



# “Fortis Malar Hospitals Limited 29<sup>th</sup> Annual General Meeting”

**August 27, 2020**



**MANAGEMENT: MR. DALJIT SINGH – CHAIRMAN, FORTIS MALAR HOSPITALS LIMITED**  
**MR. C.K. NAGESHWARAN – WHOLE-TIME DIRECTOR, FORTIS MALAR HOSPITALS LIMITED**  
**DR. NITHYA RAMAMURTHY – NON-EXECUTIVE DIRECTOR, FORTIS MALAR HOSPITALS LIMITED**  
**MR. RAMESH LAKSHMAN ADIGE – NON-EXECUTIVE INDEPENDENT DIRECTOR, FORTIS MALAR HOSPITALS LIMITED**  
**MR. RAVI RAJAGOPAL – NON-EXECUTIVE INDEPENDENT DIRECTOR, FORTIS MALAR HOSPITALS LIMITED**  
**MR. YOGENDRA KUMAR KABRA – CHIEF FINANCIAL OFFICER, FORTIS MALAR HOSPITALS LIMITED**  
**MR. MAYANK JAIN – COMPANY SECRETARY, FORTIS MALAR HOSPITALS LIMITED**

**Moderator:** Good afternoon. Welcome to the 29<sup>th</sup> Annual General Meeting (AGM) of Fortis Malar Hospitals Limited, being conducted through video conferencing. For smooth conduct of the meeting, members will be on the mute mode. For members who have pre-registered themselves to speak at the AGM, the audio-video will be open when the Chairman requests at the time to speak. Please note that the proceedings of the AGM will be recorded and will be available on the company's website. I would request Mr. Daljit Singh, Chairman of the Company to take over and start the proceedings of the meeting. Over to you, Chairman sir.

**Daljit Singh:** Thank you. Dear members, good afternoon. I, Daljit Singh, Chairman of Fortis Malar Hospitals Limited, welcomes all the members present to the 29<sup>th</sup> Annual General Meeting of the Company. This AGM is being held through video conferencing in compliance with various circulars issued by the Ministry of Corporate Affairs and SEBI in this regard. Dear members, all directors of the company are present, except Mr. Murari Pejawar, who is not able to attend the meeting due to unforeseen commitments.

Let me introduce the Board members and Key Management Personnel present on the screen. Mr. C.K. Nageshwaran, Whole-time Director and member of Stakeholder Relationship Committee. He is participating from Chennai.

Dr. Nithya Ramamurthy, Non-executive Director, member of Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholder Relationship Committee. She is participating from Chennai.

Mr. Ramesh Lakshman Adige, Non-executive Independent Director. He is the Chairman of the Audit and Risk Management Committee, Nomination and Remuneration Committee, and Stakeholder Relationship Committee, and also a member of Corporate Social Responsibility Committee of the company. He is participating from Delhi.

Mr. Ravi Rajagopal, Non-executive Independent Director, is a member of Audit and Risk Management Committee. He is participating from London.

Mr. Yogendra Kumar Kabra, Chief Financial Officer. He is participating from Mumbai.

Mr. Mayank Jain, Company Secretary. He is participating from Gurugram.

The Company Secretary has informed me that the requisite quorum as required under law is present. And therefore, I hereby call the meeting to order. I formally acknowledge the participation of authorized representatives of the Statutory Auditor and Secretarial Auditor. Members may kindly note that all the statutory registers maintained under Companies Act and required to be placed at the AGM are available for inspection during the meeting on the NSDL website, under the tab, AGM Documents. The Board report, as well as notice of the AGM has already been sent to shareholders.

I will now talk about the performance of the Company for the year 2019-2020, and briefly cover financial and business performance, etc. It gives me great pleasure to present the results of your Company for the year ended March 31, 2020.

Founded in 1989, Fortis Malar Hospitals, earlier known as Malar Hospitals, became a part of the Fortis family in early 2008. Fortis Malar Chennai is today recognized as a world-class institution in the healthcare space. Thanks to the painstaking efforts of a wonderful team, comprising of dedicated doctors, nurses, paramedics, support staff, and hospital administrators. Every day, these highly committed people give their best, ensuring excellent clinical outcomes and delivering compassionate patient care. At the very outset, I wish to thank all staff members of Fortis Malar for their contribution towards building this remarkable institution.

During the year under consideration, Fortis Malar rolled out a comprehensive Senior's First program, targeted at the city's growing population of elders. The program was well received and led to a 45% growth in business from senior citizens. A special delivery package was also introduced for would be mothers, which led to a 6% growth in the number of deliveries and 9% growth in value terms. Other highlights during the year were the addition of many senior consultants in major specialties such as orthopedics, neurosciences, cardiology, and cardiothoracic and vascular surgery. The new consultants have already performed some outstanding cases, which have been featured in the local media.

Our team of doctors garnered several clinical successes during the year. A team led by Dr. Nandkumara Sundaram, Senior Consultant Orthopedics Surgeon, performed Chennai's first all autologous cartilage transplant, AACT, on a 72 year old woman with articular cartilage defect of the knee. And the minimally invasive proximal femoral nail, PFN procedure on a 93 year old, who walked on the same day, merely six hours after the procedure. A team of senior CTVS consultants, led by Dr. Madhu Shankar and Dr. Anto Sahayaraj performed a technically challenging, minimally invasive cardiac surgical procedure on a 35 year old woman under Tamil Nadu Chief Minister's Comprehensive Health Insurance scheme. This was extremely creditable and reflective of the high-end multi-specialty expertise available at the hospital. Other specialties at your hospital, such as neurology, obstetrics and gynecology, orthopedics and gastroenterology, to name a few, also delivered very encouraging results.

The year under consideration was an extremely challenging one for your company. The business was adversely impacted by non-availability of organs for international patients since Q3 of the previous year. This trend continued in the first two quarters of this financial year. Additionally, your hospital also witnessed the exit of a few senior clinicians. This coupled with the discontinuation of the heart and lung transplants program from November 2019, has severely impacted both top-line as well as bottom-line of the company. During the year, your company achieved consolidated annual revenues of Rs. 123.06 crores as against Rs. 154.70 crores in the previous corresponding financial year. The loss before tax was Rs. 11.93 crores compared to a

profit of Rs. 2.79 crores in the previous financial year. Loss for the year was Rs. 8.89 crores compared to a profit of Rs. 2.06 crores in the previous financial year. The average revenue per occupied bed, ARPOB, stood at Rs. 171 lakhs in financial year 2020 as against Rs. 169 lakhs in the financial year 2019. The average length of stay, ALoS was 4.02 days in financial year 2020 compared to 4.25 days in financial year 2019.

In the last two weeks of the year, the hospital saw a significant drop in patient footfalls and occupancy, owing to the lockdown declared by the government, owing to the COVID-19 and pandemic. Your hospital put up a brave performance in spite of very challenging circumstances. Nevertheless, our unflinching commitment towards all our patients, and the society at large remains as strong as ever. As a responsible corporate citizen, Fortis Malar contributed to the society by undertaking several Corporate Social Responsibility activities. These included cleanliness and hygiene maintenance activities, offering basic life support training to citizens, and conducting health camps. With the spread of COVID-19 pandemic towards the end of the financial year, your hospital made a CSR fund contribution to the Prime Minister's National Relief Fund, PMNRF Fund, towards supporting the government's efforts to mitigate the spread and impact of the infection.

Before I conclude, I would like to thank all our shareholders and other stakeholders for their continued support through the year. I am sure that with your guidance, we will continue to serve our patients with renewed vigor and zeal in the years to come. Thank you.

Dear members, management of the company has made necessary arrangements for conducting 29<sup>th</sup> Annual General Meeting through video conferencing and for voting by the shareholders on the items being considered in this meeting through a e-voting platform, and all efforts feasible under the present circumstances have been made by the company in this regard. Notice of 2019 AGM dated July 31, 2020, along with Board's report and audited financials were duly sent through emails on August 5, 2020. And public notices were published in the newspapers as per MCA and SEBI circular. There are no qualifications, observations or adverse remarks in the reports of Statutory Auditors and Secretarial Auditors. Therefore, in view of the same, we consider Auditor's Report taken as read.

Dear members, your company has provided remote e-voting facility for agenda items mentioned in the notice of 29<sup>th</sup> AGM which started from August 24, 2020 at 9 AM till end of August 26, 2020 at 5PM. Now, for all those members who are participating in the meeting but have not cast their vote at the time of remotely with e-voting facility, e-voting facility is also available at the meeting. As per the instructions mentioned in the 29<sup>th</sup> AGM notice through NSDL platform.

I will now proceed to agenda items as mentioned in the notice of the AGM. There are two ordinary business items and one special business item.

First item of the agenda is to consider and adopt the audited standalone financial statements of the company together with the report of Board and Auditors thereon, and the audited consolidated financial statements of the company, including report of auditors thereon for the financial year ended on March 31, 2020.

Being interested in the next agenda item, I would request Mr. Ramesh Adige to take up item no. 2 of the notice. Mr. Adige, sir.

**Ramesh Lakshman Adige:** Thank you very much, Mr. Singh. The second item of the agenda is to appoint a Director in place of Mr. Daljit Singh (**DIN: 00135414**), who retires by rotation and being eligible, seeks re-appointment. Back to you Mr. Daljit.

**Daljit Singh:** Thank you, Mr. Adige. Third item of the notice is a special business. Item no. 3 relates to ratification and confirmation of remuneration of cost auditor to be passed as an ordinary resolution. Further details related to the special business item is provided in the explanatory statement enclosed with the notice convening AGM. The Board recommends all business items forming part of the notice for approval of the shareholders.

Dear members, this year being virtual AGM, there are three ways in which members can ask their questions on the agenda items mentioned in the notice of the AGM. First way, a member could have pre-registered himself as a speaker shareholder latest by August 23, 2020, through an email or to Secretarial Malar at malarhospitalsinc.in. Second way is that a member may submit their question latest by August 23, 2020, through email on the same ID. The third way, a member may pose a question through question box option, and such questions by the members shall be taken up during the meeting or shall be replied suitably after the meeting by the company.

Now, we will take up questions from the shareholders.

**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. Due to the time constraints, I request each speaker shareholder to wrap-up the queries within two minutes. I would also request each of the speaker shareholders to switch-off their mobile phones in order to avoid any background noise and unmute themselves before starting the session.

We have Mr. Anuj Jain, our first speaker shareholder. I would request Mr. Anuj Jain to please unmute himself and ask his question. As there is no response, we will go on to the next question from Mr. Manoj Bagadia who will ask the question over audio. Mr. Bagadia?

**Manoj Bagadia:** Thank you for the opportunity to ask questions. First of all, that what happened in past two years where our performance has deteriorated and we have gone into significant losses? One of the

reasons you mentioned is loss of some of the doctors from the hospital, and what corrective steps we have taken to turn around the performance?

Secondly, we were well known for the heart transplant as well as kidney transplant, and we had done significant number of them. Have we totally closed down now since one of the star doctor left or we are doing it with some other doctors?

Third thing is, what is more important actually for this hospital, is it Fortis Malar brand is strong or the star or specialist doctors' image is strong to get the business in past? And whatever is the case, is there any plan to derisk the business from whatever has happened in past few years?

Fourth question is, how do you see the impact of COVID? And when do you see the normalization of the business happening for us? And what are the cash losses per month as of now, on a monthly basis?

Also, what is the monthly breakeven revenue where we can break even on a sustainable basis? Is it like Rs. 10 crores, Rs. 12 crores kind of thing? And when do we plan to achieve that? Also, what is the average occupancy in every month, May, June, July, August? And when do you see reaching 100% in the coming months?

What are the major cost initiatives we have done in terms of employees and other overheads cost? And how much is short-term and how much is long-term sustainable, which is permanent in nature? Because in most of the companies people have done short-term, and when the business comes back, a lot of cost will come back, so if you can give that detail. What percentage of the revenue we get from the medical tourism, in past three, four years back and as of last year?

Also, the corporate structure is very, very odd. I mean, land and building is owned by the parent, Fortis Malar is only doing the operation and generating revenue, and also the surplus cash was given to parent company. I mean, this kind of structure I have never come across anywhere. So when do you see the structure breaking and merging it along with the Fortis parent company? Because it doesn't make sense to keep this separate and having this kind of a structure.

And what is the status of open offer and what would be the interest component along with the principal amount as and when it happens? Thank you, sir.

**Moderator:** Thank you. We have the next question from the line of Mr. Chetan Chheda. Sir kindly unmute your audio video to ask your question.

**Chetan Chheda:** Sir, first of all, I want to congratulate you in the AGM which I was able to attend. Sir, this is my first AGM. Sir, like our company's registered office has shifted from here to Chennai, it's only because of this virtual AGM that I am being able to attend the AGM from Delhi. Sir, usually you hold your AGM in the last week of September which makes it tough for us to come there, and it is even harder to communicate with the management.

Sir, the first question that I have is, the last three months that we have spent amidst the pandemic, we are being in a medical line would have definitely got the benefit from this pandemic. How it would impact our profitability?

And sir, it's been years since the shareholders haven't got any appreciation, so what does the management think about this? This is such a good management, after the changes that have been done in the management and the board, so what have you thought regarding the dividend or share appreciation, because shareholders are not getting any of these since last four, five years. Whereas, your basic salaries are increasing year-on-year since last seven years, but shareholders have not got any return on their investments. If we had invested even in a bank we might have got a better return from there.

Secondly, I would like to talk about the e-voting system. Now, you have not given any dividend since many years, but the people who your shares and who register themselves with you for **password**, we do not get any help regarding it from your Secretarial Department. Sir, I am really not okay with this rude behavior of your Secretarial department.

Another thing is, the way this AGM is being conducted, though we had received an email from you about 21 days before, but neither we have got any reminder mail, nor does any normal shareholders knows that this meeting is being held from such and such portal. This meeting is being held through Chorus Call, in my experience, generally their services are very good. And the ones who have the link, many of us shareholders are not able to login into the link because we do not have any details about the login. I have many friends from Delhi who wanted to join the meeting, but they were not able to join it. As the weather is a bit rainy here, so there might be issues with internet speeds , Company may claim to have good system but ground reality is different.

Another thing I want to tell is, last year the AGM was conducted in September and this year's AGM is being done at August end. Although SEBI had given a three months' extension if companies want to hold meetings physically. So, I just want to request is going forward I request to hold the AGM to be conducted in physical manner, because we are also eager to meet with you, talk to you, discuss the queries and share our thoughts with you. And would request you to give the awareness to the Company Secretary also that if a shareholder is requesting them for any treatment on behalf of other familiar shareholder, he should consider this request as all shareholders cannot have individual e-mail ID and should provide the information to other familiar shareholder too, you should be aware about this. Because I had given a request to the NSDL, I got the reply from NSDL but I just got a simple reply from your CS team that such requests can be entertained only for the shareholders and not for the family. Please, I would personally request you to consider it. Thank you.

**Moderator:**

Thank you. We have the next question from the line of Mr. Nandkishore Sharma. Kindly unmute your audio video to ask the question.

**Nandkishore Sharma:** I have sent the questions earlier, but I will repeat them so that the management could hear it again. So, the questions are, despite having one of the oldest facilities, our ARPOB remains on the lower end of competitive ARPOB band. So, what are we doing to improve that? What is our aspiration of ARPOB over the next three, five years?

Next question is our utilization is very low and it's very significantly even adjusted for COVID impact in FY '20. What were the reasons for the same? Is there any structural challenge in this business model? And what are we doing to improve utilization?

We have mentioned lower revenues due to increase in competitive activity, however, that's a part of the game. What do we do to counter this competitive activity and what compelling proposition we are planning for our customers? What are the changes we are doing to our brand to attract new customers?

Next, our cost structure is bloated, even the salary cost is over 50% versus 20%, 25% of peers. What are we doing to rationalize this significant overhead? What is our aspiration for salary and wages as a percentage of revenues over the next three, five years?

We have a significant clinical establishment fee paid to Fortis, do we plan to continue this or any plans to rationalize this expense structure? Despite a very, very high salary cost, we saw exits of few senior clinicians. So, what are the reasons for the same? What changes we are doing on the incentive structure or organizational structure which will reduce such number of exits?

Our specialized and complex surgeries are a hallmark for any reputed hospital. With an important transplant team leaving, what is our plan to recover from current scenario? And the last question is, what percentage of surgeries are complex currently? And where do you see that over the next three, five years? I will be grateful if you answer the questions. Thank you so much.

**Moderator:** Thank you. We have the next question from the line of Mr. Bhupendra Singh. Kindly unmute your audio video to ask the questions. Sir, there's no response from that line. That was the last question. I now hand over to the Chairman to answer the questions.

**Daljit Singh:** Thank you for those questions. And I will answer the questions that have actually come in. And as all of you would have noticed that there was a considerable overlap, a lot of questions were to do with the performance of the organization, the health of the organization, the steps that we are taking, the impact of COVID, and when this is likely to be normalized; occupancies, when will they ramp up? What are the cost initiatives the company is taking, what's happening to physicians? And of course, there are some little more detailed questions about the percentage of medical tourism and percentage of complex surgeries, etc.

So, let me have a go at it. Let me first of all start by addressing a point that is actually at the uppermost of everybody about COVID-19. I think it's interesting that whilst there is a pandemic which is impacting the world and it's impacted India very significantly, it has also adversely impacted the performance of healthcare hospitals. Because of COVID pandemic we have seen that a lot of elective work by patients has actually been deferred. And therefore, patients have resorted to teleconferencing or teleconsultations with doctors, and are wary of coming into hospitals for fear of infection or being exposed to other people. And we have seen now that over the last about four to six weeks, there is now a gradual opening up that's taking place and occupancies are beginning to creep up. It is our estimate that this will take quite a bit of time, it could be six months, it could be up to one year. It's only an educated guess. But we feel that over the next one year, things should begin to normalize and the impacts of let's say COVID-19 should be overcome. But time will actually tell as to what's happening, because we are trying to look into the future and that's always subject to questioning.

Let me talk about the performance of the company. And this will address a number of questions that have been asked. I think the Fortis Malar reported a consolidated operating revenue of about Rs. 112 crores compared to Rs. 144.6 crores in the corresponding period of the previous year. Operating profit was a loss at Rs. 2.78 crores in this financial year and the net profit was a loss of Rs. 8.89 crores, as compared to an operating loss of Rs. 2.4 crores in the previous year and a net profit of Rs. 2.06 crore of the corresponding year. I think some of the significant things that happened was that, till financial year 2018 heart and lung transplants have been a very big contributor to the revenues and the profitability of Fortis Malar Hospital. In mid-2018, due to a change in the government policy, international patients started finding it more difficult to get organs allocated to them. The government wanted organs to be preferentially diverted, obviously, to the Indian patients, but that impacted the international business very, very significantly. This had a significant impact on both the top-line as well as the bottom-line of Fortis Malar Hospitals, which was a known destination internationally, it was a world-renowned destination for heart and lung transplants. Added to this, in financial year 2020, your hospital saw a few senior clinicians leave in the first quarter. This coupled with the discontinuation of the heart and lung transplant programs in Q3, owing to the exit of the transplant team, severely impacted the top-line and bottom-line of the company.

I think a question also was asked as to what are we doing in order to prevent clinicians from leaving and how do we attract new clinicians? This has been a very major focus for the organization over the years. There are several steps that the organization takes in terms of infrastructure, in terms of provision of technology and providing adequate support and conferencing facilities and learning abilities to clinicians. Having said that, because of the intense competition that actually is coming into every geography, often the new investors in those facilities want to bend over backwards by giving very, very attractive deals to clinicians. And therefore, occasionally, you will find that these separations will occur. They are regrettable losses, but it's a part of running a healthcare business. Having said that, we have taken significant

amount of steps to bring in very capable clinicians. So, a number of clinicians, new clinicians, as I mentioned in my speech, have actually joined during the last financial year. They have joined in multiple specialties, and they are beginning to do some extremely good work and that's been recognized by local media, by patients, etc. Having said that, it takes several months for a clinician to really establish itself in a new hospital, himself or herself in a new hospital. And the organization is providing all support for them to perform and deliver. So there's huge amount of focus.

The other part of the focus that's actually been maintained is that, there is a medium-term strategy that we have actually developed for the organization, and this strategy actually focuses on increasing the overall occupancy of the hospital which has actually fallen significantly over the last 12 months or so, 12 to 18 months. This is being done through the onboarding of new consultants across various specialties. In addition to that, there are a number of fixed price packages for various surgeries and treatments that are being rolled out. A lot of marketing and customer outreach activities have taken place. Our average price realization, which is ARPOB, which I mentioned in my speech was Rs. 171 lakhs per annum, and which I think one of the shareholders wanted a response on, is actually comparable to that of competitors in our geography. So we are not out of sync. Having said that, going forward, our focus will be more on increasing occupancies. And as we increase occupancies in our hospital setup, overall health and overall bottom-line, top-line of the hospital improves quite significantly.

There was a question that was also asked that what are we doing on costs? The fact of the matter is that every few years organizations look internally to see how competitive we are in terms of the costs that support the business that we run. And in the last 6 to 12 months, the organization has done a lot of work in order to trim its waistline, both in medical as well as non-medical areas. And we believe we have come down to a position of being a reasonably lean organization without any fat on it. We believe that these salary structures that we have are very much in line with competition. And our focus going forward will necessarily have to be to improve the top-line of the company. So, over the next two to five years, we plan to build our service offerings around the core values of excellent patient care. This is a value that has earned itself a name for Fortis Malar Hospitals ever since its inception. We need to provide services that are value for money and cannot and should not be pricing ourselves out of the market.

We are focusing quite significantly on senior citizen focused programs and being offering them medical programs that actually help them. And we are determined to be the best neighborhood healthcare facility in the area where we operate in Chennai. As a neighborhood with a high proportion of geriatric population, we plan to build a comprehensive geriatric care program, simultaneously building an obstetrics gynecology pediatrics program to take advantage dense residential clusters. To augment the high value business, we will rebuild our cardiothoracic as well as our nephrology programs. So there was a lot of focus that currently is being focused on in this area. Okay?

So now let me move on to some other aspects that people have asked for. And I do want to talk about the company in the context of the question that's been asked. And one was, I want to go back to the open offer. We had a judgement, as you all know, in November 2019 by the Supreme Court of India, wherein the court issued as suo motu contempt notice to the company with respect to alleged violation of its order dated December 14, 2018. The Supreme Court has sought an inquiry into whether the Fortis IHH transaction was in violation of the status quo order, and sought clarifications, queries in matters related to the consummation of the acquisition of healthcare assets from RHT Health Trust by the company. We filed our detailed responses in January 2020. And the matter was scheduled for listing in March of this year. However, with a COVID pandemic, there was no hearing in March. We filed urgent listing applications for hearing in June, July 2020, but unfortunately, those were not accepted as well. The Supreme Court has now tentatively listed the hearing for September 11, 2020. We are being advised by reputed law firms and senior counsels and are undertaking all efforts to bring this to a resolution quickly. You would also be aware that there are applications filed by SEBI, IHH and a retail shareholder, all pressing for the urgency of this to be resolved expeditiously.

Now, there was a question which was asked about the interest of the open offer. This matter, as you are all aware, is between IHH, who is the investor and the regulator. Any which way, the open offer matter is sub judice and is pending at the Supreme Court level.

In terms of brand building, you asked several questions. I think there's a lot of work which the company is doing by way of its marketing and outreach activities to build the brand. You are also aware that our parent company has filed for brand name changes to Fortis, La Femme and SRL. And this is, again, subject to Supreme Court approval. We will update you on the future course of action, post the approval from the honorable Supreme Court of India.

So, there was a question asked about the BT fees and all that we have been paying and the structure associated with it. I do want to explain some background detail to this, that as part of the RHT transaction, Fortis Healthcare acquired a portfolio of assets under RHT, including Malar clinical establishment. So, on consolidation at the FHL level, the RHT fee is getting knocked off. So there is no fee actually being paid up at that level. However, Fortis Malar continues to pay business trust fee to the same entity that holds the clinical establishment, which is now owned by Fortis Healthcare Limited. As of now, there are no plans to rationalize the company structure with respect to the Malar clinical establishment. We shall update you once we have concrete plans around this. However, I do want to make a mention here that on the BT fees front, recently we have negotiated a two-quarter waiver of the fixed component of the fees to be paid to Fortis. We will continue to work with Fortis to rationalize this fee.

So, with respect to the Malar open offer. I do want to also clarify here that the Malar open offer will only progress post the Fortis Healthcare Limited's open offer resolution. And the moment that resolution happens, I think we will have more news to share with you going forward.

So I would like to request our Whole-Time Director, Mr. Nageshwaran to talk a bit about medical tourism to provide some details on that, as well as on the questions related to complex surgeries that was asked by one of our shareholders.

**C.K. Nageshwaran:**

Thank you, Mr. Daljit. Medical tourism used to be an important part of our business portfolio, till a year back we used to do a lot of transplants. While the transplant program has been started, it got a big jolt when the COVID thing happened, so we have not done any transplants since the time the core transplant team left. Since the time COVID happened, the medical tourism has completely come to a standstill. But we are hoping that as and when the government opens up international traffic, the medical tourism, medical tourists will start coming in and will start building our services.

In terms of complex surgeries, currently, the ratio is anywhere between 15% to 20%. And yes, no hospital can survive for long at these levels. Our plan is, as part of a medium to long-term plan, we plan to double this in the next three to five years. I hope that answers your questions.

**Daljit Singh:**

Thank you, Mr. Nageshwaran. I would also like to assure one of our shareholders who gave a number of suggestions as to what we could do to improve our AGM proceedings. We have taken your suggestions on board, and we will look at it. And hopefully this process is going to improve. But I do want to assure you that everything all arrangements that have been made have been made in compliance to regulatory requirements. I think there has been no deviation to it, but we are happy to look at all positive suggestions that help improve the process of communication and establishing trust and maintaining trust with our shareholders.

So there was a question which was asked about the dividend, that for the last few years because performance has not been very good, some dividend has not been paid I think for the last two to three years. I think you are aware that the company in the past has declared dividend based on the net profits generated. Given that the company is not able to generate profits, for the reasons mentioned just now in my speech, as well as in the discussion that we have had, the company is not in a position to declare any dividend as of now. Going forward, depending upon the profits generated by the company, we may, at the appropriate time, evaluate the option of a dividend for shareholders.

If any shareholder has any further query, kindly write to us on [secretarial.malar@malarhospitals.in](mailto:secretarial.malar@malarhospitals.in). Now, I would ask the Company Secretary to talk about certain statutory matters concerning this AGM.

**Mayank Jain:**

Thank you sir. Dear members, company has appointed Mr. Ramit Rastogi, Company Secretary whole-time in practice as the scrutinizer to scrutinize the e-voting at the AGM and remote e-voting in a fair and transparent manner. Now, the result of the meeting will be announced within 48 hours of conclusion of the AGM.



*Fortis Malar Hospitals Limited  
August 27, 2020*

Now I request all the shareholders who are attending this AGM, and who have not cast their votes through remote e-voting to exercise their vote on NSDL's e-voting platform using the same login credentials as are being used by the shareholder for attending this live AGM. The e-voting window is open for a period of 30 minutes, and after the voting the window shall stand closed and proceedings of the meeting shall be closed. Thank you very much for attending the meeting.