

# ANNUAL REPORT 2011-2012



## Contents

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Message from Mr. Aditya Vij.....	6
Notice to the Annual General Meeting.....	7
Directors' Report.....	13
Management Discussion and Analysis.....	20
Corporate Governance Report.....	24
Auditors' Report.....	49
Financial Statements (Fortis Malar Hospitals Limited).....	52
Financial Statements (Consolidated).....	82
Attendance Slip / Proxy Form	

# COMPANY INFORMATION

## BOARD OF DIRECTORS

Mr. Aditya Vij  
Mr. V. Vijayarathna  
Mr. Ashish Bhatia  
Dr. Nithya Ramamurthy  
Mr. P. Murari  
Mr. Ramesh L.Adige  
Mr. Sanjay Jayavarthanavelu

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## COMPANY SECRETARY

Ms. Poonam Makkar

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## AUDITORS

M/s S R B C & Co  
Chartered Accountants,  
6th & 7th Floor, A-Block,  
Tidel Park, (Module 601, 701 & 702)  
No.4, Rajiv Gandhi Salai,  
Taramani, Chennai - 600 113.

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## REGISTERED OFFICE

52, First Main Road, Gandhi Nagar,  
Adyar, Chennai - 600 020.  
Phone: + 91 - 44 - 2491 4023, 2491 4393  
+ 91 - 44 - 4289 2222

# KEY EVENTS 2011-2012



## NOKIA CAMP



## SBI PENSIONERS CAMP



## AMBUR CAMP



## FLEXTRONICS - HEALTH LECTURE



## RENAULT NISSAN - HEALTH LECTURE





# CSR PROGRAM 2011-2012



ON BLS - ASHOK LEYLANDS EXECUTIVES



ON DIABETES AND HYPERTENSION SCREENING  
CAMP AMONG FISHER MAN COMMUNITY - NOCHIKUPPAM



ON BREAST FEEDING  
AND IMMUNIZATION - MALLIAGAI POO NAGAR



ON AIDS AWARENESS PROGRAM  
AMONG URBAN SLUM - MALLIGAI POO NAGAR



ON PERSONAL HYGIENE - NOCHIKUPPAM



EMPHASIZING ON PREVENTION OF FEMALE INFANTICIDE

# **BOARD OF DIRECTORS**



**Mr. Aditya Vij**



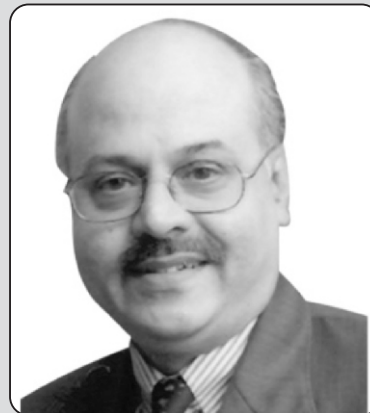
**Mr. Ashish Bhatia**



**Mr. V. Vijayarathna**



**Dr. Nithya Ramamurthy**



**Mr. Ramesh L. Adige**



**Mr. P. Murari**



**Mr. Sanjay Jayavarthanavelu**

## MESSAGE FROM MR. ADITYA VIJ



Dear Shareholders,

I have great pleasure in presenting the results of your company for the year ended March 31, 2012. Your company delivered robust growth in the financial year 2011-12. Several operating indicators point to an excellent performance.

Annual revenues grew 15% to ₹ 96.07 Crores from ₹ 83.69 Crores in the previous financial year. Operating EBITDA rose to ₹ 15.11 Crores, a growth of 21% compared to the previous financial year. Net profit jumped 43% to ₹ 7.76 Crores compared to ₹ 5.44 Crores in the previous financial year.

Average Revenue Per Operating Bed (ARPOB) improved from ₹ 69 lakhs in FY 2011 to 93 lakhs in FY 2012. Due to the high quality of care, the average length of stay of patients reduced to 3.7 days from 4.3 days.

We continued to strive for medical excellence with our highly skilled clinicians performing many rare surgeries including triple vessel angioplasty, surgical removal of pituitary adenoma, balloon mitral valvotomy and removal of parapharyngeal chordoma. We plan to conquer new frontiers of medicine every year for the benefit of our patients. In addition, we implemented the Medical operating system (MOS) scorecard to ensure the sustenance of clinical excellence at your hospital.

Your company is committed to quality and medical excellence. As a testimony, the blood bank in the hospital received NABH accreditation in the year gone by, the first

hospital blood bank to get this certification in the states of Tamil Nadu, Kerala, and Andhra Pradesh. We continue to implement internationally standardized matrices to ensure the best quality of patient care. We also constantly monitor patient feedback to remain patient centric in our approach to medical care.

The most valuable assets are our people including clinicians who play a critical role in delivering extraordinary clinical outcomes. Their integrity and commitment have contributed significantly to our performance.

We invested in upgrading our talent pool and stay committed to building additional capability in coming years. As we focus on training, we look forward to starting fellowship programs in critical care, emergency and anesthesiology in the near future.

To improve our internal control environment during the year, your company widened the scope of internal audit in several non-financial areas such as infrastructure safety and security, bio-medical waste management and others. An independent reputed team of internal auditors continuously monitor operations and processes of your Company. Your company fully complied with significant changes in the regulatory environment with respect to financial reporting.

In the current financial year, we will continue to focus on our key talent, quality, and growth. We remain optimistic that we will be in a position to deliver good results both in terms of financial performance and clinical outcomes this year as well.

I take this opportunity to thank the members of the Board for their continuous support and guidance and express my gratitude to all stakeholders, employees and partners, for their continued commitment and passion. A special thanks to each of you, our shareholders, for your continued confidence in the company.

With warm regards

Aditya Vij



# NOTICE OF THE ANNUAL GENERAL MEETING

**Notice** is hereby given that the **Twenty First Annual General Meeting** of the Company will be held on **Wednesday, the 5<sup>th</sup> day of September, 2012 at 2:30 P.M.** at **P.Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha (Regd) – Vani Mahal, 103, G.N. Road, T. Nagar, Chennai – 600 017**, to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Statutory Auditors thereon.
2. To appoint a director in place of Mr. Sanjay Jayavarthanavelu, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Dr. Nithya Ramamurthy, who retires by rotation and being eligible, offers herself for re-appointment.
4. To re-appoint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s S R B C & Co. (Firm Registration No. 324982E), Chartered Accountants, retiring Auditors, are eligible for re-appointment.

## SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Aditya Vij, who was appointed as an Additional Director of the Company w.e.f. 03<sup>rd</sup> August, 2011 and who holds office pursuant to Section 260 of the Companies Act, 1956 hereinafter referred to as ('the Act') upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Act, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Directors and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, things as may be necessary, to give effect to the foregoing resolution.”

6. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Ashish Bhatia, who was appointed as an Additional Director of the Company w.e.f. 24<sup>th</sup> January, 2012 and who holds office pursuant to Section 260 of the Companies Act, 1956 hereinafter referred to as ('the Act') upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Act, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Directors and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, things as may be necessary, to give effect to the foregoing resolution.”

7. To consider and if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT Mr. Venkatraman Vijayarathna who was appointed as an Additional Director w.e.f. 10<sup>th</sup> July, 2012 and who holds office pursuant to Section 260 of the Companies Act, 1956 hereinafter referred to as ('the Act') upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Act, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 302, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as “the Act”), read with Schedule XIII to the Act and subject to such other statutory, contractual and regulatory approvals, permissions and consents as may be required and subject to such terms and conditions as may be imposed by them while granting such approval(s), the consent of the Shareholders be and is hereby accorded to the appointment of Mr. V Vijayarathna as a Whole-time Director of the Company for a period of three years w.e.f. 10<sup>th</sup> July, 2012 on the terms and conditions as set below:

- a) Total Remuneration: Remuneration payable by way of salary, perquisites and other allowances shall not exceed 5% of Net profits of the Company, computed in the manner laid down in Section 349 and 350 of the Act, in any financial year or ₹ 80 lacs per annum, whichever is higher, with the authority granted to the Board of Directors and/or Human Resources and Remuneration Committee, to amend/ modify the remuneration components of the total remuneration, within the limits stipulated in this Resolution, from time to time.



In the event of loss or inadequacy of profits in any financial year during the tenure of the Whole-time Director, he will be entitled to the above remuneration as minimum remuneration.

The perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, they shall be evaluated at actual cost.

b) Other terms:

- (i) Subject to the superintendence, control and direction of the Board, Mr. Vijayarathna shall perform such duties and functions as would be commensurate with his position as Whole-time Director of the Company and as may be delegated to him by the Board from time to time
- (ii) The Whole-time Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or Committees thereof
- (iii) The Whole-time Director will be entitled to reimbursement of entertainment and all other expenses actually and properly incurred by him in the course of legitimate business of the Company
- (iv) The office as Whole-time Director may be terminated by either party by giving three months' notice in writing, of such termination unless otherwise a shorter period is decided mutually between the Director and the Board of Directors
- (v) If, at any time, Mr. Vijayarathna ceases to be the Director of the Company for any reasons whatsoever, his office as Whole-time Director shall forthwith be terminated
- (vi) He shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and to sign, execute and file and/or modify all such forms, papers and documents as may be considered necessary or expedient including appointing attorney(s) or authorised representatives to give effect to this Resolution."

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

Date : July 24, 2012  
 Place : Chennai

**Poonam Makkar**  
 Company Secretary

**Notes:**

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, TO BE EFFECTIVE SHALL BE DULY FILLED, STAMPED, SIGNED AND DEPOSITED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AT THE REGISTERED OFFICE AT 52, FIRST MAIN ROAD, GANDHI NAGAR, ADYAR, CHENNAI – 600 020.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is enclosed herewith and forms part of this Notice.
3. In terms of Clause 49 of the Listing Agreement, the additional information on Directors seeking appointment/ re-appointment at this Annual General Meeting has been provided in the Report on Corporate Governance.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 31<sup>st</sup> day of August 2012 to Wednesday, 5<sup>th</sup> day of September 2012 (both days inclusive).
5. Members are requested to bring their copy of Annual Report to the Meeting.
6. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall.
  - (a) Members who hold shares in electronic form are requested to notify any change in their particulars like change in address, etc., to their respective Depository Participants immediately.
  - (b) Members who hold shares in physical form are requested to notify any change in their particulars like change in address, etc., to the Registrar and Transfer Agent of the Company.
7. Corporate members are requested to send a duly certified copy of the Board Resolution /Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
8. In case of joint holders attending the meeting, only such joint holder whose name appears at the top in the hierarchy of names shall be entitled to vote.
9. For security reasons, no article / baggage will be allowed at the venue of the meeting. The members / attendees are strictly requested not to bring any article/baggage, etc. at the venue of the meeting.
10. The members who hold shares in dematerialized form are requested to bring their Client Id and DP ID Nos for easier identification of attendance at the meeting.

11. Those members who have not yet got their Equity Shares dematerialized, are requested to contact any of the Depository Participants in their vicinity for getting their shares dematerialized.
12. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them. The Shareholders holding shares in physical form & desirous of making nominations may send their nomination request in prescribed form 2B of Companies (General Rules & Forms), 1956 which can be obtained from the Company's Registrar, KARVY COMPUTERSHARE PRIVATE LIMITED at PLOT NO. 17-24, VITTAL RAO NAGAR, MADHAPUR, HYDERABAD-500 081 or download from the Company's website.
13. Members desiring any information on the Accounts are required to write to the Company at its Registered Office, giving at least 7 days notice prior to the date of Annual General Meeting to enable the Management to compile and keep the information ready.
14. The Ministry of Corporate Affairs ("MCA") has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by Companies vide its Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 stating that the service of official documents by the Companies to its members can be made through electronic mode.

Considering the move taken by the MCA as a welcome step for the society at large, the Company henceforth proposes to send various notices/ documents like Notices of General Meetings, Audited Financial Statements, Auditors' Report, Directors' Report, Financial Results, etc. in electronic form to the e-mail IDs available with company. If you still wish to receive the above documents in physical form, the same shall be made available upon receipt of a request from you.

All the official documents including Annual Report of the company, circulated to the Members of the Company through electronic mode, will be made available on the Company's website i.e. [www.fortismalar.com](http://www.fortismalar.com). The members holding shares in demat mode may update their e-mail IDs with their respective depository participants to ensure that the Annual Reports and other documents reach them at their preferred e-mail IDs and where the shares are held in physical form, please get your e-mail IDs registered or updated in the records of the Company.

## EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

### Item No. 5

The Board of Directors of your Company had co-opted Mr. Aditya Vij as a Chairman and additional Director of the Company w.e.f. 03<sup>rd</sup> August, 2011, in terms of Section 260 of the Companies Act, 1956 read with Article 11(9) of the Article of Associations of the Company. The brief details of his qualification, experience etc. is given in Corporate Governance Report of the Company.

As per Section 260 of the Companies Act, 1956, he will hold office upto the date of this Annual General meeting. The Company has received a notice in writing in terms of Section 257 of the Companies Act, 1956, along with a requisite deposit, proposing his candidature for office of Director of the Company, liable to retire by rotation.

Your Directors believe that with the appointment of Mr. Aditya Vij as a Chairman and Non Executive Director, the Company would be immensely benefited by way of his strategic guidance, leadership and knowledge in various fields. Hence, the resolution as set out at item No.5 of the notice is recommended for your approval.

None of the Directors except Mr. Aditya Vij, himself, is in any way, concerned or interested in the said resolution.

### Item No. 6

The Board of Directors of your Company had co-opted Mr. Ashish Bhatia, having rich experience in hospital management, as an additional Director of the Company w.e.f. 24<sup>th</sup> January, 2012. Pursuant to provisions of Section 260 of the Companies Act, 1956 and Article 11(9) of the Article of Associations of the Company. The brief resume of Mr. Ashish Bhatia is given in Corporate Governance Report of the Company.

As per Section 260 of the Companies Act, 1956, he will hold office upto the date of this Annual General meeting. The Company has received a notice in writing in terms of Section 257 of the Companies Act, 1956, along with a requisite deposit, proposing his candidature for office of Director of the Company, liable to retire by rotation.

Your Directors believe that with his appointment as Non Executive Director, the Company would be benefited from his expertise and knowledge. Hence, the resolution as set out at item No.6 of the notice is recommended for your approval.

None of the Directors except Mr. Ashish Bhatia, himself, is in any way, concerned or interested in the said resolution.