

# Healthcare Straight from the Heart



**ANNUAL REPORT**  
2013-2014



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## Company Information



### BOARD OF DIRECTORS

Mr. Aditya Vij  
Mr. Ashish Bhatia  
Mr. Lakshman Teckchand Nanwani  
Mr. Murari Pejavar  
Dr. Nithya Ramamurthy  
Mr. Rama Krishna Shetty  
Mr. Ramesh Lakshman Adige  
Mr. Sandeep Puri  
Mr. Sanjay Jayavarthanavelu  
Mr. Venkatraman Vijayarathna

### COMPANY SECRETARY

Mr. Dinesh Kumar Gupta (till June 02, 2014)

### AUDITORS

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

### REGISTERED OFFICE

Fortis Malar Hospitals Limited  
52, First Main Road, Gandhi Nagar,  
Adyar, Chennai – 600 020  
CIN No.: L85110TN1989PLC017232  
Phone No.: + 91 – 44 – 2491 4023, 4289 2222  
Fax No.: + 91 – 44 – 4289 2293  
Website: [www.fortismalar.com](http://www.fortismalar.com)

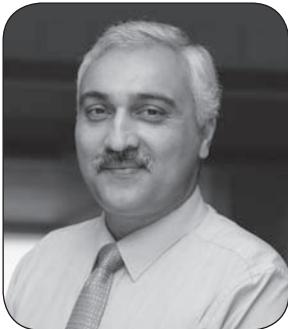
### REGISTRAR AND TRANSFER AGENT

Karvy Computershare Private Limited  
Plot No.17-24, Vittal Rao Nagar, Madhapur,  
Hyderabad – 500 081  
Tel: +91- 40- 4465 5000  
Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

## Board of Directors



Mr. Aditya Vij



Mr. Ashish Bhatia



Mr. L. T. Nanwani



Mr. Murari Pejavar



Dr. Nithya Ramamurthy



Mr. R. K. Shetty



Mr. Ramesh Lakshman Adige



Mr. Sandeep Puri



Mr. Sanjay Jayavarthanavelu



Mr. V Vijayarathna

## Chairman's Message



**Dear Shareholders,**

I have great pleasure in presenting the results of your Company for the year ended March 31, 2014.

We had a promising year, with Fortis Malar distinguishing itself as an institution with outstanding medical capabilities straddling multiple specialities. Annual revenues grew by 10% to Rs. 108.38 Crores from Rs 98.56 Crores in the previous financial year. Net profit before exceptional and extra-ordinary items was at Rs.13.39 Crores compared to Rs 12.57 Crores in the previous financial year. Net profit after tax was at Rs. 8.78 Crores against Rs. 43.48 crores earned in the previous year.

The average revenue per occupied bed (ARPOB) significantly improved during the current year increasing from Rs. 97 lakhs in FY 2013 to Rs. 109 lakhs in FY 2014. The average length of stay (ALOS) went up marginally from 3.69 days in FY 2013 to 3.81 days in FY 2014, primarily on account of the complex, high value surgeries requiring exceptional medical skills, being undertaken at your hospital.

During the year our surgeons continued to dedicate their efforts in the service of patients, performing several first-of-their-kind procedures. To name a few, we undertook a unique Heart Transplant operation on a 34 year old breast

cancer survivor from Iraq. A Lap Sleeve Gastrectomy was performed successfully on a Sudanese patient weighing 260 kgs. We also performed four HVAD (Artificial Heart Pump HeartWare® Ventricular Assist Device) implants during the year and continued to be one of the leading hospitals in the country for Heart and Renal transplants.

We witnessed robust growth across all major specialties and further reiterated our focus on quality, emphasizing Patient Care and Patient Welfare services. These measures have led to a significant improvement in Patient satisfaction levels.

To handle the increasing work load and extend our suite of medical services, we inducted highly skilled surgeons and consultants to our accomplished faculty. All these endeavours have been useful in raising the bar for clinical excellence at Chennai.

As part of your Company's environment friendly initiatives aimed at reducing the carbon foot print, we made a progressive shift to alternate energy sources in 2012. I am pleased to report that most of our electricity and power needs (to the tune of nearly 83%) are now being met through clean wind power with minimal dependence on the conventional grid.

Our people and clinicians play a vital role in delivering superior patient care and have been instrumental in upholding the values of Fortis. On behalf of the management, I take this opportunity to thank them for their contributions during the year and for carving a niche for Fortis Malar as a significant landmark for healthcare in the country.

Meanwhile, I would like to take this opportunity to thank the members of the Board for their generous support and guidance. I would also like to express my gratitude to all our stakeholders, partners and employees, for their continued commitment, passion and confidence in the Company.

**With Best Wishes and Warm Regards**

**Aditya Vij**

Chairman - Fortis Malar Hospitals Limited



# Notice of the Annual General Meeting



NOTICE is hereby given that the **Twenty Third Annual General Meeting** of the Company will be held on Friday, September 05, 2014, at 11:30 a.m. at P. Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha, Vani Mahal, 103, G.N. Road, T. Nagar, Chennai – 600 017 to transact the following business:

## ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Statutory Auditors thereon.
2. To appoint a director in place of Dr. Nithya Ramamurthy (DIN – 00255343), who retires by rotation and being eligible, seeks re-appointment.
3. To appoint a director in place of Mr. Aditya Vij (DIN – 03200194), who retires by rotation and being eligible, seeks re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended from time to time, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. – 101049W), be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting ('AGM') up to the conclusion of the next AGM of the Company, in place of the retiring Auditors, M/s S.R. Batliboi & Co. LLP, Chartered Accountants (who have expressed their unwillingness to be re-appointed), at such remuneration plus service tax, out-of-pocket, travelling expenses, etc. as may be fixed by the Board of Directors.”

(The Company has received notice from a member signifying his intention to propose the above resolution)

## SPECIAL BUSINESS:

5. To appoint Mr. Ramesh Lakshman Adige (DIN – 00101276) as an Independent Director and in this regard, to consider and if thought fit, to pass, with

or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ramesh Lakshman Adige (DIN – 00101276), a non-executive director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years.”

6. To appoint Mr. Sanjay Jayavarthnavelu (DIN – 00004505) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sanjay Jayavarthnavelu (DIN – 00004505), a non-executive director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years.”

7. To appoint Mr. Murari Pejavar (DIN – 00020437) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Murari Pejavar (DIN – 00020437), a non-executive director of the

Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years.”

8. To appoint Mr. Rama Krishna Shetty (DIN – 01521858) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rama Krishna Shetty (DIN – 01521858), a non-executive director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years.”

9. To appoint Mr. Lakshman Teckchand Nanwani (DIN – 00076536) as an Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Lakshman Teckchand Nanwani (DIN – 00076536), a non-executive director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years.”

10. To appoint Mr. Raghunath P. (DIN - 06929117) as a Whole-time Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Raghunath P. (DIN - 06929117) who was appointed as the Whole-time Director w.e.f. July 26, 2014 also designated as the key Managerial Personnel, pursuant to applicable provisions of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in respect of whom the Company has received a Notice under Section 160 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 196, 197, 203 and any other applicable provisions, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other regulatory authority, if any, the consent of the members is hereby accorded to appoint Mr. Raghunath P. as the Whole-time Director of the Company for a period of three years with effect from July 26, 2014, on the terms and conditions as set below:

- a) Total Remuneration: Remuneration payable by way of salary, perquisites and other allowances shall be upto Rs. 50,00,000 (Rupees Fifty Lac only) per annum in any financial year in the manner laid down in Section 198 and/or any other applicable provisions of the Act, in any financial year or 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.

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. Raghunath P. 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) Whole-time Director will be entitled to reimbursement of all such expenses actually and properly incurred by him in the course of legitimate business of the Company, as per the policies of the Company.



- (iv) The office as the 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. Raghunath P. 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 consent of the members of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided above be paid with the prior approval of the Central Government

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 authorized representatives to give effect to this resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Raghunath P., Whole-time Director, including the components of the above mentioned remuneration payable to him subject to the overall cap of Rs. 50,00,000 (Rupees Fifty Lac only) per annum."

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Annual General Meeting of the Shareholders of the Company held on June 28, 1993 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of the Company (hereinafter called "the Board"), which term shall be deemed to include any Committee of the Board, which the Board may have constituted or hereinafter constitute for the time being, to exercise its powers including the powers conferred on the Board of Directors by this resolution, or any person(s) authorized by the Board or its Committee for such

purposes), is hereby authorized to borrow from time to time as it may think fit, by way of loans or any other financial facilities from, or issue of bonds, debentures or other securities whether convertible into equity/preference shares and/or securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe for equity/preference shares to, bank(s), financial or other institution(s), mutual fund(s), non-resident Indians, foreign institutional investors or any other person(s), body(ies) corporate, etc., whether a shareholder of the Company or not, whether unsecured or secured and on such terms and conditions as the Board may deem fit, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not, at any time, exceed the limit of Rs. 50,00,00,000 (Rupees Fifty Crores Only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such agreements, documents, papers and writings as may be deemed necessary, expedient or desirable to give effect to the above resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Annual General Meeting of the Shareholders of the Company held on September 29, 2008 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of the Company (hereinafter called "the Board"), which term shall be deemed to include any Committee of the Board, which the Board may have constituted or hereinafter constitute for the time being, to exercise its powers including the powers conferred on the Board of Directors by this resolution, or any person(s) authorised by the Board or its Committee for such purposes) be and is hereby authorised to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and

hypothecations created by the Company, on such movable and immovable properties, both present and future, or the whole, or substantially the whole, of the undertaking or undertakings of the Company, and with such ranking as to priority and for such time and on such terms and in such manner as the Board may think fit, in favour of lenders, agents, trustees and other agencies to secure the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and/or working capital facilities and/or Securities issued/ to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013 as may be available to the Company from time to time, together with interests, compound/additional interest, commitment charges, costs, expenses and all other monies payable by the Company to the concerned lenders.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of directors or any executive director or directors or any other officer of the Company to do all such acts, deeds and things and to sign all such agreements, documents, papers and writings as may be deemed necessary, expedient or desirable to give effect to the above resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects."

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

"RESOLVED THAT pursuant to provisions of Section 94 of the Companies Act, 2013 and the rules made thereunder, the consent of the members be and is hereby accorded to the Board of Directors of the Company, for keeping the Register of Members together with the Index of members, the Register of Debenture Holders together with the Index of debenture holders, if any, under Section 88 of the Companies Act, 2013, at the office of the Registrar and Transfer Agent, Karvy Computershare Private Limited situated at F-11, First Floor, Akshaya Plaza, No. 108 Adithanar Salai, Egmore, Chennai – 600 002, Tamil Nadu or at such places within Chennai where the Registrar and Transfer Agent may shift its office from time to time, instead of the Registered Office of the Company.

RESOLVED FURTHER THAT the Directors 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."

By Order of the Board  
For Fortis Malar Hospitals Limited

Dated: July 26, 2014  
Place: Chennai

Aditya Vij  
Director

DIN - 03200194

Address – 3/27 Second Floor,  
Shanti Niketan, New Delhi - 110021

#### Notes:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted under Item Nos. 5 to 13 is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.  
  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Brief resume of Directors including those proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is annexed hereto.
4. The Company has notified the closure of Register of Members. The Share Transfer Books of the Company shall remain closed from **Saturday, 23<sup>rd</sup> day of August, 2014 to Friday, 5<sup>th</sup> day of September, 2014** (both days inclusive).
5. The notice of Annual General Meeting will be sent to those members/beneficial owners whose name appear in the register of members/list of beneficiaries