information required by SFIO and the company has responded to the SEBI notice and also cooperating in the regulatory investigation/proceedings.

As explained in the said note, the Group has recorded significant adjustment provision in its books of accounts during the year ended 31st March 2018. The company has launched legal proceeding and has also filed a complaint with the Economic Offence Wing, EOW against the erstwhile promoters and their related entities based on the findings of the investigation conducted by the Group. Further, based on the management's detailed analysis and consultation with external legal counsel, a further provision has been made and recognized in the current year for any contingency that may arise from the aforesaid issues. As per management, any further financial impact to the extent can be reliably estimated at present, so is not expected to be material.

Point number two, we draw attention to note number 26 of the standalone financial statement relating to the audit dated 15th November 2019 of the Supreme Court of India where it is stated that Honorable Supreme Court has issued suo motu conduct notice to, among others, the company and directed its registry to register a fresh contempt petition in regard to alleged violation in its order dated 14th December 2018. In this respect, the Honorable Supreme Court has sought an enquiry into, whether the subscription by Northern TK Venture Pte Limited, Singapore, a wholly owned subsidiary of IHH Healthcare Berhad, Malaysia to the shares of the company was undertaken after the status quo order was issued by the Honorable Court on December 14, 2018 and accordingly, if such subscription was in violation of the status quo order and point number two, the consummation of the acquisition of the healthcare asset from RHT Health Trust by the company. As also explained in the said note, the management believe that it has a strong case on merit and as per the current position of the case, the liability, if any, arising out of this contingency cannot be determined at this stage. Accordingly, at present, no adjustment is required in the standalone financial statement.

Point number three, as explained in note number 12 of the standalone financial statement, a Civil Suit claiming 25,344 lakhs was filed by a third party against various entity including the company and certain entities within the group relating to Fortis, SRL and La-Femme brands. Based on the legal advice of the external legal counsel, the Management believe that the claims are without legal basis and are not tenable. Further, as mentioned in note number 26 of the standalone financial statement, the tenure of the brand license agreement entered into by the company has expired and the company has filed an application before the Supreme Court of India seeking permission for change of company's name, brand, and logo. The matter is currently subjudice.

Point number four, we draw attention on note number 20 of the standalone financial statement which describes the economic and social consequence the entity is facing as a result of COVID-



19 which is impacting supply chain demand, personnel available for work and or being able to access to offices or hospitals. Our opinion is not modified in respect of the above matter.

**Key audit Matters:** Key audit matters are those matters that, in our professional judgment, were the most significance in our audit of the standalone financial statement for 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. In addition to the above matters described in the Basis for Qualified Opinion paragraph, we have determined that the following are the key audit matters.

I will be reading one by one the key audit matters along with how the matter has been addressed in the audit. Point number one, legal matter. The Company is involved in several legal proceedings. In some of these cases, the Company has counter claims against the other party. Management judgment is involved in assessing the accounting for claims, and in particular considering the probability of a claim being successful. The risk related to the claim is mainly associated with the adequacy of disclosure, and completeness of the provisions in the standalone financial statements. Accordingly, we have designated this as the key audit matter.

It has been addressed as: Our audit procedures included, on all significant legal cases, assessment of correspondence with the Company's legal counsel, internal/external accompanied by discussions and formal confirmations from that legal counsel. We read the minutes of the board meetings and inspected the Company's legal expenses. We also assessed whether the Company's disclosure in note 11, 12, 26, 27, and 28 of the standalone financial statement detailing significant legal proceeding, adequate disclosure, and the potential liability of the Company. Also refer note number 2(j) of the standalone financial statements for the related accounting policy.

Point number two, impairment of goodwill and investment. Key audit matter: The Company is required to annually test the amount of goodwill for impairment, investment and subsidiaries, associate and joint venture are tested for impairment in case an indicator of potential impairment is identified. There are inherent uncertainties involved in forecasting and discounting future cash flows, which are the basis of the assessment for recoverability. Accordingly, this is one of the key judgment areas in our audit.

How it has been addressed. In this area our audit procedures included testing of the Company's budgeting procedure upon which the forecasts are based; and the principles and integrity of the Company's discounted cash flow model. We used our valuation specialist to assist us in evaluating the assumption and methodology used by the Company. In particular, this includes those relating to the forecast revenue growth, profit margin and discount rate. We compare the Company's assumption to external derived data as well as our own assessment in relation to key inputs such as projected economic growth, cost inflation and discount rates. We also performed sensitivity analysis of the key assumption. We also assessed the adequacy of related disclosures

in note number 5(ii), 5(iv) and 5 (v) of the standalone financial statements and sensitivities of key assumptions. Also refer note 2(e)(ii)(g) of the standalone financial statements for the related accounting policy.

Other information. The Company's management and the Board of Directors are responsible for the other information. The other information comprise the information included in the Company's annual report, but it does not include the financial statement and our auditors' report thereon. Our opinion on the standalone financial statement 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 statement, our responsibility is to address the other information and in doing so, consider whether the information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appear to be materially mislead. If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified Opinion paragraph above, pending the resolution of the matter with RBI for registration as NBFC, we are unable to comment on the impact thereof, if any, on the standalone financial statements for the year ended 31st March 2021. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Management and Board of Director's Responsibility for the standalone financial statement: The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Company's Act with respect to the preparation of standalone financial statements that gives a true and fair view of the state of affairs, profit and loss and other comprehensive income, change in equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specially under section 133 of the Act. This responsibility also include maintenance of adequate accounting record in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparation, 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 relating to going concern and using the going concern basis of accounting unless the Board of Directors either intend 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 Statement: Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole

are free from any 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 it is not a guarantee that an audit conducted in accordance with SA and will also detect a material misstatement when it exists. Misstatement can arise from fraud or error and considered material if, individually or in the aggregate that could reasonably be expected to influence the economic decision of the user taken on the basis of standalone financial statement. As part of an audit in accordance with SA, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also identify and assess the risk of material misstatement of the standalone financial statement, whether due to fraud or error, design and perform audit procedure 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 the fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the overriding of internal control.

Obtain an undertaking of internal control relevant to the audit in order to design the audit procedure that are appropriate in the circumstance. Under Section 143(3)(i) of the Company's Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control with reference to financial statement in place and the operating effectiveness of such control. Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimate and related disclosure in the standalone financial statements made by the management and the Board of Directors.

Conclude on the appropriateness of management of the board of directors, use of the going concerned basis of the accounting and based on the audit evidence obtained, whether a material uncertainty exist related to the event or condition 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 disclosure in the standalone financial statement, 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 and conditions may cause companies to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statement including the disclosure and whether the standalone financial statement represent the underlying transaction and the event in the manner that achieve fair presentation. We communicate that those charges with the governance regarding among the other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in the internal control that we identified 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 statement for the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would be reasonably expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirement: As required by the Companies Audit Report, Order, 2016, the Order issued by the Central Government in terms of section 143 (11) of the Act, we give in the annexure A, a statement on the matter specified in paragraph 3 and 4 of the Order, which is subject to the effect and possible effect of the matter described in the Basis for Qualified Opinion paragraph in our Audit Report.

Point number two, as required by section 143(3) of the Company's Act, we report that we have sought and except for the matter described in the Basis for Qualified Opinion paragraph above, obtained all information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit. Except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by the law has been kept by the company, so far as it appears from the examination of those books.

Point number C, the standalone balance sheet, the standalone profit, and loss account including other comprehensive income, the standalone statement of changes in equity, the standalone statement of cash flow dealt with this report are in agreement with the books of account.

Point number D, except for possible effect for the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statement comply with the accounting standard specified under section 133 of the Company's Act.

Point number E, the matter described in the Basis for Qualified Opinion paragraph and the Matter of Emphasis paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

Point number F, on the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Company's Act.

Point number G, the qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

Point number H, with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and operating effectiveness of such controls, refer to our separate Report in Annexure B.

With reference to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies Audit and Auditors Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us, the Company has disclosed the impact of pending litigation as at March 31, 2021 on its financial position in its standalone financial statements. Refer Note 11, 12, 26, 27 and 28 of the standalone financial statements. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made in this standalone financial statement since they do not pertain to the financial year ended 31st March 2021.

With respect to the matter to be included in the Auditors' Report under section 197(16). In our opinion and according to the information and explanation given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provision 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 any other details under Section 197(16) which are required to be commented upon by us.

For BSR and Company, Chartered Accountant, Rajesh Arora, Partner.

Dear members, your company has provided remote e-voting facility for the agenda item mentioned in the notice of 25th annual general meeting which started from July 27, 2021 at 9 a.m. and ended on July 29, 2021 at 5 p.m. Now, all those members who are participating in the meeting, but have not casted their votes at the time of remote e-voting facility will be provided the facility to vote at the meeting as per the instruction mentioned in 25th annual general meeting notice using NSDL platform.

I will now proceed to the agenda item as mentioned in the notice of the annual general meeting. There are three ordinary business item and 5 special business item. The first item of the agenda is to consider and adopt the audited standalone financial statement of the company together with the report of the board and auditors thereon and the audited consolidated financial statement of the company including the report of auditors thereon for the financial year ended 31st March 2021.

Item number 2. Second item of the agenda is to appoint director in place of Dr. Kelvin Loh who retires by rotation and being eligible offer himself to be appointed as Director. Third item of the agenda is to appoint director in place of Mr. Joe Sim who retires by rotation and being eligible offer himself to be appointed as Director. Fourth item of the agenda is to appoint Mr. Takeshi Saito as a non-Executive Director of the company liable to retire by rotation. Fifth item of the agenda is to appoint Mr. Joerg Ayrle as a Non-Executive Director of the company liable to retire by rotation. Sixth item of the agenda is to rectify the remuneration paid to Jintender Navneeth and Company cost auditor for conducting the audit of the cost audit record of the company for the financial year ended March 31, 2020.

Seventh item of the agenda is to consider reappointment of Dr. Ashutosh Raghuvanshi as Managing Director, designated as Managing Director and Chief Executive Officer for another period of three years with effect from March 19, 2022 and the last item of the agenda is to approve the payment of remuneration to all independent directors of the company for a period of 3 years with effect from April 1, 2021. The details relating to the special business from item number 4 to item number 8 are provided in the explanatory statement and clause with a notice convening annual general meeting.

Your board of directors recommend all business item forming part of the notice for approval of the shareholder. Dear member, this year being virtual annual general meeting, there are three ways in which the members can ask question on the agenda item mentioned in the notice of the annual general meeting. First way, a member could have pre-registered himself as a speaker shareholder, second way, a member might have submitted their question through email, third way, a member may post question through question box option and such question by the member shall be taken during the meeting or shall be replied suitably after the meeting by the company. Now, we will take up the question from the shareholders. Over to Chorus Team.

**Moderator:**

Thank you very much sir. Now, I invite speaker shareholders who have registered themselves with the company as such in advance to ask questions. We have Mr. Ajay Kumar Jain as the first speaker shareholder. Please go ahead.

**Ajay Kumar Jain:**

I am Ajay Kumar Jain. I am a shareholder of your company, speaking from Delhi. Today I am feeling great participating in the silver jubilee AGM of our company. Chairman's speech was very good giving all the details and request you to send it through email. Usually all companies work for profit, but our company has worked for the benefit of our country, and the service they are providing and supporting our Prime Ministers program in getting help to all, our company has helped in delivering support to needy. Your leadership and staff of your company have worked hard in treating people. I don't have any questions. The value of our share is also good. For Gurgaon governance, sir, your audit report, and everything is very clear. One suggestion is, please provide some priority for shareholders for treatment in your hospital. That will be a great feeling for shareholder that our small shareholders are taken care of by the company. Company's future is in the management hands. The board is so strong, the directors are so strong that the

future of the company is very good. Your direction, vision and CFO Geol sir's caliber will help the company to reach new heights. And sir, one thing I want to tell you, in this new medium because system has changed for AGM, for that there is a great contribution of Sumit sir. The combination of him and the moderator, their combination is very good. They have taken the demon and made us understand and asked if we are facing any problems today morning itself. You have given a good example of good governance. I am sure the investors will be favored. With that, keep supporting the country and make our company strong.

**Moderator:** Thank you. We have Mr. M. P. Bhutania as the next speaker shareholder. Please proceed.

**M. P. Bhutania:** First I would like to thank Sumit Goelji, Chorus team, whom I believe is top coordinator of India. Recently I have seen three meeting, of Oberoi Hotels too, there no voice of Chairman, nor was anyone able to listen. So there were two on the different platform there were so many problem were coming. But what I have seen, you have delivered Chairman speech very well. You have covered so many points in that. The happy thing for shareholder is not that their money should go to government execution of fund. The CS team is doing a great job. And our management has faced many challenges to drive the company in right direction. I have couple of question. You have covered many, but investors mind will have 2-3 things which is the main motive will be investment, that is keeping in mind quality, capital improvement, what steps would we take. To strengthen the company, you have tried a lot, we are very proud of you and expecting a lot from you. Please let us know what are the future programs. Also, the valuation roadmap, you have illustrated well. We want to know the plan for 5 years and where do you see the company in 3 years. Recently few companies has partnership for the purpose of generating the fund and I want to know is there any plan of the company to bring the NCD or any other form from the public to generate the cash fund to meet the working capital and sir, is there any plan for bringing the right issue or any other more to raise the fund? Last sir, after going the through the recent journey of the company, yes, we are happy, but we are not contented at all because we feel our management has much more potential than what it has delivered yet. I know there is some challenges, even then we feel and believe that the company management is far younger in its thinking, linear in its working and stronger in its commitment and more responsible sir. Sir, I would appreciate if you could briefly reply and I wish the company all the best for the future and hope to see a healthy growth in **(Inaudible) 54:41** and size of the company. Thank you, Chairman sir. Thank you, board of directors. Thank you, coordinator. Thank you very much. Namaskar, sir.

**Moderator:** Thank you. We have the next speaker shareholder, Mr. Manoj Kumar Gupta. Please go ahead.

**Manoj Kumar Gupta:** Good afternoon, respected Chairman, board of directors, fellow shareholders. My name is Manoj Gupta, I am from Calcutta. I have joined this meeting from Calcutta, sir. First of all, I thank to the Chairman that he had given good results and I thank the secretarial department who helped us join this meeting through VC. So, I am shareholder from IPS and I have attended one or two AGM long back during Mr. Singh family were in the board, then I have joined this meeting.

Investors will get returned on their investment. Just you see the Apollo Nayana Hospital, their prices, and our prices. Due to some cases and litigations, we are suffering, employees are suffering, how the small investors will get return on their investment in Fortis. How they will get back reward. On the 25th year of the silver jubilee year, how you will reward to the employees and investors. Sir, just see Fortis, Fortis has also spread their wings and now Fortis is serving more than 100 hospitals, so what is your plan sir for reward to the investors and employees, sir and how much your new projects are coming in the time. And sir, why are you not giving the discount coupon like as Apollo to the investors. That investors can take benefits in testing MRI, CT scan, blood test and pathology test, so Apollo Indraprastha Apollo and their main Apollo Group stands at discount coupon booklet to the investor to get medicine discount of 10% and 25% on radiology and 20% on in-house persons. So kindly consider that regard, so reward the investors, sir, and sir, what is your plan for tier2 and tier 3 cities? Apollo has reached in Ranchi, Birajpur, Raipur, in every cities. So, India it is spreading, India's map it is spreading. So why are you not spreading your wings, sir in the country. In the Eastern part and North East is growing and there is a lack of lacuna in the medical services in the North East, Tripura, Assam, Manipur, Meghalaya, so you should consider to spread your wings in the North East and the Southern zone of the country. Apollo is the master in the Southern zone, so you should consider for that and several litigations are going in the various split forms in the honorable Supreme Court, so what is your view on those litigations, how you will resolve those litigations, due to litigations, everyone is suffering and SEBI investigation is going on and your auditor has given several remarks in it. First time, in last 6 years, I have found such balance sheet that auditor has given such type of remark that auditor has to read the report for 20 minutes, so how you will resolve that issue that first type of remark should not be in the balance sheet in future? When that such type of remark, Fortis is not Indian company, but everyone like the Fortis, so such type of remark should not be there by the auditor. Try to take a positive step to avoid such type of remark in the auditor report by auditor and sir, what is your view for the middle-class, low-income class treatment in your hospitals. Middle class could not effort and lower income class cannot go in your hospital, so what is your view that will you offer some beds for lower income people and Ayushman Bharat is spreading wings and how you will face that Ayushman Bharat is compulsory to accept that Ayushman Bharat scheme in the hospital, so are you accepting that Ayushman Bharat. In Bengal Swasthya Sathi Scheme that Bengal government has launched the Swasthya Sathi and that is compulsory by the government of West Bengal to accept that card. If they refuse, the government will take hard actions against the hospital. And sir, I will suggest you one thing, you being a shareholder of several PSU companies and whenever I ask the Chairman about the CSR, they inform that we have already tied up with the Apollo Hospital to serve our employee and near to our plants. So why are you not setting up your Fortis Hospital in the PSU land, public sector unit like Coal India, GAIL, Indian Oil, Bharat Petroleum, Steel Authority of India and to set up your own hospital and ask them that we will treat your employees and their family members and nearby their plants local people. So that you are wings will be spread, people will get benefit under one good class hospital in the country. Thank sir, and I believe that you will spread the wings in coming time, but I am not satisfied with the first shareholder Jain that you have served the country without profit. I know that my two relatives



were admitted in your hospital in Calcutta. He was charged high than commission has asked you to return 1,67,000 and 2,17,000. So, such kind of case should not be there. That people should move the commission to get back money from your hospital. Thank you, sir.

**Moderator:** Thank you. We have Bhupender Singh as next speaker shareholder. Please go ahead.

**Bhupender Singh:** I am Bhupender Singh from Delhi. I am a shareholder of your company from starting when the management was Singh Brothers. The work done by hospital and staffs done during COVID time the whole country is thankful to you. I wish you continue the same. Your secretarial department which deals with shareholders directly is not so much active as much as your staffs are in hospital. One shareholder has just now told you that there is no share in your investor fund because you have not even given the dividend, so how will your share be bought. There is no contribution of secretarial department in this. This should act as a bridge to know the details of the company. Your company secretary never communicates with us. Now the lockdown is over and postal department is working for last 6 months, but your secretarial department has not even sent an annual report to us, so that we can read. Now, one thing is, your report is so long that no shareholder will be interested to read, nor you can read it, because if it had come in print size, then sometimes shareholders look at the report. Now, the report itself has not come, what is there to ask you? One more thing, I want to bring to your notice. The former Singh brothers, there earlier meetings, there they interact with shareholders quite well. That is why I have attended all the AGMs till now. Even in Chandigarh I have went there. I have told about the arrangements there two years back to the directors, in spite of that the company secretary has not taken any initiative. Your company secretary sits in corporate office whereas shareholders do not have address of the corporate office. Your registered office is in Delhi. There in Delhi, we cannot find any staffs there. Nobody know if the registered office is there or not. So how are we supposed to get in touch. So, my request is, you sent print copy to all and give the number of company secretary. We are retired people and we invest in share companies so as to get some return, so that your company's valuation increase. Now, look at stock exchange, what is the price of Apollo Hospital, whereas our share is stuck in Rs. 150-Rs. 200.

**Moderator:** Mr. Bhupender Singh, sir sorry to interrupt. Due to paucity of time, we will have to move to the next speaker shareholder. We have Mr. Chetan Cheddah as our next speaker shareholder. Please proceed.

**Chetan Cheddah:** Sir, I am really thankful to the management for giving me the opportunity on this quarter. I am really thankful to the management. Sir, I would like to thank the management for giving me opportunity to login to this portal to join with them. Sir, I would like to thank the management also this year is our 25 years anniversary, which is celebrated as silver jubilee which I am able to join in this portal. Sir, I have attended many AGMs in Delhi. But then our Chairman was M.M. Singh, you have joined after him. Sir, I would like to congratulate the management for this, and also for giving me dividend for last three years consecutively which has helped the shareholders to spent during this pandemic time. The salary distribution which you have done in

2018 it was indeed commendable and in 2019 the salary distribution of Directors, it was also commendable. And in this 2020-2021 we have done a great work. Our MD sir has taken 8.40 crores as salary...

**Moderator:** We move to the next speaker shareholder Mr. Manjit Singh. Please go ahead.

**Manjit Singh:** Sir, I am Manjit Singh, shareholder from Delhi, First of all, good afternoon to you and all your staff which would be sitting on the dais wherever he would be sitting. Sir, I would like to say that the loss of company that happened because of COVID, the work is carrying on at a very low pace and all have worked hard in your hospital, also the doctors. You please keep shareholders in mind and try what can be done. Rest, you could have avoided some fees at this time. You should not run behind money at this time. Two years before when we came to Chandigarh, CS never used to meet us, the person other than CS was the person whom used to meet us all. What we want is whenever there is a physical meeting next time, we would like to meet you because secretarial department doesn't do any. We have our business with you.

**Moderator:** Thank you. We have Mr. Bharat Raj as our next speaker shareholder. Please go ahead.

**Bharat Raj:** Mr. Chairman and the entire Board of Directors, I am happy to see you all fine and healthy for this silver jubilee 40<sup>th</sup> annual general meeting. I thank our Chairman, Chairman speech wonderful, sir. And in this occasion the wonderful working, entire doctors, and entire hospital team for working hard for a COVID and for our country I am very proud of you, sir. Fortis is doing wonderful, sir. There are few questions and I want to share with you, sir. Sir, our company is present in all over India but it is not present in Kerala, Andhra, Telangana, Gujarat, Madhya Pradesh, and Jammu and North Eastern states. Any plans to set up a unit or you want to take over some hospitals because in Andhra Pradesh and Telangana lot of hospitals when taken over by some of the foreign institutions, so any plans our foreign institutions to enter into Andhra, Telangana, a very good huge market is there. My name is Bharat, I am calling from Hyderabad. Because I am seeing lot of hospitals are taken over by foreign institutions. Regarding our dividend, sir, due to this pandemic, I accept that there is no dividend payout. At least we expect the same dividend for the next financial year, sir. In page #389, there is a legal expense, sir. Every year your expenditure for legal is 85 crores last year. This year 75 crores. May I know why that much amount you are paying? How many cases are there? Every year your advocate is charging so many crores of rupees? I want the breakup of this legal expenses. And regarding Apollo hospitals we will provide the discount coupons. I request our management to look into the SRL discount coupons and for Fortis Hospital discount coupons also. This will give our customer come into our hospital, sir. They will make walk-in to our hospital and we will see the revenue from the discount coupon. That is very good. Because Apollo Hospital, Mr. Reddy has started the discount coupon. Due to that their revenue has increased in the hospital. So, the patients will walk-in through this discount. So, it is useful for you. And one more thing, I want to share Mr. Sumit, you are most senior company secretary. They are paying Rs. 50 lakhs. Today, you have wasted 45 minutes. Who told you read that entire audit report? You can read first

paragraph and last paragraph. This is not right way. Now company secretary will behave like this. It is a first time, I am very sorry, Mr. Sumit you are senior most. This isn't the right way of handling. You read first page and last paragraph. That is over. Already our Chairman sir has given a very good speech. Who told you to read all the amendments, every paragraph? Sorry, Mr. Sumit, we respect you and we wish you sir you should grow. See, that next time it should not happen and the entire board of directors and foreign institutions, thank you for your presence in India, I wish all the best from coming years. Proud of you, sir. God bless you. Thank you.

**Moderator:**

Thank you. We have Mr. Abhishek Kalra as our next speaker shareholder. Please go ahead.

**Abhishek Kalra:**

Sir, we are long term shareholders of your company and we would like to know what is the real impact of COVID-19 and where you see the light in the end of the tunnel and what is the road **(Inaudible) 1:16:25**. So one of the cost cutting initiatives done by the management and any salary cut was there taken by the management in the coming time and what is the view of the management going forward **(Inaudible) 1:16:32** profit and growth to remain challenging in the company. I would request the management to kindly arrange the concall, quarterly presentation maybe global investors on a regular basis and what are the management efforts to reduce the other expenses **(Inaudible) 1:16:46** Chennai, so I would request **(Inaudible) 1:16:54** kindly enroll **1:16:57 (Inaudible)** and we will be glad to extend our **1:17:00 (Inaudible)** and what is the policy related to dividend in our company, sir, most of the **1:17:04 (Inaudible)** different on that. Regarding the comments you given in the **1:17:14 (Inaudible)** in our company **1:17:18 (Inaudible)** and we ensure that **1:17:22 (Inaudible)** should not be there, in the balance sheet, in the upcoming years and we are not able to **1:17:29 (Inaudible)** general body meeting sir, because in the annual report also **1:17:34 (Inaudible)** and even the forex team **1:17:35 (Inaudible)** they also not mentioned which year all the general body meeting are we conducting today and in fact this **1:17:42 (Inaudible)** due to some technical issue yesterday also **1:17:58 (Inaudible)** meeting was conducted yesterday. **1:18:01 (Inaudible)** in that particular moment. I think we have ensured this and regarding the discount coupon **1:18:08 (Inaudible)** and I would request the management to kindly take a call and do the needful and my sincere request the property in which the Chairman **1:18:20 (Inaudible)** property and fantastic location **1:18:26 (Inaudible)** and I would request the management to kindly **1:18:31 (Inaudible)** in the month of May when shareholders have contacted, **1:18:37 (Inaudible)** very **(Inaudible)** there are no **1:18:44 (Inaudible)** details, but tomorrow **1:18:47 (Inaudible)** kindly update us we are the shareholders but they are not given any importance to the investor community. So I **1:18:56 (Inaudible)** to kindly, at such point of time when pandemic situation is in a very big time and people are suffering because of that so many people have died that time **1:19:07 (Inaudible)** privilege to the shareholder of the company by providing the best-to-best shareholders of the company **1:19:15 (Inaudible)** being affected by COVID. So at that time, **1:19:18 (Inaudible)** I hope that **1:19:19 (Inaudible)** and it will not **1:19:21 (Inaudible)** as the second wave has done and **1:19:24 (Inaudible)** I would request our hospital doctor healthcare to **1:19:35 (Inaudible)** thank you very much, sir. I wish the company and the board of directors a great success and prosperity in the coming future. Thank you.

**Moderator:** That was the last question. I thank all speaker shareholders for their participation and raising their queries. I would now bring them up to the management. Over to you all.

**Sumit Goel:** Thank you all speaker shareholder for participation. Raising your queries and for your views. We also received some queries over the email. Some of the queries are repetitive. We would try to answer all the questions. If the queries of any shareholder remain unanswered, please drop us an email at [secretarial@fortishealthcare.com](mailto:secretarial@fortishealthcare.com). We will reply to you separately. Over to Ashuthosh.

**Ashutosh Raghuvanshi:** Thank you, Sumit. There were several questions. I have tried to group them and would like to best of my ability address most of the points which have been raised. One question was regarding the status of the Supreme Court matter. I am pleased to inform you that all the hearings in the Supreme Court with respect to the suo moto contempt notice have been concluded in May of 2021. We witnessed frequent hearings by the honorable Supreme Court which started in February-March of 2021 and concluded in May whereas all the lawyers of Daiichi Bank, FHL and IHH lawyers called. Court has reserved its order and we expect the court to announce the judgment anytime soon. There were several questions and comments about the COVID pandemic. First of all, I would like to express my gratitude towards all the kind words which have been expressed by shareholders. We spared no effort in ensuring the availability of bed and medical resources during the pandemic and we calibrated the need as the rise in COVID cases happened during the last one year. Our clinicians and healthcare worker continue to be there. There were several other suggestions about how we can assist shareholders in case they require services for such a care. We would certainly consider that suggestion and see the most optimal way to handle it. There were several questions about growth strategy regarding tier 2-tier 3 cities etc. as well as different regions. I would like to cover that little bit. As your company entered into this, in financial year 21-22, our focus would be building back topline and by undertaking several revenue growth initiatives including building country marketing, enhancing engagement with corporate clients, further strengthening our community connect in the neighborhood areas and optimally leveraging our digital marketing and expand to larger markets. At the same time, looking at regaining of the international business which was impacted in a big way during the pandemic. At the same time, as I have said earlier, on the bed expansion program, we remain on track for 83:37 (Inaudible) years. We have launched a 250-bed state-of-art hospital in Chennai. So that increases our presence in South India. Our second hospital in that city and it provides quite a few specialized care. It has already got recognition as a center for transplant of lung, heart, Kidney etc. We launched new facilities in our Bangalore BG Road hospital as well and FMRI Hospital and Mulund Hospital in Mumbai in the field of cancer care. As far as the further role out other than the 1300 beds over the next 3-4 years I mentioned, we would look at other opportunities as we have the resolution of the current legal issues.

There were many questions and comments regarding the cost structure and cost rationalization. I must share with you that there were very focused cost transformation programs which started in 2019 itself and which gained further significance during the pandemic. We took organization

wise cost optimization programs to reduce fixed cost with initiatives comprising of voluntary salary reduction by senior management and senior clinicians, headcount rationalization, optimization of outsourcing contracts, reduction in sales and marketing spends and procurement cost optimization in supply chain and IT. It is also pertinent to highlight that while majority of these costs initiatives which were temporary in nature have been reinstated, business functions that such as those related to supply chain procurement, in-house and outsource services, legal and G&A would continue to be evaluated for further optimization. /There were several comments about the legal costs as you are aware that there are many legal cases which are currently on and they are coming to a conclusion. So certain in the legal fee is likely to go down as those cases come to a conclusion. There were few other comments about balance sheet and how we are looking at those areas. I would request our CFO, Mr. Goel to take that then I will have few more comments to make.

**Sumit Goel:**

So, on balances side company has improved a lot and the gearing ratio of the company has improved further in the last financial year. So our debt EBITDA has come down drastically and plus you know the one put option liability was there in respect of which Fortis has provided to the SRL PE investor and that had been extended by 3 years and that liability has now moved from the current liabilities to the long-term liabilities. So that has further strengthened the balance sheet. So, the company has sufficient room for expansion and growth looking at the current balance sheet structure. Thank you.

**Ashutosh Raghuvanshi:**

Just, we have noted several other suggestions which have been made regarding how we can engage better and more with the shareholders. We have taken all those on board and we will deliberate on them and see the most optimal way to keeping on engaging with all of you and continue to get the support we have got so far. Thank you so much. As far as the dividend policy is concerned, we will do that at an appropriate time. Company currently as you know in a growth phase and we expect that we would be accelerating the growth pace as the legal issues get sorted out. So however, at the appropriate time, company would design a proper policy which will share with all our shareholders. If there are any further questions or comments which are unanswered, please do not hesitate to write to us and we would like to answer them to the best of our ability.

**Sumit Goel:**

Thank you, sir. Thank you, Mr. Goel. Now, we will read some of the statutory item as required in the company's act. As per Secretarial Standard 2 issued by Institute of Company Secretaries of India, call out by the Secretarial Auditors in the report needs to be read out in the annual general meeting. I am just feeding the relevant portion of the report, as highlighted by one of the shareholders. During the audit period the company has complied with the provision of the Act rules and regulation and guidelines to the extent applicable as mentioned that. Expect that as per regulation 24 (1) of SEBI LODR 2015 at least one independent director of the board of the directors of the unlisted material subsidiary. However, the company appointed independent on the board of directors of 2 unlisted subsidiary company in the month of September. For Fortis hospital it was September 17 and Fortis International hospital it was September 27. The company

received a one-time dividend from Fortis Healthcare International Limited. Accordingly, the income from the financial asset of the company was more than 50% of the gross income for the year then ended. Further in view of the investment in the subsidiary and the financing provided to them, the financial assets as at the date are also more than 50% of the total assets. Consequently, the company technically meet the principal businesses criteria for qualification as non-banking financial company as per the press release by Reserve Bank of India vide 1998-1999/1239 dated April 1999 as at April 1, 2020, and it may be required to obtain a certificate of registration as NBFC. As per the company, such dividend is non-recurring in nature and does not represent income from ordinary activities of the company and the company does not intend to carry on the business as NBFC. Accordingly, the company vide date November 8, 2019, has made a representation to RBI that keeping in view the objective behind the principal businesses criteria, its registration as NBFC should not be required. Further the company has written another letter to RBI with the request to confirm that no such registration as NBFC is required. Till date no response has been received from the RBI on either of the letters of the company. Since the point is self-explanatory, that does not call for any further comments from Board of Directors. Dear, members, the Company has appointed Mr. Ramit Rastogi, Company Secretary, Wholetime Practice as a Scrutinizer to scrutinize e-voting at the annual general meeting, remote e-voting facility in a fair and transparent manner. The reserves of the meeting will be announced within 48 hours of the meeting and we will be posted on the website of the company and on the website of stock exchanges, that is Bombay Stock Exchange and National Stock Exchange and on the website of NSDL, the e-voting agency. Now, I request all shareholders who are attending this AGM and you have not casted their vote through remote e-voting to exercise their vote on NSDL e-voting platform using the same login credentials as are being used by the shareholders for attending this live Annual General Meeting. The e-voting window has opened for a period of 30 minutes and after which the voting window shall be closed and proceedings of the meetings shall be deemed to be concluded.

Thank you all for attending this meeting.