



“Fortis Malar Hospitals Limited”

July 31, 2023

Management:

Mr. Daljit Singh, Chairman
Mr. Chandrasekar Ramasamy, Whole-time Director
Mr. Ramesh L. Adige, Non-Executive Independent Director, Chairman of Audit and Risk Management Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee.
Mr. Ravi Rajagopal, Non-Executive Independent Director, Member of Audit and Risk Management Committee and Nomination and Remuneration Committee
Ms. Shailaja Chandra, Non-Executive Independent Director, Member of Audit and Risk Management Committee
Mr. Sandeep Singh, Company Secretary and Compliance Officer
Mr. Yogendra Kumar Kabra, Chief Financial Officer

Moderator: Dear members, Good afternoon and a warm welcome to the 32nd Annual General Meeting of Fortis Malar Hospitals Limited being conducted through Video Conferencing/Other Audio Visual Means. For the smooth conduct of the meeting, members will be on mute mode. For members who have pre-registered themselves to speak at the AGM, the audio and video will be opened when the management takes up questions from the members. Please note that the proceedings of the Annual General Meeting will be recorded and will be available on the website of the Company. Now 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 Hospital's Limited welcome all the members present at the 32nd Annual General Meeting of the Company. This AGM is being held through Video Conferencing in compliance with various circulars issued by Ministry of Corporate Affairs and SEBI, in this regard. The management of the Company has made necessary arrangements for conducting the Annual General Meeting through Video Conferencing and for voting by the shareholders on the items being considered in this meeting through e-Voting platform and all efforts feasible under the present circumstances have been made by the company in this regard.

Dear members, all the Directors of the company are present in the meeting. Let me introduce the Board Members and Key Managerial Personnel present on the screen Mr. Chandrasekar Ramasamy, Whole-time Director. He is participating from Chennai. Mr. Ramesh L. Adige, Non-Executive Independent Director. He is Chairman of Audit and Risk Management Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee. He is participating from Gurgaon. Mr. Ravi Rajagopal, Non-Executive Independent Director. He is a member of Audit and Risk Management Committee and Nomination and Remuneration Committee. He is participating from London. Ms. Shailaja Chandra, Non-Executive Independent Director. She is a member of Audit and Risk Management Committee. She is participating from Gurgaon. Mr. Sandeep Singh, Company Secretary and Compliance Officer. He is joining from Gurgaon. Mr. Yogendra Kumar Kabra, Chief Financial Officer. He is joining from Chennai. Dr. Nithya Ramamurthy, Non-Executive Director, has resigned from the directorship of the Company with effect from July 20, 2023.

In this regard, the Company has issued a Corrigendum to the notice of this AGM and also intimated the Stock Exchange. Accordingly, resolution number 2 of the notice of this AGM proposed by for re-appointment of Dr. Nithya is withdrawn. I am informed by the Company Secretary that the requisite quorum as required under law is present and therefore, I hereby call this meeting in order. I also formally acknowledge the participation of authorized representatives of Statutory Auditor and Secretarial Auditor.

Members may kindly note that all the statutory registers as required under the law are available for inspection during the meeting on the NSDL website and the Company's website under the tab AGM documents and are also available at the registered office. The Annual Report, as well as notice of the AGM, has already been dispatched to shareholders through email on July 7,

2023 and public notices were published in the newspaper in compliance with various circulars issued by MCA and SEBI.

Further, the Company has sent corrigendum to the notice of AGM on July 22, 2023 to the notice of AGM on July 22nd, 2023 to the shareholders.

Distinguished members, I extend a warm welcome to all of you to the 32nd Annual General Meeting of the Company. I will now present the results of your company for the year ended March 31, 2023. The financial year under review was very challenging for your company. Whilst the hospital did an exemplary job of taking care of patients, the exit of several key specialists, however, impacted operational performance adversely. This was further compounded by the limitation posed by the infrastructural and legacy regulatory challenges faced by the hospital.

During the year, your hospital treated over 61,000 OPD patients and over 5,300 inpatients. However, a low occupancy of 38% remained a challenge. Commendably, our clinicians and nursing staff continue to put in their best efforts despite the challenges and conducted over 1,700 surgeries, including some complex ones. For instance, a 32-year-old male weighing 120 kilograms underwent Minimally Invasive Right Atrial Myxomas wherein a heart tumor measuring 11.5 cm x 8 cm was removed. This is one of the largest known heart tumors excised via the minimally invasive approach.

In another case, a 48 year old male with Left Ventricular function of 25% and Triple Vessel Disease underwent Coronary Bypass (CABG), along with Endo Ventricular Patch Plasty (EVPP), making it a one-of-its kind procedure in the country.

Your hospital continued its track record of successfully maintaining the high standard of treating STEMI cases within 90 minutes for 95% of the patients. During the year, your Company achieved an annual revenue of INR92.59 crores as against INR93.57 crores in the previous financial year. EBITDA for the year stood at INR11.21 crores as against INR10.83 crores in the previous financial year.

The company posted a loss before tax for the year of INR7.01 crores, as against INR8.26 crores in the previous year. Loss after tax for the year stood at INR15.48 crores, as against INR8.27 crores in the previous year. The Company's average revenue per occupied bed (ARPOB), for the year stood at INR1.65 crores, as against INR1.63 crores in the previous year. The average length of stay (ALOS) stood at 3.85 days compared to 4.29 days in the previous year. I would like to stress that with reference to the above-mentioned challenges encompassing both our operational performance and hospital infrastructure issues, we, as a Board continue to evaluate various strategic and or restructuring alternatives. That would be in the best interest of all stakeholders.

Being cognizant of the need to address the above issues, we would seek appropriate advice and, any actions undertaken, post thorough internal deliberations, would be with all due disclosures and under all applicable laws, including, if required, seeking our shareholders' approval. I would like to thank all our doctors, nurses and staff members who have demonstrated deep commitment in taking care of our patients, in-spite of the various challenges. Above all, I thank you, our dear members, for your continued support.

Dear members, the management of the Company has made necessary arrangements for conducting a 32nd Annual General Meeting through Video Conferencing and for voting by the shareholders on the items being considered in this meeting through e-Voting platform. Dear members, 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 them as read.

Dear members, your Company has provided a remote e-Voting facility for agenda items mentioned in the notice of 32nd AGM, which started from July 28, 2023 at 9 A.M. and ended on July 30, 2023 at 5 P.M. Now, for all those members who are participating in the meeting, but have not cast their vote at the time of Remote e-Voting facility, e-Voting facility is also available at the meeting as per the instructions mentioned in the 32nd AGM notice through NSDL platform.

1. I will now proceed to the agenda items mentioned in the notice of the AGM. There is one ordinary business item and one special business item. Number one, first item of the agenda is to consider and adopt the audited standalone financial statements of the company, together with a report of board and auditors thereon, and the audited consolidated financial statements of the company, including a report of auditors thereon for the financial year ended on March 31, 2023.

Number two, second item of the agenda is withdrawn. The third item of the notice is a SPECIAL BUSINESS. It's third item relates to ratification and confirmation of remuneration of cost auditor for the financial year 2022-23. Further details related to the special business item is provided in the explanatory statement enclosed with a notice convening this AGM. The board hereby recommends all business items except item number two which stands withdrawn, forming part of the AGM notice for the approval of the shareholders.

Dear members, this being a virtual AGM, there are three ways in which members can ask their questions on the agenda items mentioned in the notice of AGM. First, a member could have pre-registered himself or herself as a speaker shareholder. Second, a member might have submitted their question through email. Thirdly, a member may pose 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. Pick up questions from the shareholders.

Moderator: Thank you, sir. Ladies and gentlemen, we now begin with the question and answer session. We invite our first speaker member, Mr. Praveen Kumar. Sir, we request you to accept the prompt on your screen. Kindly unmute your audio and video and you may proceed with your question. We will wait for a moment while Mr. Praveen Kumar unmutes his audio and video.

Praveen Kumar: A very, very good afternoon to my respected Chairperson, esteemed Board of Directors and my co-fellow shareholders who have joined this meeting. Myself, Praveen Kumar, joining this meeting from New Delhi. Respected Chairperson, I have a few observations which I'd love to share with the entire house. First of all, I'm very, very thankful. The honest and very, very ethical speech you addressed to us, I'm very, very thankful to be part of such a company which is follow every ethic in the rule and which goes in stretch herself to make sure that no matter what the R&D cost, we have the best of the best doctor and the operation which you mentioned

in your speech, I am very, very heartening to know that our hospital is doing fantabulous job as far as the humanity is concerned.

Sir, I am very, very thankful to be very, very honest respected Chairperson to be part of such a legacy, such an interesting hospital. Sir, I am very, very shareholder and I see over the period of time you are very, very dedicated with all the professional doctors and all the staff to make sure that we will be making a valued shareholders on a long term basis to create value. So, I am very, very thankful to the entire management team for his investor friendly approach. I supported all the resolutions which were set out for the notice today and I just pray to the God that he will enlighten you respective Chairperson so that you will take our hospital on a very, very global scale sir.

Sir one more thing which I love to mention here is for a retail investor like myself sir I mean it is my morale [inaudible 0:16:20] and the company official. I love to thank our Company Secretary and the entire team for maintaining higher standard of corporate governance, sir. I requested a hard copy of Annual Report. It will be promptly delivered and tracked. I'm very, very thankful. And sir, it's not about today's meeting, but during the course of the year, if we have any question, it will be promptly replied by email.

So, I'm very, very thankful to the entire management team for taking a very, very bold step to welcome a red carpet welcome to the retail investor. I wish you all the luck sir in the world for brighter future for all of us and I'm very, very thankful for the entire management team to give me this platform to share my views and express more than a decade. Thank you, sir. And all the very, very best. Thank you, sir.

Moderator:

Thank you so much. We now move to our next speaker member, Mr. Sarvjeet Singh, who had registered as a speaker shareholder, but currently he has not joined us. So, we hence move to our next speaker member, Mr. Ankur Chanda. Sir, we request you to kindly accept the prompt on your screen, unmute your audio and video and you may proceed with your question. Sir, your audio is unmuted. Can you please go ahead, Ankur sir? Yes, sir. Your audio is unmuted, sir. You can proceed with your question. There seems to be no response.

So, we will move to our next speaker member Mr. Rakesh Kumar. He had registered, but unfortunately is not connected with us. We move to our next speaker member Mr. Gagan Kumar and also Mr. Surender Kumar Arora. They had joined as speaker shareholders, but are not connected with us. So, we move to our next speaker member Mr. Lokesh Gupta. Sir, we request you to kindly accept the prompt in your screen. Unmute your audio and video and you may proceed with your question. Mr. Lokesh Gupta, you may have received a prompt to unmute your audio. As there is no response from Lokesh Gupta, we will move to our next speaker member, Mr. G. Prabhakaran. Sir, we request you to kindly accept the prompt on your screen. You may unmute your audio and video and proceed with your question. Yes, sir, you can proceed with your question, Sir just unmute yourself. Yeah, sir. Thank you.

G. Prabhakaran:

Thank you. Good afternoon, respected Chairperson, Board of Directors, Ladies and Gentlemen. I am Prabhakaran talking in the capacity of a shareholder and a senior consultant at Malar

Hospitals. I thank the Chairperson for granting me the permission to interact in this AGM. I just have a comment to make and a clarification to start both I suppose form within the agenda.

First the comment, taking into consideration the current financial scenario, the considerable loss to the institution of INR 7 crores which was mentioned just now may be cut down by improving the existing patient care services in all segments of the hospital from entry point to the exit point. Our hospital is situated in a very strategic location and caters to a population residing around 100 kilometers radius and also attracts international patients. If services are better, the inflow will improve, bed occupancy will definitely rise from the current 38% and the revenue also will improve. The prices have to be bid competitive.

The second, I'm sure it falls within the agenda. I'd like to know from the Board of the members regarding the current stability of the institution. Rumors have been floating for years together about the sale or rebuilding the structure. I politely request the Board to clarify on this issue and put an end to these rumor's so that we will feel very much reassured to continue to work in Fortis Malar Hospitals. Thank you.

Moderator: Thank you so much, sir. We move to our next speaker member, Mr. Gaurav Kumar Singh. Sir, we request you to kindly accept the prompt on your screen. You may unmute your audio and video and proceed with your question. Yes sir you may proceed with your question.

Gaurav Kumar Singh: Okay. Thank you. Respected Chairman, sir, Board of Directors and fellow shareholders, good afternoon to all of you. My name is Gaurav Kumar Singh, running this AGM from Delhi. So, first of all, thank you so much for giving me the opportunity to express my views on this platform. Sir, I have attended many physical AGMs of the company in Delhi as well as in Chandigarh, and it was really a wonderful experience. Most of the questions are already covered in your Annual Report and in Chairman's speech. Still, I wish to know what is the current status of merger with Fortis Healthcare? Is it – it is in pending or not? And sir, as far as the agenda of this AGM is concerned, I support all the resolutions along with my all family members. And in the end, I wish a bright future for the company and great health for all of you. Thank you sir. Jai Hind.

Moderator: Thank you so much. We move to our next speaker member Mr. Krishan Lal Chadha and Chetan Chadha. We request you to kindly accept the prompt on your screen. Unmute your audio and video and you may proceed with your question.

Chetan Chadha: Thank you sir, thank you for giving me the chance to speak with you. Myself Chetan Chadha and I am joint shareholder with Krishna Lal Chadha and my DPID 1201410000010073. I am joining from this meeting as VC from my home in New Delhi. First of all, I want to congratulate Chairman sir and entire Board who has given me to join with you in the AGM and to express my thought. Second thing that for this speaker I have requested before 15 days and hard copy email. So, provide me the Annual Report hard copy.

So, Secretarial Department I think in 16 days no initiatives has been taken till now and till date, till time we have not received Annual Report hard copy has not been provided. So, I am really sorry to say that please provide me as soon as possible. I thank the Board that from 2020

wherever our Board are this year had a good profitability year and in 2020 in the same scenario wherever in hospitality industry there was no loss, profitability is there, but in form of dividend nothing has been given to shareholders.

When do Board will think about this and when they will be thinking because one shareholder he is not getting the investment return. Wherever we can see that three hospitality industry Yatharth Hospital and Yashoda Hospital IPO is going to come soon and one Artemis who has come in front of come and one Fortis Hospital which we treat as Brand name where we take the valuation as a book value and do the accountability and market and scenario they are not giving any stand able remarkable stand is not given.

Shareholders wherever share price is considered you will INR55 to INR52 to INR57 price share price it goes in INR10 face value where Artemis or Yashoda Hospital or other company if you will see that IPO price INR350 to INR550, INR600 they are running. So, our hospital are multiple than them and if we will see our equity compared to them they are not that big. So, shareholders when they didn't given the basic price our Board we will treat as Board negligence that how in which capability we see ourselves that which capability that market counter ability he is not able to get, how much time he wants that another competitors we can show them.

And we can bring the investor in front of us who can buying the equity so that we can shareholder pricing. At least from last 13 years, 15 years we will see our share price after INR60 it declined as if it is having fever. If we will see 22,000 index and 60,000 index it has touched, but if we will talk of Fortis Malar we will talk if would have invested in small penny stock then that also have 10 times, but Fortis Malar is like this who are not able to give the return to the shares.

According to me we take it as a board negligence that they have to think about this matter that what are the lacking that we have shareholder we are not able to get an appreciation. In 2020 if you will see of our volume that entire India is closed, our hospitality industry was working, in that also our profitability is also coming. If we see our remarkable expenses there also we are getting the benefit after that also in 2021 we have not made that strong growth and we are not unable to show us different. In 2022 Annual Report in front of the dividend we are not able to give it to the shareholders means in which basic structure we are working that to shareholders when we will give them return.

Moderator: Sorry sorry to interrupt many other speaker shareholders are waiting for their turn.

Chetan Chadha: I know you have to go home, but this is the event for the AGM which premises for the shareholders and the Board. If you are thinking that more people are standing back so I will stop it. I will sent the mail to you, but when you have to make a good corporate governance then you have to also consider that with the shareholders what kind of relationship is maintained and in which way you have to remove the grievances. To dispatch the Annual Report, you are not able to give 16 days' time. So, in that way think that how many such grievances are there for that it will take around 16 years. We are standing nowhere as far as dividend is concerned.

Moderator: Sir, we are sorry we are unable to hear you. Mr. Chadha I am sorry we are not able to hear you. Okay, there seems to be an internet connection issue. So, we move to our next speaker member

who has rejoined us. Mr. Ankur. Mr. Ankur Chanda if you could just unmute your audio and proceed with your question, please.

Ankur Chanda:

Good afternoon to everyone. I also wanted to know that where we are making mistakes that our shares are not getting the appreciation because 52 weeks low we are running, but we must run high and one more thing I was seeing 2020, 2021, 2022, 2022 continuously we are running in loss, why is that happening, but if someone gets hospitalized Fortis billing is that much there shouldn't be any loss, but why it is coming. Second thing is that Board Members and stock where we are sit together then you can do the physical AGM then why virtual.

Then you don't have any COVID chance then what is the problem in physical, in physical shareholder will come, what is your problem. Third thing is that whenever physical AGM used to 2018, 2019 then also event manager you have not taken and now we are in loss why are you making the expenses in event manager, why are you increasing our expenses, so it would be better to do the physical AGM? It has been said you can send the message in chat box; chat box is disable nobody can sent the message and Secretarial Department nobody contacts him and neither is in contact with anyone. Thank you sir and try to remove these grievances.

Moderator:

Thank you, we move to our next speaker member, Mr. Lokesh. Mr. Lokesh Gupta, you can kindly unmute your audio and you may proceed with your question. Mr. Lokesh Gupta, may you unmute your audio? There seems to be a technical issue from Sir's end. So, this was the last question. I now hand over the meeting to Chairman Sir for the proceedings. Over to you, Sir.

Daljit Singh:

So, thank you very much for the questions that have been posed. Allow me to take them one at a time and perhaps some of the answers are probably going to be repetitive. Let me take up Dr. Prabhakaran's question first. He was a senior consultant with the hospital. Dr. Prabhakaran I think you've given some valid points, you've spoken about the good location that their pricing needs to be competitive etcetera as pointers towards improving performance.

Having said that, I think the and then you've said that is the hospital being hived off or sold or whatever it is, right? I think that's the question that you asked. The basic issue at the hospital since you work there, I think we've got, we are facing a couple of significant constraints in that facility and largely these are legacy regulatory issues that we've been battling for the last few years. One has to do with the building regularization. So, this building as you probably are aware does not have a NOC. And this was long before it actually came into the Fortis fold.

And we've been talking to the authorities for it. And we continues to face some hurdles in that. And this prevents us from really doing any significant structural changes to that facility and making it at par with other competitive facilities that are actually coming up in the neighborhood.

Number two is the issue to do with fire NOC. Now, this being again, a very old building, it does not have certain provisions, for example, a ramp and a few other compliances that are currently required by law. Having said that, the building doesn't lend itself to many of these modifications and we are constrained by that particular issue. Consequently, the fire NOC or the license has actually not been granted. In addition to that, a major issue that's also come up which has been there for the last few years is the proximity of the petrol bunk next to the hospital. It is considered

to be too close to the hospital from a fire safety perspective and in spite of our best efforts, we've not been able to crack it.

Having said that, the management team, the corporate team has actually been working on getting these approvals or moving through these challenges over the last few years whereas we have addressed several of the challenges that were addressed by the fire and emergency authorities etcetera. Some of these we are currently stuck at. So, what we have actually done is that as an organization, as a board, we've taken cognizance of these several constraints which are actually preventing us from investing aggressively in the particular hospital and therefore bringing it at par with other newer facilities that are there in the vicinity of the Malar Hospital.

The management has, the board has actually directed the management to evaluate various strategic and restructuring options for this particular facility and that work is currently underway and whatever are these options that are presented to the board will be presented to the board in due course and the board will then take a considered view in the best interest of all stakeholders as to what's the right way for us to move forward that will enable this facility to prosper.

So, that's really where it is. You asked a very straightforward question that is this hospital being sold? None of that stuff has actually happened. So, that's to address Dr. Prabhakaran's query. The question number two, I think Mr. Chadha gave again a very animated talk and I appreciate Mr. Chadha, Mr. Chetan Chadha's concerns. I think first part is on your request for the Annual Report that you requested for a hard copy. I've been told by the Company Secretary that the hard copy was couriered to you almost a week ago and we will check out with a courier as to what is the status of delivery because courier, local delivery should not take more than 24 to 48 hours.

So, we are a bit surprised with that feedback but we will take action on this and if required a second copy will be sent to you. With respect to dividend, dividends are linked to a good performance by the hospital and for the reasons that I mentioned earlier on, there are constraints currently which the management is facing, which the board is facing, which prevents us from really going aggressively to invest in the hospital in medical technology and infrastructure.

And to sort of add to that, the fact that a number of modern facilities have come up and many of us, many of our senior clinicians and especially in the last few years have thought it fit to move to those facilities and therefore consequently this hospital has suffered financial consequences. That means our occupancy is low and it's low at about 38% and that's something that concerns us and because of that we are looking at strategic options for this particular facility. So that I hope addresses your question.

The other question that was asked was by Mr. Ankur and his question was again, why loss, why are the share prices not going up? The reasons are very simple that our financial performance, our operational performance has suffered because of the exodus of the hospitals of senior doctors from the hospital and this has adversely impacted its fortunes and hopefully going forward we will figure out some sensible solution for this particular thing. We've also taken your observations on record with respect to physical meeting etcetera. So, apart from that. So, there was a question asked by Mr. Gaurav Kumar Singh about that what is the status on merger FHL the Fortis Healthcare Limited.

Well, there is no such proposal that has been there with us. So I'm a bit confused with your question, so perhaps you could rethink about it and if you do come up with the right question, you're welcome to send an email to us and we'll answer you properly, but currently there is no such proposal on the annual. So, I think with that I also would like to thank Mr. Praveen Kumar for his comments. Thank you very much. We appreciate whatever you said.

Sandeep Singh :

So, thank you, Chairman sir. Dear members, your company has appointed Mr. Mukesh Kumar Agarwal, Company Secretary, Whole Time in practice as a scrutinizer to scrutinize the e-Voting at the AGM and remove e-Voting in a fair and transparent manner. The result of the meeting will be announced within 48 hours of the meeting and will be posted on the website of the company and website of stock exchange i.e. BSE and on the website of NSDL (e-Voting agency).

Now, I request all shareholders who are attending this AGM and have not casted their vote or vote through remote e-Voting to exercise their vote on NSDL portal and using the same login credentials as are being used by shareholders for attending this live AGM. The remote e-Voting window is open for a period 30 minutes and after which the e-Voting window shall stand closed. Thank you very much for attending this meeting.

Daljit Singh:

Thank you very much for attending the meeting.