SHALBY®
MULTI-SPECIALTY
HOSPITALS

Working to Make it Happen

UNLOCKING

a Healthier, Happier India

ANNUAL REPORT | 2020-21

Remembering
the lives lost

The medical fraternity around India – as across the world – has worked tirelessly to provide care during the Covid-19 pandemic. Despite the best efforts of the healthcare frontliners, who are part of the essential workforce in any nation, many lives have been lost. In India, the pandemic has claimed the lives of hundreds of healthcare workers, while patient deaths are over the 300,000 mark.

The Shalby Group pays its humble last respects to the ones who are gone and deepest condolences to their bereaved families.

We are part of the great web of humanity and will always strive to protect as many people as we can and honour the departed.

Corporate Information

BOARD OF DIRECTORS

Dr. Vikram Shah
Chairman & Managing Director

Mr. Sushobhan Dasgupta
Vice Chairman and Global President

CA Shyamal Joshi
Independent Director

Dr. Ashok Bhatia
Non-Executive Director

Dr. Umesh Menon
Independent Director

Mr. Tej Malhotra
Independent Director

CA Sujana Shah
Independent Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Dr. Umesh Menon, Chairman
CA Shyamal Joshi, Member
Mr. Tej Malhotra, Member
CA Sujana Shah, Member

NOMINATION AND REMUNERATION COMMITTEE

Dr. Umesh Menon, Chairman
CA Shyamal Joshi, Member
CA Sujana Shah, Member

STAKEHOLDER RELATIONSHIP COMMITTEE

CA Shyamal Joshi, Chairman
Dr. Umesh Menon, Member
Dr. Vikram Shah, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

CA Sujana Shah, Chairperson
CA Shyamal Joshi, Member
Dr. Umesh Menon, Member

CHIEF FINANCIAL OFFICER

CA Prahlad Rai Inani

COMPANY SECRETARY

CS Tushar Shah

STATUTORY AUDITORS

T. R. Chadha & Co., LLP
Chartered Accountants

INTERNAL AUDITORS

PricewaterhouseCoopers P. Ltd.

BANKERS

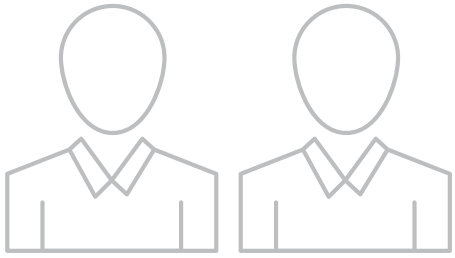
HDFC Bank Limited
IDFC Bank Limited
Kotak Mahindra Bank Limited
Yes Bank
IndusInd Bank

REGISTRAR & TRANSFER AGENT

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500 032, Telangana, India
Phone: +91 - 40 - 67162222
+91 - 40 - 33211000
E-mail: einward.ris@kfintech.com

Registered Office

Shalby Limited
Shalby Multi-Specialty Hospitals,
Opp. Karnavati Club, S. G. Highway,
Ahmedabad - 380 015
CIN: L85110GJ2004PLC044667
Phone: +91 - 79 - 4020 3000
Fax No: +91 - 79 - 4020 3120
E-mail: companysecretary@shalby.in
Website: www.shalby.org



What's Inside

Forward-looking statements / Cautionary statement

In this Annual Report, we have disclosed forward-looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.

To view this report online, please visit: **www.shalby.org**

Operating in the healthcare space, we, at Shalby, felt a responsibility from the earliest days of the pandemic and were committed to playing a meaningful role in protecting lives. Across our hospitals, we progressively increased the allocation of Covid-19 beds, and our dedicated team of doctors and support staff worked round the clock. Throughout this unprecedented year, we also provided affordable homecare medical services to both Covid-19 and general patients.

With the rise of the second wave of the pandemic in India, lockdowns were reimposed across various parts of the country. During this crisis period, we once again stepped up to treat Covid-19 patients and provide the required infrastructure support and medical facilities to combat the surge of rising cases and help the country move towards normalcy and 'unlockdown'.

This year to us was all about humanity. We went beyond profits and as a healthcare provider, treated amongst the highest number of Covid-19 patients in Ahmedabad, Gujarat, and Western India. We continue to work in collaboration with the government healthcare bodies to serve the people amidst these trying times, including conducting vaccination drives.

While Covid-19 will eventually pass, other challenges continue to dominate the healthcare space. First, lifestyle diseases are on the rise in a rapidly changing world. Affordability is another important factor impeding accessibility to healthcare, not only in India but in several parts of the world. Our ongoing diversification strategy into multi-speciality hospitals has enabled us to provide world-class services in tertiary and quaternary areas within the context of affordability. Meanwhile, we remain focussed on growing our footprint to make high-quality healthcare accessible to more people across the country and beyond.

We are working towards making healthcare better for everyone. We are unlocking a healthier and happier India.

Company Overview

This is Shalby

Shalby Limited (Shalby) is one of India's prominent multi-speciality hospital chains, with over two and half decades of expertise in providing quality and cost-effective healthcare.

Shalby is globally renowned for its Joint Replacement Centre with over one lakh twenty five thousand joint replacements performed to date. With the aim to deliver all-inclusive healthcare services under one roof, we have strengthened our presence across tertiary and quaternary specialities such as Cardiology, Neurology, Oncology, Bariatrics, Liver and Renal transplants. Our dedicated team of healthcare professionals is committed to delivering patient-centric care.

Our presence in India includes 11 multi-speciality hospitals and a strong network of outpatient clinics. We also operate outpatient clinics internationally in Kenya, Tanzania, Rwanda, Uganda, UAE, Bangladesh, Cambodia, Jakarta, Oman, Uzbekistan and Nepal.

Ethos

VISION

Exceeding expectation from health.

MISSION

Leveraging global leadership in joint replacement to establish multi-speciality care across geographies.

VALUES

We value all human lives placed in our hands and are constantly working towards meeting the expectations of our customers and stakeholders by raising the standards of our service deliverables.

Accreditations

National Accreditation Board of Hospitals & Healthcare Providers (NABH) certified

Among the select hospitals in India to receive this prestigious certification

National Accreditation Board for Testing and Calibration Laboratories (NABL) recognised

State-of-the-art laboratory technology and equipment for testing a wide range of conditions

Chartered Quality Institute (CQI)

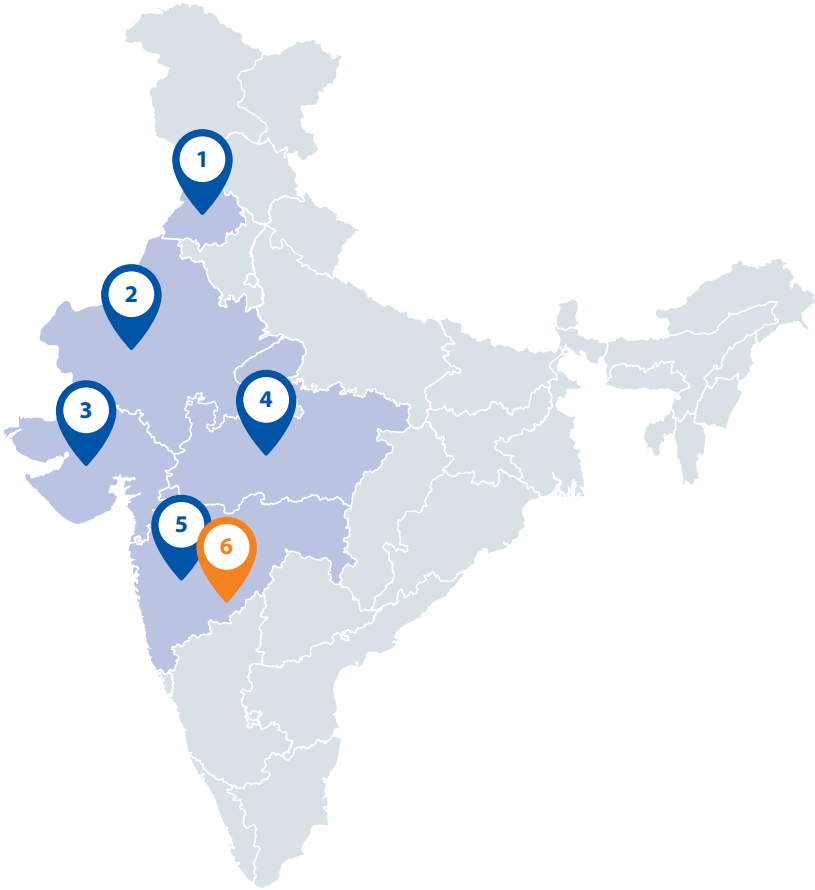
A global standard for providing quality services to patients, corporate and medical insurance companies

Our Specialties

- Orthopaedics
- Cardiac Science
- Critical Care
- Oncology
- Neurology
- Nephrology & Urology
- Dental, Implantology & Cosmetic Surgery
- Paediatrics & Neonatology
- Gynaecology & IVF
- GI, Hepatobiliary & Bariatric Surgery
- Shalby Homecare

Our Footprint

National Presence



1 PUNJAB
- Mohali – 145 beds

2 RAJASTHAN
- Jaipur – 237 beds

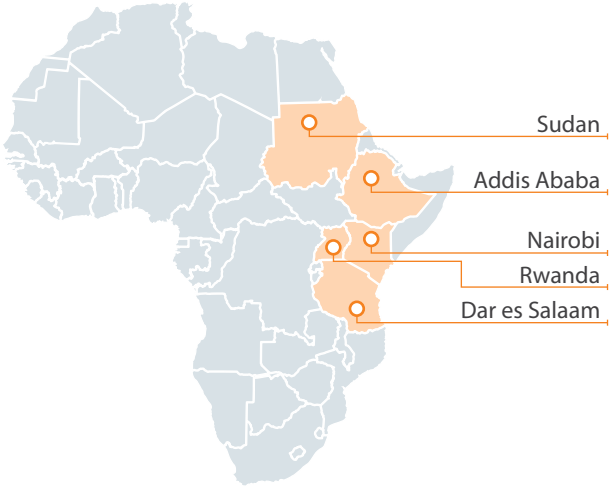
3 GUJARAT
- Ahmedabad
  - SG – 201 beds
  - Krishna – 220 beds
  - Vijay – 27 beds
  - Naroda – 267 beds
- Vapi – 146 beds
- Surat – 243 beds

4 MADHYA PRADESH
- Indore – 243 beds
- Jabalpur – 233 beds

5 MAHARASHTRA
- Ghatkopar (Zynova) – 50 beds

6 MAHARASHTRA UPCOMING 2 UNITS
- Mumbai (Santacruz) – 175 beds
- Nashik –146 beds

International Presence



11 Existing Units (2,012 beds)

02 Upcoming Units (321 beds)

50 Outpatient Clinics across 15 states in India

Maps not to scale.
For illustrative purposes only.

Awards and Accolades

Shalby has been the preferred choice of numerous government and non-governmental awards in the year under review. These esteemed awards are evidence of our steadfast resolve to serve our patients with the best-in-class health facilities and treatment.

- Accredited with 'The Best Hospital for Patient Care Award 2020'
- Received many awards over the years on corporate governance, quality and technology

Numbers that define us

27 Years of experience

11 Multi-speciality hospitals

50 Outpatient clinics

1,25,000+ Joint replacement surgeries till date

15% Market share of joint replacement surgeries in India, highest among private healthcare players

50 Cities across India (hospital/ outpatient clinics)

500+ Doctors

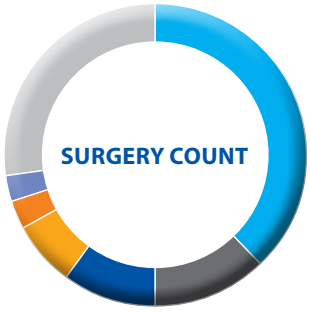
26% 15-year CAGR Revenue

33% 15-year CAGR EBITDA

21,00,000+ Patients provided healthcare services till date

₹598 million Net cash position

- **33%** Critical Care & General Medicine
- **23%** Arthroplasty
- **10%** Oncology
- **8%** Cardiac Science
- **6%** Other Ortho
- **5%** Neurology
- **4%** Nephrology
- **11%** Others



- **38%** Arthroplasty
- **12%** Orthopaedic
- **10%** General Surgery
- **7%** Oncology
- **3%** Cardiac Science
- **3%** Cosmetic & Plastic Surgery
- **27%** Others

- **55%** Self Pay
- **24%** TPA
- **18%** Corporate Government
- **3%** Corporate Private

Chairman and Managing Director's Message

Standing tall in the face of the pandemic

Dear Shareholders,

I hope you and your loved ones remain safe through these tough times. With the widespread vaccination drives across the nation, I am expecting that we are moving towards herd immunity.

In a successful fight against the pandemic, India has effectively administered resulting in more than 24% of the population being vaccinated with at least one dose, that too within five and a half months of the commencement of the vaccination drive. The emergence of the pandemic has further highlighted the importance of investing in adequate and effective healthcare infrastructure by countries. Investors could take advantage of the conducive environment to engage in India's healthcare industry, which is predicted to grow to USD 372 billion by 2022. The Government's plans to increase budgetary allocation for public health spending to 2.5% of the country's GDP by 2025 will benefit the hospital care sector significantly. There is a tremendous demand for tertiary care hospitals and specialty hospitals, in particular. Currently, a considerable gap exists between the number of beds available and those required. India's hospital bed density is less than half the global average of 3 hospital beds per 1,000 people, meaning that 2.2 million additional beds will be needed during the next 15 years in India.

In the past one and a half years, the world changed dramatically, as did the enormity of our challenges. But we, at Shalby, were more steadfast than ever about treating patients and achieving goals. We have proven that in the face of incredibly difficult times, we come together and stronger. This year's annual report emphasizes our values and dedicated efforts, which has resulted in the growth of our involvement with our stakeholders and community. It reflects how we have inspired trust through our quality care.

Operational and financial performance

The past financial year was a tough period for the hospital industry, as the surge in Covid-19 cases resulted in a lower number of surgeries against planned expectations. The industry performance was significantly impacted in the first half of the year due to a considerable drop in occupancy, particularly in the first quarter. With the

₹4,400 Mn
Revenue

₹551 Mn
Profit Before Tax

11,900+
Surgeries during the toughest year

1,00,000+
People Vaccinated

> Our occupancy improved from 17% in the first quarter to 40% in the fourth quarter, with overall occupancy for the year standing at 35.7%. This resulted in operating margins of 21.7% compared to 19.7% in the previous year.

lifting of restrictions, hospitals began to witness a stable business recovery as Covid-19 treatments and Non Covid-19 surgeries and services resumed. Our revenues stood at ₹ 4,400 million in FY 2020-21, while Profit before Tax for the year stood at ₹ 550.55 million. The fact that we performed over 11,933 surgeries during the toughest year demonstrates the faith in our services. We continued to generate a healthy profit margin and registered commendable growth both operationally and financially, thus accelerating our journey towards making quality healthcare available within the reach of the common man.

We stand committed with the Government and society in the fight against Covid-19. Shalby, in collaboration with the Government, took several initiatives to effectively manage the crisis. Over 1,500 beds were allocated across our units for Covid-19 patients. Homecare services and hotel collaboration were made available for treating patients, and over 5,000 video consultations were given to home isolated patients by homecare services. With full force and dedication, we were able to treat 12,000 COVID-19 positive patients and conducted 8,511 RT-PCR tests through our networks. Shalby is one out of the three government-authorised private hospitals in western India. Till now we have vaccinated over 1,00,000 people. Our occupancy improved from 17% in the first quarter to 40% in the fourth quarter, with overall occupancy for the year standing at 35.7%. This resulted in operating margins of 21.7% compared to 19.7% in the previous year.

By acquiring implant manufacturing assets from Consensus Orthopedics for USD 11.45 million, Shalby continues to bring better synergy with backward integration. This acquisition is a strategic milestone in our corporate history and will enable us to diversify our core hospital healthcare services business into related and high-growth implant product offerings. The synergies between the businesses are compelling and will deliver the benefits of procuring quality implants at competitive prices into India across our hospital group. This corporate development is fully in line with our stated strategy to grow our orthopaedic business. As we continue to grow Shalby across India, we will work closely with our doctor network to better appreciate the benefits of our implants in terms of higher operational efficiency and profitability. Additionally, the joining of Mr. Sushobhan Dasgupta and Mr. Daniel Hayes, who have more than 30 years of implant business experience in the global market, would certainly compound the synergistic effect at Shalby.

For FY 2021-22, we stand more prepared to face any further phases of the pandemic if any. We will continue to expand our presence into new territories in the country through the franchise model by following an asset-light approach. We continue to be committed to partnering our nation's vaccination drive.

Thank you for keeping your faith in us.

Dr. Vikram Shah
Chairman and Managing Director

Vice Chairman & Global President's Message

Putting the thrust on strengthening our operations

Dear All,

The world is going through unprecedented times over the past 18 months. The global population of 7.9 billion people continue to experience enormous challenges that have never been faced before, which hopefully would not happen again in this century once this dreadful pandemic gets under reasonable control.

Though the COVID-19 virus has produced several mutants, with increased and improved awareness and responsible behaviour demonstrated across all impacted stakeholders across the world, I am hopeful that we would soon regain normalcy in our everyday lives, albeit with some hugely irreparable losses suffered by many of us in this crisis. I feel extremely optimistic for the future since every person has taken key takeaways while surviving through this pandemic, and such learnings would now be consciously implemented, which in turn will make this world a much better place.

All of us during this crisis have often come across the word "frontline workers", which has been frequently used to acknowledge the humongous efforts of certain groups of individuals/teams of people who were mandated/voluntarily came forward braving the dangerous situation to serve the society. In such times of crisis, I feel so privileged and honoured to join a "frontline organisation" like Shalby, one of India's leading multispecialty hospital chain, whose employees have worked tirelessly to treat thousands of patients. I joined Shalby as the Vice-Chairman and Global President on 17th May 2021, being responsible for the entire operations but specifically focussed on the newly acquired orthopaedic implant assets in the US as well as the new models of homecare and franchisee operations. This is indeed a great opportunity to work with the dynamic team at Shalby to serve many more patients in India and the world in the times to come.

Sometime mid-May this year, Shalby acquired the assets of Consensus Orthopaedics, a hip and knee implant manufacturing company with its facility at El Dorado Hills, USA, with a clear goal in mind - help Shalby enter and establish a strong footprint into the vast opportunity that exists in the world's largest implant market in the US and Asia-Pacific, and also help the organisation integrate our hospital orthopaedic services with the implant business and thereby expand our continuum of care throughout India and several countries of Asia-Pacific, Middle East, Eastern Europe, and Africa in the future.

Shalby Strength

My focus will be on spending a significant amount of my time towards creating and establishing critical processes, systems, people, and plans that would help turn around our orthopaedic implant business in the US. I am also planning to have the opportunity to be at our US manufacturing facility for several days and spend quality time with our new colleagues who have moved from Consensus to Shalby and also plan to spend quality time meeting up with the Shalby Board, the leadership and several of my colleagues responsible for leading the key departments at Shalby, to learn the nuances and intricacies of our hospital services area in India, as well as understand the fast-growing segmental opportunities of homecare, franchisee and Slaney Healthcare. Often my days have started at six in the morning and stretched up to midnight across various time zones, but the reward of learning has been immense.

- We have a fantastic patient-centric focussed team at Shalby, a great blend of experience, diversity, and fresh

thinking, with people employed from various backgrounds with proven excellence in service

- The business has demonstrated consistent growth in sound profits and shareholder value generation through execution of tight processes and cost efficiencies
- There is scope to develop a strategic framework through a bottom-up approach that would serve as the playbook for the enterprise
- There are opportunities to improve in several critical areas such as occupancy rates across many of the hospitals, employee turnover ratios, faster expansion of several specialties beyond orthopaedics, infusion of more professional talent, acceleration in high-potential areas such as franchisees, homecare, pharmaceuticals etc.
- Potential to hyper-accelerate in the medical devices space through M&A, partnerships and business model innovation as we hyper-expand our high potential, recently acquired orthopaedic implant business

Next One-year plan

I would continue to be based in Singapore for a few more years, expanding our base in the Asia-Pacific, MEA, and East European countries, where feasible and strategic opportunities exist aligned with the vision and mission of the organisation. Keeping my observations and learnings in mind, I will be focussing on the following key areas for Shalby over the next year:

- Create and drive execution of a strategic roadmap and playbook, with particular focus on the implant, homecare and franchisee businesses while strengthening the base operations of the hospital services
- Strengthen the core business processes, governance, procedures, and value proposition that make the organisation future-ready; apply innovative, modern thinking with a structured growth mindset while continuing to be smart and efficient in our spending
- Expand the core and invest in adjacencies and continuum of care-related products/services/models in potential geographies through prudent business development tactics
- Invest in continuous professional development, nurture talent to create the best team, and foster a culture that has strong corporate values and ethics
- Create a strong platform for turbo-charged consistent profitable growth across all operations
- Strengthen the platform to enable the orthopaedic implant business to reach USD 100 million in eight years.

I look forward to meeting and interacting with all my stakeholders and working together to make Shalby a stronger organisation providing quality care to many more patients swiftly, smartly, and efficiently.

Regards,

Sushobhan Dasgupta
Vice-Chairman & Global President

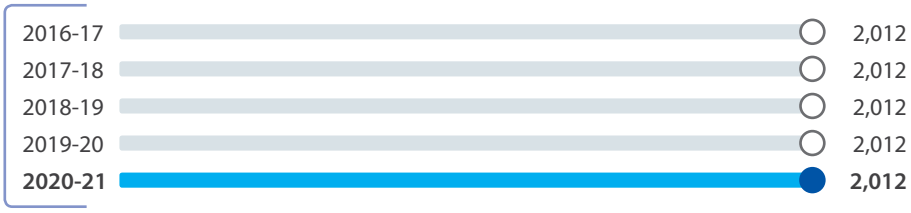
> All of us during this crisis have often come across the word "frontline workers", which has been frequently used to acknowledge the humongous efforts of certain groups of individuals/teams of people who were mandated/ voluntarily came forward braving the dangerous situation to serve the society.

Key performance indicators

Our performance scorecard

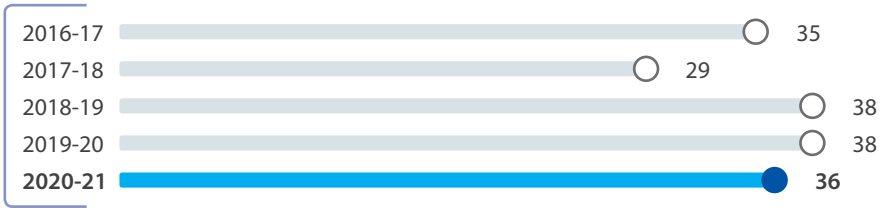
Operational highlights

BED CAPACITY (NOS.)

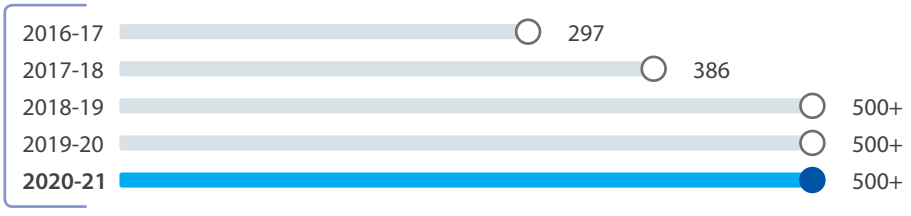


OPERATIONAL BEDS (NOS.)

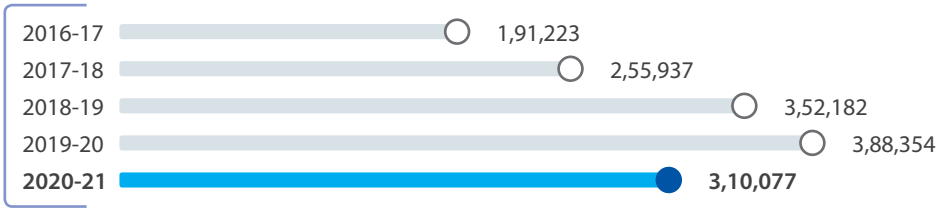
BED OCCUPANCY (%)



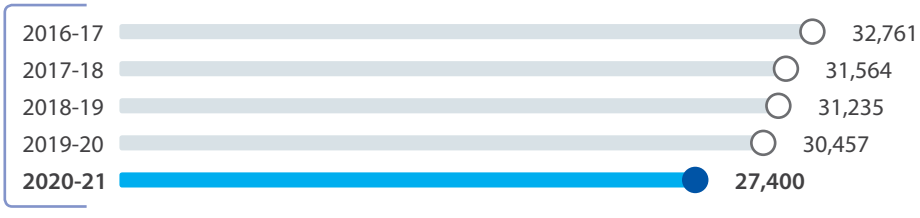
TOTAL DOCTORS



PATIENTS TREATED



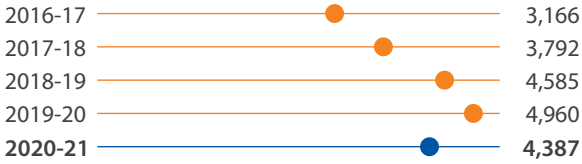
AVERAGE REVENUE PER OPERATING BED (ARPOB) (IN ₹)



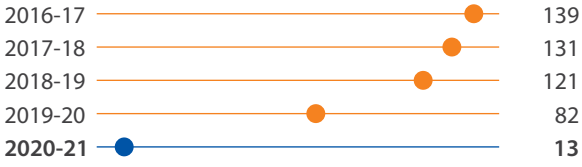
Financial Highlights

TOTAL REVENUE (₹ million)

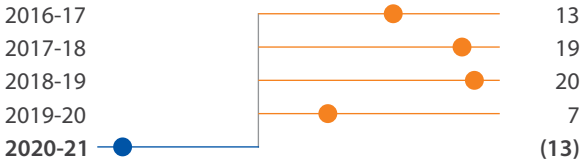
DOMESTIC REVENUE (₹ million)



INTERNATIONAL REVENUE (₹ million)



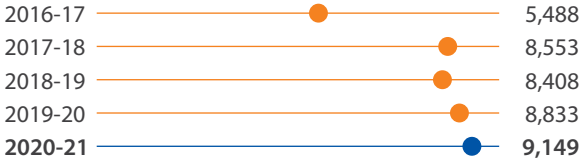
REVENUE GROWTH (%)



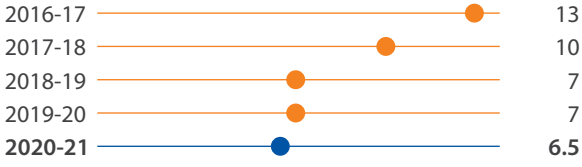
EBITDA (₹ million)

EBITDA MARGIN (%)

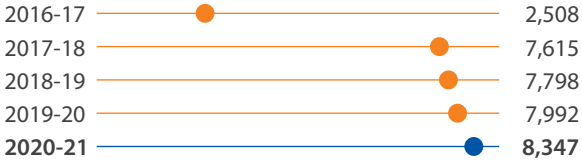
CAPITAL EMPLOYED (₹ million)



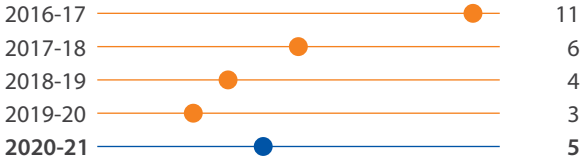
RoCE (%)



NET WORTH (₹ million)



RoE (%)



COVID-19 Patient Care

UNLOCKING COVID-19 Treatment

The extraordinary challenges posed by COVID-19 demanded an extraordinary response. At Shalby, we stepped up to the occasion, opening our doors and hearts to treat among the highest number of COVID-19 patients in Ahmedabad city as well as in the state of Gujarat.

From the early days of the pandemic, we have been committed to serving COVID-19 patients. Led by the expertise of our healthcare team and ably supported by our healthcare infrastructure and medical facilities, we have treated over 6,600+ COVID-19 patients as of March 31, 2021. At the peak of the COVID-19 outbreak in India, we were treating over 100 COVID-19 patients daily at our hospitals. Our skilled team of healthcare professionals worked selflessly and round the clock. Special COVID-19 packages and diagnostic services were also made available for the benefit of patients.

All our hospitals have been treating COVID-19 patients throughout the year. When COVID-19 cases suddenly surged in the country during the second wave, we allocated 1,540 beds overall at the Group level for infected patients, which translates to over 76% of our total bed capacity. Apart from installing additional ventilators, monitors and some other minor equipment, all our hospitals were adequately prepared to handle the rise of COVID-19 cases. Our ongoing diversification strategy into multi-speciality hospitals has also proved beneficial in serving COVID-19 patients across the Shalby Hospitals Group.

In addition to attending to COVID-19 patients at our hospitals, the COVID-19 homecare package was devised for treating asymptomatic or mildly symptomatic patients in the comfort of their homes. Our 'COVID-19 Isolation Treatment Package' included video interactions with healthcare professionals to guide the patients' recovery as well as reassure them in these anxious times. These packages were made available at affordable rates to make quality services more accessible. The timely introduction of our homecare package also helped to ease the burden on the country's healthcare infrastructure by reducing overcrowding at hospitals. Our homecare package was well-received with 466 patients availing these services, making us among the leading healthcare providers to treat COVID-19 cases through teleconsultation.

At Shalby, despite the operational challenges due to the pandemic, we maintained an unchanged focus on rolling out learning and development activities for our nursing and paramedical staff. A simulation lab and an experiential learning centre was set up at one of our Ahmedabad hospitals. The centre conducted skill gap training programmes for over 200 of our medical team members within six months. At a time when the deluge of COVID-19 patients overwhelmed hospitals in the country, our uninterrupted focus on upgrading the skills of our team enabled us to cater to three times the number of the patients that generally visit our facility with only a 10% increase in our support staff. Further, despite the sudden spike in patients at our hospitals, we consistently delivered the high levels of customer experience and satisfaction associated with brand Shalby.

Unfortunately, a large number of patients who have recovered from COVID-19 are again seeking medical help due to post-COVID-19 complications. While lung fibrosis, mucormycosis, blood clots and diabetes are among the main complications seen by doctors, there are many other worrying trends. At Shalby, we remain dedicated to treating people complaining of post-COVID-19 complications. We are regularly conducting surgeries of mucormycosis, asking patients to come for periodic reviews and providing holistic care.

We have rolled out COVID-19 vaccination across our hospitals in India. Since the drive started in our hospitals in March 2021, around 1,200+ vaccines are being administered daily. We continue to collaborate with government health authorities to help combat the challenge of COVID-19.

6,600+

Total number of COVID-19 patients treated in FY 2021

450+

Number of COVID-19 patients availing home-care package in FY2021

10,000+

COVID-19 vaccines administered as of March 31, 2021

1,540

COVID-19 bed allocation at the peak of the second wave in India

3x

Patients served with only a 10% increase in medical resources during the COVID-19 spike

COVID-19 Business Response

UNLOCKING Resilience

The COVID-19 pandemic created large-scale disruptions to hospital services. The resiliency demonstrated by our team during these challenging times enabled us to rebound strongly during the second half of the year. In fact, in the third quarter, we recorded the highest ever revenues and EBITDA in our corporate history.

As was necessary, the health crisis led hospitals and doctors worldwide to narrow down their focus on treating COVID-19 patients. In India, as well, non-essential elective surgeries were deferred due to the pandemic fear among the people, to curb the risk of COVID-19 infection and also to avoid overburdening hospitals when the pandemic load had surged.

The pandemic outbreak, national lockdown and later, extended restrictions in various parts of the country impacted our operations during the first quarter. Orthopaedic surgeries, and in particular arthroplasty, which is our niche strength, was understandably not a high priority for patients in these trying times. Elective surgeries in our other speciality areas were also postponed by patients to avoid the risk of exposure to the virus. Furthermore, the number of patients across other care formats – outpatients, in-patients and daycare also reduced due to the pandemic and restricted travel services. These developments resulted in lower patient count, number of surgeries, and bed occupancy at our hospitals.

Despite these headwinds, we embraced new ways of working and stayed true to our purpose of serving patients. E-consultation was offered to patients, which ensured continuity in healthcare services. Best-in-class healthcare facilities with a high priority on COVID-19 safety was made available to patients across the Shalby Hospitals Group. This enabled us to manage both COVID-19 as well as non-COVID-19 facilities simultaneously.

Post the first quarter, as the COVID-19 situation came under control and restrictions were eased, elective surgeries saw resumption, enabling us to record consistent improvement in bed occupancy. We also recorded an increase in patient count across all care formats, reflecting our strong brand recognition. Furthermore, our affordable homecare medical services, wherein we provide expert healthcare facilities in the comfort of our patient's home, especially proved beneficial for growing our revenues in this exceptional year.

In these uncertain times, prudent rationalisation of operating costs remained the order of the day. Centralised sourcing of medical instruments, devices and other consumables enabled us to leverage economies of scale. Our modular hospital design layouts continued to facilitate cost minimisation. Further, we stayed focussed on optimising our inventory levels. Material consumption was also reduced at the time when our hospitals accommodated a higher number of COVID-19 patients.

Another significant area of savings was the optimisation of our manpower costs. In addition to having full-time doctors, we have engaged doctors on a fee-for-service basis, which reduced our expenses. Further, providing a minimum guarantee to visiting doctors instead of fixed pay helped us to manage our doctor costs as a percentage of revenues. Voluntary reduction of pay from the doctors as well as from the senior team members also contributed to savings. Backed by these practical cost management initiatives and an increase in our occupancy levels, we improved our margins and profitability on a year-on-year basis despite the adverse operating environment.

Shalby has consistently been one of the highest EBITDA generators across corporate hospitals in India. Even in this exceptional year, we maintained an EBITDA margin of over 20%, once again amongst the highest in the industry. More importantly, we continue to maintain a strong balance sheet with a net cash position of ₹ 853 million as of March 31, 2021, as compared with ₹ 399 million on March 31, 2020. Our robust capital structure will help us to navigate successfully through a period of potential uncertainty, with the pandemic still challenging the operating environment.

Our Resilience Indicators

Net profit

53.6%
increase to
₹424 Mn
in FY 2021

as compared to ₹ 276 Mn in the previous year

EBITDA margins

21.7%
in FY2021

as compared to 19.7% in the previous year

Cash flow from operations

24%
increase to
₹935 Mn
in FY 2021

as compared to ₹ 755 Mn in the previous year

Home Care and Care Card

UNLOCKING Availability and Affordability

Staying in sync with evolving patient needs, we continue to focus on improving the availability and affordability of quality healthcare services. Our overarching purpose is to reshape the patient experience.

Shalby Homecare

We understand that many patients face challenges in visiting or staying at hospitals. Further, patients often have unique needs, which are best served by providing home healthcare services. Responding to these preferences and underpinned by our patient-focussed approach, we provide homecare services to help patients be in better control of their health. We have also started video consultancy services to monitor the patient's progress and recovery and offer them consultancy services at their convenience. An android as well as an iOS app has been rolled out for online consultations.

Shalby Homecare Services

1. COVID-19 care package and diagnostic services
2. Nursing (incl. critical care) services
3. Attendant services
4. Physiotherapy
5. Pathology
6. Medical equipment rentals
7. Pharmacy @home
8. Home visits by doctors

Our Homecare Services witnessed a strong uptake during the year as people avoided stepping out of their homes due to the pandemic. The huge influx of COVID-19 patients at hospitals also made homecare services more preferable in these uncertain times.

During the year, there was a huge demand for COVID-19 virtual healthcare services as the country witnessed a high number of mild and asymptomatic COVID-19 cases that could be treated at home. We swiftly addressed this need by introducing COVID-19 care package and diagnostic services.

The healthcare dynamics in India all point towards a high need for affordable medical services at home. India has the second-largest geriatric population and hence there is a greater need for homecare services. At Shalby, we remain committed to delivering affordable home healthcare services across more cities to improve accessibility. We are also focussing on expanding the scope of our homecare services to include ICU setup at home, chronic disease management, rehabilitation, and personalised and tech-enabled integrated offerings.

10,450+

Total Homecare cases in FY 2021

34,150+

Total Homecare visits in FY 2021

Shalby Care Card

Patient access to quality healthcare services continues to be challenged due to affordability. In our country, the situation is further exacerbated as a large number of patients do not have medical insurance. Moreover, senior citizens are often unable to avail of health coverage due to the insurance company's age limitation policy or as the coverage is available only at high premiums.

We have introduced the Shalby Care Card which makes available quality healthcare services at discounted rates. While easing the burden on the customer's wallet, the Shalby Card also benefits our Hospital Group as it drives customer stickiness and increases new in-patient and out-patient count. Further, this innovative offering has emerged as a constructive mechanism to promote health awareness with its complementary health check-up feature.

The Shalby Care Card has been launched in two variants: Silver Care Card - available for a yearly membership fee of ₹ 2500, and Gold Care Card - available for a yearly membership fee of ₹ 5000. This enables us to provide two levels of service to accommodate different patient requirements and budgets.

Shalby Care Card Benefits

- Complimentary health check-up
- Out-patient services discount for consultations and diagnostics
- Out-patient pharmacy discount
- In-patient services discount
- Super-speciality surgery discount*

**available only for Gold Care Card*

Hospital Expansion

UNLOCKING Health in New Geographies

Inspired by our aim to unlock a healthier, happier India, we remain focussed on expanding our presence to newer geographies and making quality treatment easily accessible.

We are strategically growing our presence in the western, central, north-western parts of India as we have built a strong brand recall in these geographies. Currently, we have two expansion projects underway – Nashik Hospital at Nashik in Maharashtra, and Asha Parekh Hospital at Mumbai in Maharashtra. Both hospitals will be run on a revenue-sharing model. Investments in these hospitals are being made in a stage-wise manner, enabling us to finance the capex through internal accruals. As and when we commence operations, we remain confident that our high brand recall will enable us to ramp up our occupancy levels faster than other players in the industry.

Nashik Hospital, Nashik

Development type: Brownfield project

Bed capacity: 146

Operating and management term: 30 years

Estimated cost: ₹31 crore

Operational year: FY 2023

Asha Parekh Hospital, Mumbai

Development type: Greenfield project

Bed capacity: 175

Operating and management term: 30+30 years

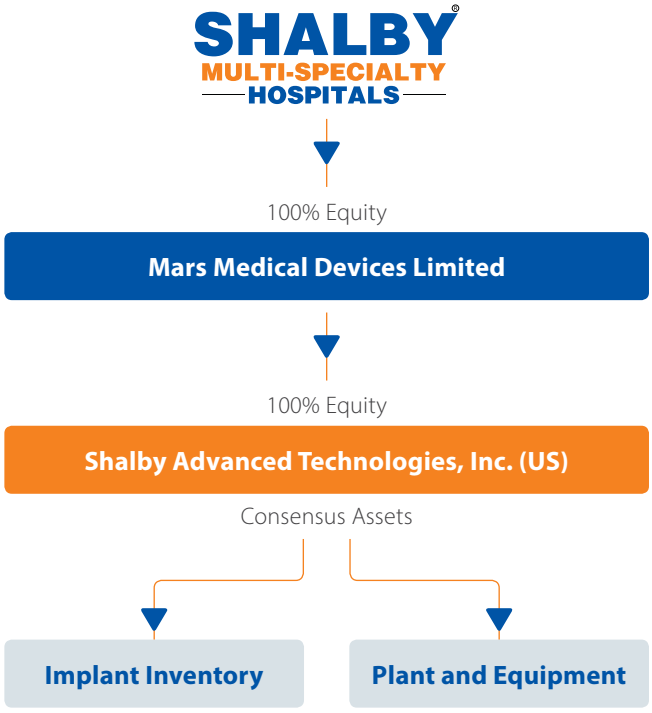
Estimated cost: ₹160 crore

Operational year: FY 2024

Backward Integration

UNLOCKING Greater Efficiencies

Shalby acquired selected implant assets from Consensus Orthopedics, a company headquartered in El Dorado Hills, Sacramento, California, for a cash consideration of USD 11.45 million. The assets were acquired by Shalby Advanced Technologies Inc, a wholly-owned subsidiary of Mars Medical Devices Limited which in turn is a wholly-owned subsidiary of Shalby Limited. The acquisition is fully in line with our stated strategy to grow our orthopaedic business. It will enable us to procure quality implants at a competitive price for internal use.



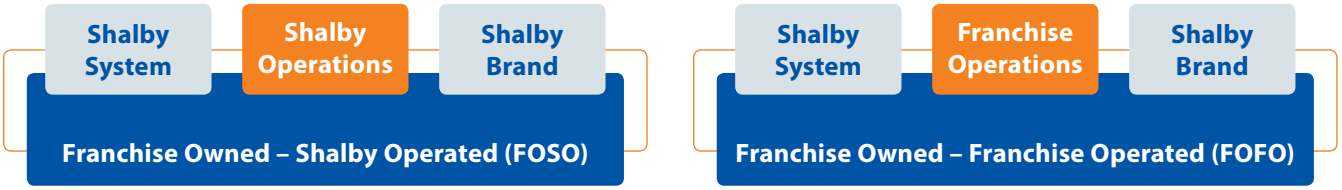
Strategic Rationale behind the Acquisition

- Internationally experienced management team appointed to lead Shalby's implant business
- Enables Shalby to procure quality implants at a competitive price for its own consumption in India
- Build on the existing asset platform to enhance implant sales across the US and international markets
- Facilitates diversification of Shalby's business and revenue mix
- The transaction is expected to be earnings accretive in FY 2023

Franchise Model

UNLOCKING Business Growth

Apart from expansion through the greenfield, brownfield and acquisition format, we are now also growing our operations through the asset-light franchise model. Leveraging our brand equity and expertise, the franchise model will enable us to penetrate faster across pan-India.



Benefits

1. Access and quality for patients
2. Economies of scale
3. Greater market penetration
4. Win-win for parties

Benefits of the franchise model

The franchise model not only reduces the cost to source lands, construct buildings, but also reduces the hassles and project timelines, thus helping us speed up our expansion plan across the country. Under the franchise business model, we have adopted the following two types of formats:

FRANCHISE BUSINESS MODEL TYPES

Franchise Owned Shalby Operated

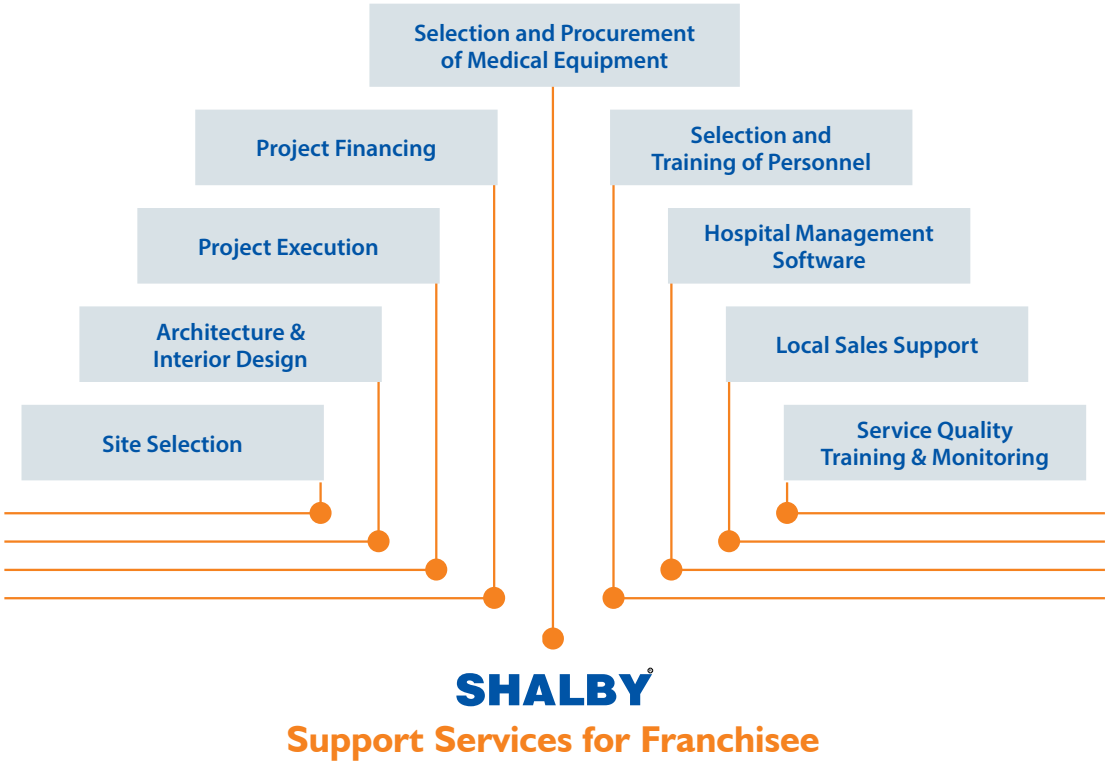
- Franchisee responsible for setting up the franchise as per Shalby defined criteria
- Shalby is responsible for running operations and management of the franchise
- Shalby to bear the responsibility for collecting the revenue
- Shalby to provide the necessary operating capital as per the defined budget
- A fixed revenue sharing model

Franchise Owned Franchise Operated

- Franchisee responsible for establishing the hospital as per Shalby defined criteria
- Franchisee to run the operations according to Shalby protocols
- Franchisee to bear the responsibility for collecting the revenue
- Franchisee to undergo mandatory training at Shalby to get familiar with the Shalby way of working
- A fixed revenue sharing model

Shalby is directly involved in the screening of key positions in the franchisee hospital, and a panel from Shalby Hospitals conducts interviews for all key positions. All employees at the franchise are trained about our standard operating procedures, culture, and customer approach, enabling consistency in our modus operandi.

Our Hospital Management Software is being implemented in our franchisee hospital to efficiently address all medical and non-medical functions. The franchisee hospitals will also offer telemedicine facilities. These are for use not only by the consultants practising in the hospitals but also by other physicians as well. While its acceptance is likely to be gradual, we expect such a facility to give the hospital a competitive edge.



Shalby Orthopaedics Centre of Excellence

UNLOCKING
The Orthopaedic Opportunity in India

Underpinned by our proven leadership in the field of orthopaedics, we are setting up Shalby Orthopaedics Centres of Excellence to capture the massive opportunities in this space.

SOCE SHALBY ORTHOPEDICS CENTRE OF EXCELLENCE

Shalby is the brand leader in arthroplasty (joint replacement surgery) in the world, doing more than 10,000 joint replacement surgeries annually and commanding 15% of the total share of the organised market in India. We are also a leading player worldwide for knee replacement surgery. While arthroplasty is our biggest strength, we also provide services across the entire spectrum of orthopaedics including trauma, arthroscopy, spine, paediatric and onco-orthopaedics.

The opportunity matrix

The US with a population of 320 million does nearly 2 million arthroplasties annually; in India, we do less than half these numbers even though our population is four times larger, and we are 15 times more prone to osteoarthritis (disease of bone joints that is treated by joint replacement). India is slated to become the osteoarthritis capital of the world with a disease burden of 60 million active cases. In the coming years, with increasing awareness, sedentary lifestyle and better economy, India is expected to witness nearly 1.5 million joint replacement surgeries annually.

Other factors driving the orthopaedic opportunity in India include higher life expectancy, growing insurance penetration and rising per capita income. Recent technological innovations in implantations, minimally invasive surgeries and computer-operated processes have also augmented the segment. Further, the high incidence of road traffic crashes is also increasing the demand for orthopaedic surgeries. In developing countries, an estimated 25% of all hospital beds are occupied by survivors of road traffic crashes; India accounts for almost 20% of global trauma mortality.

Shalby Orthopaedics Centre of Excellence

Since healthcare is a high-involvement and high-risk category, patients prefer to engage with trusted hospitals. Our excellent credentials place us at a vantage point to capture the burgeoning opportunities in the orthopaedics segment. Our primary interaction with patients has revealed that they are willing to travel to nearby major cities to get operated at Shalby. To improve the accessibility of our orthopaedic services, we are establishing standalone Shalby Orthopaedics Centres of Excellence.

The Shalby Orthopaedics Centres of Excellence (SOCE) are envisioned as standalone hospitals to provide world-class orthopaedic care services to patients. We plan to establish 30-50 bedded (depending upon the city and demography) standalone SOCE across India through franchising.

The SOCEs are being driven by a highly experienced and qualified team of specialists. The exclusive orthopaedic centres are equipped with the latest high-definition arthroscopic systems and deliver state-of-the-art joint replacements with computer navigation technology.

Clinical as well as non-clinical procedures have been developed for these centres after extensive research by our team of specialists. Further, consultants are being selected for these centres after being interviewed by a panel of doctors from the Shalby Group. We remain committed to imparting training to our existing doctors as well as the young and budding orthopaedics from the region. As we open our doors to these orthopaedics and share the Shalby expertise with them, we will make world-class treatment easily available.

In addition to all of this, SOCE can enhance its business through referral arrangements with Shalby Hospitals throughout the country. SOCE will provide the interface with other Shalby Hospitals Group entities to enhance resource utilisation.

SOCE Attributes

- Highly qualified and experienced surgeons
- Team of skilled anaesthetists and para-medical staff
- Dedicated ultra-modern modular OT equipped with Navigation System, Image Intensifier, Operating Microscope
- High-definition arthroscopic systems
- Well-equipped surgical ICUs for post-operative care
- State-of-the-art physiotherapy and rehabilitation unit
- Comprehensive radiology unit including CT scan, digital x-ray, etc.

30-50

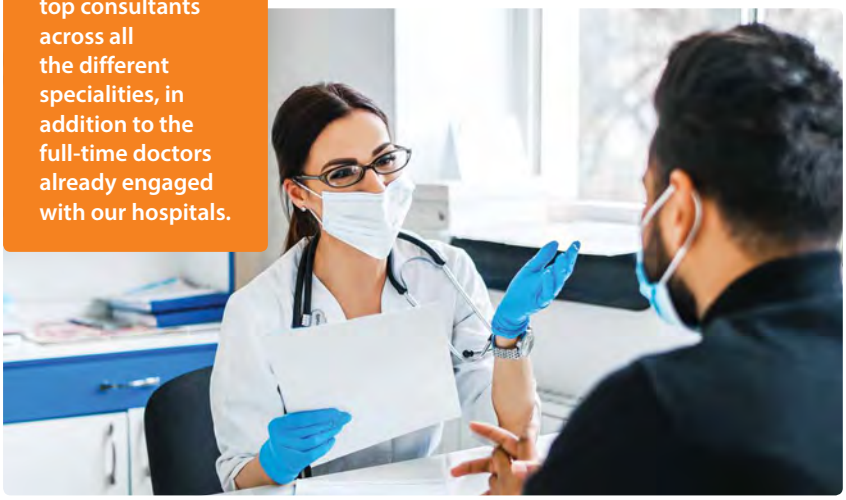
Standalone SOCE to be set up through franchising over the next few years

Growing Capabilities

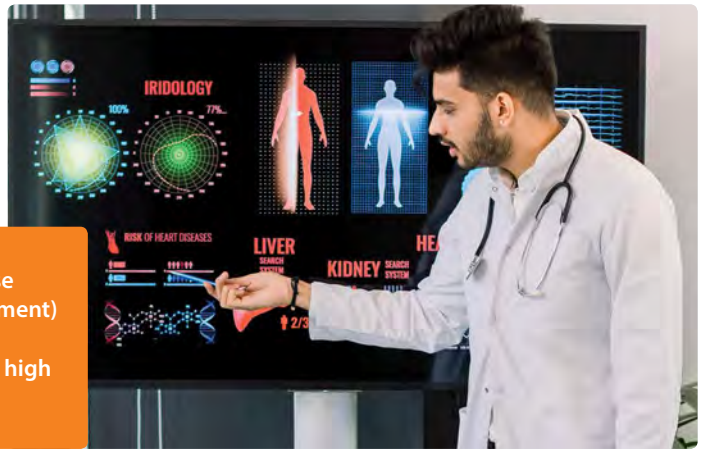
UNLOCKING Health with Expertise and Technology

We are transforming patient care and our operations by embedding expertise, world-class equipment and advanced technologies.

We continued to focus on the appointment of top consultants across all the different specialities, in addition to the full-time doctors already engaged with our hospitals.



Growing our skills



We set up a sizeable in-house L&D (Learning and Development) team for building people capability towards ensuring high levels of patient care.

Surgical breakthroughs in FY 2021

4,661
Arthroplasty

1,440
Orthopaedic

1,279
General Surgeries

897
Urology

884
Gynaecology & IVF

744
Spine

SG Shalby became the first hospital in Gujarat to use Image Intensified Television in Spine and Orthopaedic surgery.

Enhancing our infrastructure

We completed the implementation of a robust hospital information system across all our units, which will enable easier and faster access to patient data, a higher level of process automation and improved efficiencies in hospital operations. These benefits will further enhance the quality of patient care and the resultant bed turnover in our hospitals.

Departmental Review

Our expertise lies in treating a wide range of musculoskeletal disorders, especially ailments relating to knees and hips, and improving the quality of lives for our patients.

Department of Orthopaedics

Overview

Modern sedentary lifestyles have given rise to a huge spike in musculoskeletal disorders, especially in urban India, leading to a massive growth in the orthopaedic market. Musculoskeletal disorders can also arise due to congenital issues, injuries, accidents, degenerative wear and tear due to ageing, genetics, and infection. Indians and Asians are 15% more susceptible to develop orthopaedic disorders compared to Americans.

Total Knee Replacement (TKR) is a surgical procedure to resurface a damaged knee due to arthritis. Under Total Hip Replacement (THR) surgery, the damaged bone and cartilage is removed and replaced with prosthetic components (also known as implants). TKR and THR have become more affordable in the past few years as cost-to-patient for surgery has not increased significantly in last 25 years due to technology improvements. At the same time, purchasing power of the Indian middle-class has increased substantially, thereby enhancing affordability of treatment.

India Statistics

60 Million
Active cases of osteoarthritis

7 Spine Surgeons
per 1,00,000 population

Shalby's Approach

Shalby Hospitals is one of the largest and a world-renowned tertiary centre for Orthopaedics, including all types of joint replacement surgeries, trauma, revisions, scopy, deformity, spine & paediatric and onco-orthopaedics. We are a market leader in the joint replacement field with a dedicated and skilful team of doctors and best-in-class facilities. Our team of experts comprising top-class spine surgeons perform Minimally Invasive Spine Surgeries (MISS) which not only helps in fast recovery but also ensures restoration of spine movements with pinpoint precision. Our hospitals are among the best spine surgery hospitals in India and treat patients from all over world with a range of treatments such as spine surgery, back pain treatment, spine infection, keyhole spinal surgery, kyphoplasty surgery, and disc replacement.

- 60% of all treated cases are complex cases and most of the cases are revision scoliosis & other complex revision surgeries
- We are growing at a rate of 20% each year in terms of number of patients treated & earned revenue
- One of the best orthopaedic centres in the country and many doctors from other centres visit us for observership
- Plans to start fellowship in Spine Surgery
- Commenced multi-speciality rehabilitation centre at one of our Unit
- Procurement of Neuronavigation equipment to be more precise and place implants with real time guidance

Technology Used

The use of '0 Technique' in joint replacement surgery

Minimally invasive Spine surgeries

4,661
TKR/THR surgeries conducted in FY 2020-21

744
Number of spinal surgeries conducted in 2020-21

Department of Cardiac Sciences

We are dedicated to providing world-class cardiac care at an affordable cost through our expertise in Cardiology, Cardiothoracic Vascular Surgery and Cardiac Rehabilitation.

Overview

There has been an exponential growth in the number of cardiac surgeries in India in the last three decades.

India Statistics

50%* of all heart attacks in Indians occur under 50 years of age

25%* of all heart attacks in Indians occur under 40 years of age

**According to the Indian Heart Association*

Shalby's Approach

We, at Shalby Hospitals, are committed to provide world-class cardiac care at affordable costs. Our cardiac care solutions cover comprehensive cardiology treatment. Our team of doctors include full-time leading cardiologists, cardiothoracic surgeons and cardiac anaesthetists. We use cutting-edge technology to offer services and treatments with the aid of latest innovations along with adhering to global benchmarks.

Cardiothoracic & Vascular Surgery Procedures

- Combined surgery with Oncosurgeons for Carotid body tumour, Restrosternal goitre
- Combined surgery with Arthroplasty team – Disarticulation of hip
- CABG surgeries, Valve replacement surgery
- Emergency & planned vascular repairs & reconstructions
- Permanent pacemaker
- Thoracic surgery

Cardiology Procedures

- Angiography
- Angioplasty
- IVUS
- Rotablation

Opportunities

- Practical application of ECMO therapy in a larger number of patients with acute cardiac and pulmonology failure
- Heart failure clinic

Technology Used

- Advanced Cardiac Cath Labs
- Dedicated Cardiac Operation Theatres
- Fractional Flow Rate (FFR) for better diagnosis
- External Counter Pulsation (ECP) for Refractory Cardiac Failure patients
- Cardiac Electrophysiology for managing Cardiac Rhythm abnormalities
- Non-Invasive Cardiology Programme with Stress Test, 2D Echo, Tilt Table Testing, 128 - Slice Dual Source CT scan for CT Coronary Angiography and Nuclear Medicine Department

Rare Cases

1. Successful ECMO initiation, maintenance & airlifting to a lung transplantation centre at Chennai in a patient with severe lung damage due to Covid -19
2. Emergency Bentall surgery in a critical & collapsing case of rupture of aneurysm of aorta

3,343 (Cardiology and CVTS)

No. of cases treated in FY 2020-21

3%

Proportion of revenue contributed by cardiac sciences (%)

Department of Critical Care and General Medicines

Treating COVID and non-Covid patients with a team of expert doctors and high-tech intensive & critical care unit offering world-class non-surgical lines of treatment for a wide range of diseases.

Overview

General medicine and critical care have become increasingly important, especially in the light of the COVID-19 pandemic.

India Statistics

1

Doctor for every 1,500 patients

80% & **60%**

Outpatient and inpatient care provided by private sector hospitals respectively

18%

ICU Mortality Rate in India

Shalby's Approach

Critical Care

Our approach has always been patient-centric through its multi superspeciality hospitals with world-class infrastructure and renowned doctors. We endeavour to improve the survival rate of critically ill patients and our staff is well-versed with the 'Golden Hour' in emergency situations. Assessment and stabilization begin in 60 seconds for critically ill patients in our emergency departments. During the two Covid waves India witnessed, our critical care department worked tirelessly to save patients' lives. Besides, we have successfully treated a huge number of seriously ill mucormycosis patients that saw a great influx due to post-covid complications.

Dedicated Intensivists 24 x 7

We have a team of experienced intensivists available round the clock for the intensive care units. This ensures that patients needing critical care are always assured of the best and immediate treatment.

General Medicine

Our Department of General Medicine/ Internal Medicine deals with non-surgical lines of treatment through prevention and diagnosis. Our team of general physicians are recognised experts in prevention, diagnosis and treatment of acute as well as chronic diseases. We handle a comprehensive range of adult illnesses following a patient-centric approach.

Our internists are well trained and experienced to treat patients suffering from a diverse range of diseases. Stable medical patients requiring diagnosis, monitoring and treatment are usually admitted under care of physicians. Our internal medicine specialists play an important role in treating diverse medical conditions and often diagnose uncommon conditions and thereby improve the health and outcome of patients. Furthermore, we offer consultation and treatment for women's health, substance abuse and mental health through a compassionate approach.

Technology Used

- Latest Ventilators & Bipap Machines
- C Pap and ECMO
- X-ray/USU/CT/MRI/Doppler/ECHO
- 24x7 bedside and Central Haemodynamic monitoring
- Haemodialysis facility & CRRT machine in ICU
- IABP
- Cath lab in ICU

Shalby Cancer & Research Institute (Oncosciences)

Providing latest research-based care to cancer patients through renowned oncologists, oncosurgeons and radiation oncologists using state-of-the-art equipment.

Overview

Cancer refers to a large group of diseases that can affect any part of the body. It has a high mortality rate; however, modern medicine is improving outcomes of those afflicted with the disease.

India Statistics

1 in 10

Indians likely to develop cancer

570,000

new cancer cases in men per year

590,000

new cancer cases in women per year

2,260,000

5-year prevalent cases

Shalby's Approach

We endeavour to save human lives and alleviate suffering through our state-of-the-art Cancer & Research Institute that is equipped to cater to both domestic and overseas patients. Our cancer experts evaluate and treat all types of cancer, from early-stage lesion, advanced stage metastasis to the rarest and challenging cases.

Our Cancer Tumor Board discusses complex and challenging oncology cases through video conferencing. This multi-disciplinary approach of clinical expertise helps patients significantly by improving clinical outcomes.

Technology Used

- Ultra-modern Radiation Therapy Units
- Varian Trilogy Linear Accelerator with FFF Technology & Brachytherapy Unit

Services

- Oncology
- Oncosurgery
- Radiation Therapy
- Immunotherapy

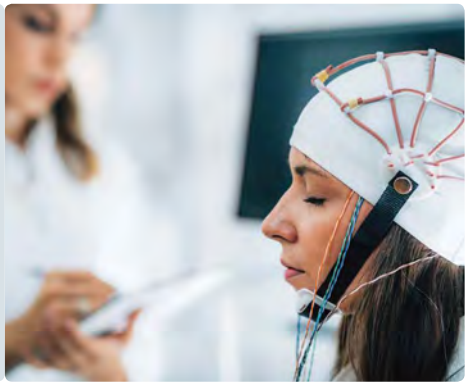
Rare Cases Treated

1. Stage 4 Melonoma with immunotherapy
2. Double primary cancer treated with surgery and chemo radiation
3. Four-year-old child's liver cancer treated with chemotherapy

9,753

Number of cancer patients treated in 2020-21

Department of Neurosciences



Treating a wide range of neurological disorders and complex tumours with advanced medical equipment and microsurgery.

Overview

The prevalence rate of serious neurological disorders such as brain stroke and dementia is 14 to 17 per 1,000 people compared with 5 to 8 per 1,000 people in developed countries. The low penetration of neurologists and the lack of adequate rehabilitation centres in rural areas provide ample opportunity for this segment to grow.

India Statistics

The incidence of neurological disorders is increasing in India due to the following reasons:

- Increasing lifespans lead to a higher rate of age-related dementia
- A rise in the occurrence of strokes
- An increase in traumatic brain injuries due to road traffic accidents

30 Million

Indians who suffer from neurological disorders

1 Neurologist

per 0.5 million population

Shalby's Approach

Our neurologists and neurosurgeons are committed to provide our patients with the best treatment for neurological disorders and diseases like brain tumours, spinal tumours and degenerative spine disease. We also provide advanced clinical care, focussing on using minimally invasive technologies. Modern treatments for disorders such as seizures, epilepsy and Parkinson's disease are further specializations that we offer.

Technology Used

- CARL ZEISS OPMI-vario model Microscope (One of the best operating microscope in the world)
- Craniotome
- Valleylab diathermy machine
- Xenon overhead operating lights
- Maquet remote operated O.T. Table
- Post-operative neurosurgery ICU back-up
- World-class emergency room

Highlights

- We use Micro-neurosurgical procedures to treat many chronic neurological procedures
- Treated many post Covid vaccination <40 years patients that suffered from strokes
- Treated many post Covid patients with neurological disorders like GBS, Stroke, Myelities
- We are planning to develop speciality clinics like Headache clinic, Stroke Clinic etc. in the following year
- We are planning to develop a dedicated neuro ICU & rehab centre

1,036

Number of patients treated in 2020-21

290

Number of neurosurgeries conducted in 2020-21

Department of Renal Sciences

Nephrology, Urology & Kidney Transplant

Committed to delivering exceptional patient care by an expert team of doctors using sophisticated technology.

Overview

Kidney diseases are predominantly caused by poor sanitation, contaminated water, pollutants and nephrotoxins, among others. A low glomerular filtration rate (GFR) and damage to kidneys for a period of 3 months or more could lead to chronic kidney diseases.

India Statistics

2,20,000

People require kidney transplant in India

of which

7,500

Kidney transplants are performed

Shalby's Approach

We aim to always provide world-class nephrology and urology prevention, diagnosis and treatment services. We have state-of-the-art facilities for dialysis & CRRT & uro surgeries including kidney transplant (live & cadaveric).

Technology Used

- Ultra-modern Radiation Therapy Units
- Varian Trilogy Linear Accelerator with FFF Technology & Brachytherapy Unit

Facilities

- Dialysis Machine
- CRRT
- Holmium Laser
- Thulium Laser

Procedures & Surgeries

- Dialysis
- AV Fistula
- All types of minor and major Uro surgeries
- Kidney Transplant

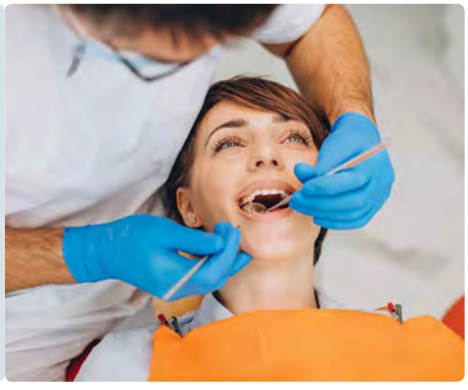
18

No. of kidney transplants performed in 2020-21

12,742

No. of patients (Nephrology and Urology) treated during FY 2020-21

Department of Dental Cosmetic & Implantology



Treating a wide variety of periodontal diseases and using modern technology to achieve positive patient outcomes.

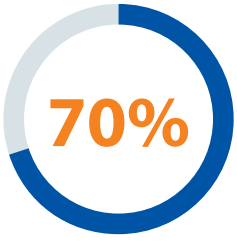
Overview

Oral disorders have remained the most prevalent disease group in India over the past three decades. Poor nutrition patterns, consumption of tobacco and the consideration of oral health as secondary to general health has compounded this problem.

India Statistics

India performs one of the most plastic surgeries worldwide but there is significant headroom for growth given its large population and the prevalence of medical tourism.

Adult population is afflicted with periodontal disease



School children suffer from dental caries

Shalby's Approach

For more than 24 years, Shalby Hospitals has been focussed on treatments related to dental cosmetics and dental implantology. Advancements in technology have created revolutionary transformations in the field of dentistry. Shalby utilizes the highest quality materials and efficient practices for the well-being of its patients.

Dentistry Procedures

- Preventive Dentistry: Prophylaxis, placement of sealants, detection of caries
- Restorative Dentistry
- Periodontics: Gum Disease Treatment for Adults & Children
- Dental Implants
- Immediate & Partial Dentures
- Endodontic Dentistry: Root Canal Treatment
- Laser Dentistry
- Oral-Maxillofacial Surgery
- Paediatric Dentistry
- Cosmetic Dentistry Services
- Teeth Whitening
- Dental Crown & Bridges
- Orthodontic Treatment
- Sedation Dentistry

Dentists were badly hit as they were in direct contact with patients including those with COVID-19. However, we treated several Mucormycosis cases resulting from post-COVID complications.

2,249

Number of patients treated in 2020-21

Department of G.I., Hepatobiliary and Bariatric Surgery, Liver Disease and Liver Transplant

Exceeding patient expectations with the help of specialized doctors and the latest technology.

Overview

Increasing obesity rates due to sedentary lifestyles are on the rise in India. This has led to a spurt in the number of bariatric surgeries (weight-control method) performed in the nation.

India Statistics

135 Million

affected by obesity in India

40,000 to 50,000

Liver transplants required in a year

of which

1,700 to 1,800

take place each year

Shalby's Approach

- We, at Shalby Hospitals, provide expert surgical gastroenterology treatment and our services in this field are comprehensive, covering the diseases of the pancreas, biliary tract, liver and spleen
- We have performed 12 liver resections in the past year, which is considered as a high-volume centre
- Dedicated team for G.I. Oncosurgery
- 90 days mortality in operative cases is 5-6% in contrast to world figures which is 8-9% in such complex surgeries
- We plan to introduce Lap level surgery program from the following year for liver & other G.I. cancers
- We plan to develop a high-volume living donor liver transplant program & ERAS (Enhance recovery after surgery) which has provided good outcomes
- We treat all kinds of medical liver ailments including cirrhosis and all kinds of functional & treatable bowel diseases

Technology & Equipment

- State-of-the-art Operation Theatres
- Harmonic Scalpel
- CUSA

1,794

Number of patients treated in 2020-21

1,279

Number of general surgeries in 2020-21

Boosting Employee Capabilities

UNLOCKING Talent with Shalby Academy

Shalby Academy, our educational arm, aims at continually improving the quality of healthcare delivery in India by providing subsidized courses and free practical training to healthcare professionals. We associate with National Council of Paramedical, Delhi and other leading healthcare educational institutions to hone the skills and capabilities of our internal employees and external students. Our aim is to groom the best industry talent and build a competent workforce for supporting the healthcare industry.

Setting up a training and educational institute

INDIAN INSTITUTE OF PUBLIC HEALTH GANDHINAGAR | Ganpat University | IIHMR UNIVERSITY | INDUS UNIVERSITY | UPES UNIVERSITY WITH A PURPOSE

During the year, we offered internship program to around 1,000 students in diverse fields including physiotherapy, radiology, clinical research, nutrition, pharmacy, among others.

Tie-ups in FY 2020-21

Shalby Academy & IIHMR University, Jaipur

This alliance will jointly conduct various programs in healthcare management and best hospital management practices and techniques for healthcare professionals.

Shalby Academy & INDUS University, Ahmedabad

During the year, we entered into an agreement with INDUS University, Ahmedabad for running courses in Clinical Research. A Memorandum of Understanding (MoU) has been signed in this regard between the two organizations. This academia-industry collaboration is the first-of-its-kind in Gujarat.

Our Approach to ESG

UNLOCKING Responsibility towards Environment and Society

Environmental, Social and Governance (ESG) practices is a way of business for us. We embed sustainability into every aspect of our business to ensure long-term success and deliver value to all stakeholders.

Through our pioneering initiatives, we drive growth and development of our people and communities, and help protect the environment. Governance has been at the core of our business, ensuring protection of rights of each stakeholder.

Environmental

We recognize our responsibility towards the environment and have a clear focus on reducing carbon footprint and optimizing resources. We ensure adherence to the local environmental regulations including the International Finance Corporation (IFC) performance standards, sustainability standards, and the World Bank Group Environment, Health and Safety (EHS) guidelines.

Promoting circular economy

- Effective management of waste through reduce, reuse, and recycle of waste generated
- Usage of structural steel for recently commissioned units to reduce embedded energy and impact of construction activities
- Recycling of wastewater generated from hospitals for gardening, flushing, and usage in cooling towers
- Installation of rainwater harvesting system at our greenfield projects to conserve natural resources

Energy Conservation

- Replacement of CFL lamps with LED lamps
- Installation of timer-based operations of air handling units
- Installation of rainwater harvesting system at our greenfield projects to conserve natural resources
- Introduction of motion sensor for lights to save energy
- HVAC temperature adjusted based on the seasonal temperature to reduce power consumption

Covid response:
Infrastructure support:

1,540

Beds dedicated during second wave of Covid-19

30,000+

Vaccine doses administered

Social

Our patients are among our key stakeholders, and we aim to provide them with services that contribute to their health, wellbeing, and overall happiness. Our patients at the core of everything we do, which ultimately helps us offer new innovations, technologies, processes, and provide the highest quality care and treatment.

We have played a pivotal role to support our communities and patients in their battle against the COVID-19 pandemic. There is a common saying, the greater the adversity, the greater the opportunities. The pandemic provided us the opportunity to highlight 27 years of our service to mankind as well as communicate the success stories of millions of people.

Patients Treated:

11,000+

Patients treated at hospitals

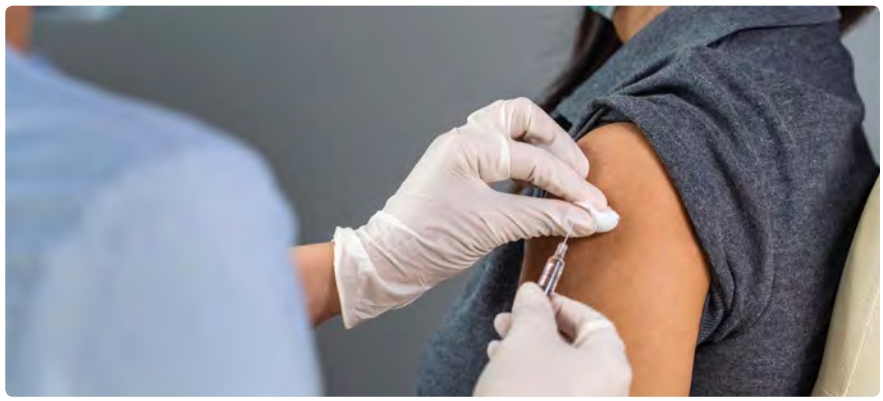
1,100

Patients treated at home

Community Development Initiatives

Through our holistic social interventions, we aim to meet the healthcare needs and benefit the lives of the underprivileged masses of the society.

- Vaccination of women in towns and rural areas for cervical cancer treatment in collaboration with pharmaceutical companies, organizations, and communities
- Employment opportunities for underprivileged women by training them on specialized courses of nursing, paramedical, and medical fraternity



- Support to NGOs in treatment of patients suffering from critical illnesses like cancer and cardio diseases, especially children suffering from thalassaemia
- Blood donation and health check-up camps and programmes on mental health, disability, cancer awareness, and personal hygiene

Governance

We ensure maintenance of highest standards of corporate governance and an ethical and transparent framework. Our Board of Directors encompass backgrounds from different industries, including medical, engineering, finance, and marketing. Their experience brings forth a unique, diverse blend of expertise that contributes to organizational efficiency and sustainable operations.

Allocation of Duties and Responsibilities

We have formulated various committees in compliance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant statutes. The Board has constituted the following committees:

- Audit and Risk Management Committee
- Stakeholder Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Management Committee

Behaviour and Business Ethics

We conduct business in accordance with all applicable laws and regulations and with complete honesty and integrity. The officers of the Company are expected to to accomplish all tasks in their prescribed capacity with highest degree of honesty, integrity, and professional ethics.

Fraud and Risk Control Policy

The Company has adopted a Risk Management Policy which inter alia, sets out our approach towards risk assessment, risk management and risk monitoring, which is periodically reviewed by the Board. Our fundamental approach to risk management includes anticipating, identifying, and measuring the key risks. We have in place a mechanism to monitor and mitigate various risks associated with the business.

Shareholder Rights and Relations Policy

The Stakeholders Relationship Committee oversees the interest of securityholders and expeditious redressal of shareholders' grievance involving transfer and transmission of shares, issue of duplicate certificates, dematerialization/ rematerialization, etc.

Fair and equitable remuneration

Our remuneration policy is formulated to provide fair and equitable compensation to attract, retain, and motivate the directors, executives, senior management, and other employees playing a critical role in the organization. The remuneration payable to the senior management and personnel involves an optimum mix of fixed and incentive performance related pay, reflecting achievement of short and long-term performance objectives.

Patient Testimonials

UNLOCKING Best Treatment and Care

Shalby saved my hip at the age of 86

I am Nagina Bohra, age 86, from Udaipur, Rajasthan. I had a fall at home following which it was difficult for me to get up and walk even a few steps. On consulting local doctors, they suggested for right hip replacement surgery.

Over 20 years ago, my mother-in-law was operated for hip replacement at Vijay Shalby Hospital, Ahmedabad. My daughter had also undergone surgery at Shalby Hospitals, Ahmedabad, 7 years ago. Thus, I decided to consult our long-term healthcare companion, Shalby Hospitals.

I came to Ahmedabad and got admitted on 22nd January 2021. Two days later, I underwent right hip replacement surgery. On the 5th post-operative day, I felt much better and relaxed. The staff and doctors were very helpful and caring. It was like being at home. I am glad that I decided to get treated at Shalby – I was provided with the best treatment.

Nagina Bohra
Udaipur

Patient with urinary bladder cancer and both kidney failure gets a new life after surgery

Mr. Sardar Khan (65 years old) came to Shalby Hospital, Ahmedabad in December 2020, complaining of blood and clots passage in urine, decreased urine output and generalised weakness. After examination and biopsy, it was diagnosed that he was suffering from urinary bladder cancer and complete kidney failure. This was one of the complicated and challenging cases for treatment. The prime task was to make him fit for complex surgery. A team of specialists was formed consisting of a Urologist, Nephrologist, Onco-Physician and Radiologist. Treatment was started and the patient was discharged on medication.

Once the creatinine level and the other vitals were normal, the patient got re-admitted for bladder removal and urinary diversion. The surgery was performed by expert Uro-Surgeons Dr. Viral Shah and Dr. Chandrakant Gohil. After a week of gentle care at the hospital, Mr. Khan was discharged and after a month of follow-up visit, his condition stabilised.

"We are highly indebted to the entire team of expert doctors, especially Dr. Viral Shah who has given a new life to my father. We are also grateful to the entire staff for their utmost empathy during our stay at the hospital. The kind of human touch and expertise showed by the Shalby team

was commendable, and today we are back with our father," said Jakir Khan (patient's son).

Mr. Sardar Khan
Ahmedabad

With Shalby's total knee replacement, I am leading a normal life since 22 years

I am Rekhaben Shah from Ahmedabad, and I am 80 years old. At the age of 58, I was not feeling comfortable as both my knees were getting out of shape due to bending. I faced immense trouble in walking, climbing the stairs and even standing for a little longer duration.

One of our relatives underwent TKR at Shalby Hospital, Ahmedabad and the extraordinary recovery, surprised me and everyone in our family. So I came to Shalby and consulted Dr. Vikram Shah and underwent bilateral knee replacement surgery. Post-surgery, I started walking and climbing staircases without any trouble. Life became smooth again for me.

All the doctors and staff here are very supportive, helpful and co-operative and I am extremely satisfied with the services of Shalby Multi-specialty Hospitals. I always try to help people suffering from knee pain by recommending Shalby.

I am happy to share that I got a new life 22 years ago and still, I am leading a pain-free life. Thanks to Dr. Vikram Shah and his team.

Mrs. Rekhaben Shah
Ahmedabad

Community Engagement

Giving Back with a Smile

As a responsible corporate citizen, Shalby believes in giving back to the society in which it operates. We strive to uplift the community through interventions in areas of health, skill training and infrastructure development.

Setting up a training and educational institute

During the year, we spent ₹ 7 million on the construction of a vocational training and educational institute, known as All India Institute of Management, at Vataria village near Bharuch, Gujarat. We had spent ₹ 30 million in the previous fiscal for the construction of this institute, thus taking our total contribution to ₹ 37 million to date. The institute will be imparting education and vocational skill training to local communities. Empowerment through education and skill development will enable them to access better employment opportunities, thereby improving their quality of life.

37.54

Annual spent on CSR (₹ million)

30.54

Ex-gratia payment to our healthcare team (₹ million)

Incentivising healthcare professionals and workers

Our doctors, nursing staff and other paramedical team members worked tirelessly through this pandemic-hit year. Serving humanity amidst this challenging health crisis, they often put their own lives at risk. As a show of gratitude for their selfless work in combating the spread of the coronavirus as well as treating those affected by it, we provided ex-gratia payment of ₹ 30.54 million to our healthcare team. While no financial reward can match the efforts put in by our healthcare team, this is just our humble way of recognising their dedication and motivating them in their field of work.

Governance

A Framework That Resonates Faith

At Shalby, we strive to operate in complete fairness with the highest standards of corporate governance. In doing so, we emphasise the need for transparency and accountability in all transactions, to protect the interests of our stakeholders.

We have set ourselves the objective of expanding its capacities and becoming competitive in our business. As a part of the growth strategy, we are committed to ethics and integrity in our business dealings. To conduct business with these principles, we have created a governance framework based on business needs and maintain transparency through regular disclosures with a focus on adequate control systems. This framework comprises the Board of Directors at the apex, with committees of the Board and respective teams working under them, with their ear on the ground.

Our corporate excellence and reputation is based on three pillars

Professionalism

Our medical team comprises highly skilled and qualified individuals from diverse specialities. The team upholds the highest standards of corporate governance and ethical values to maintain our reputation in the healthcare industry. With a pragmatic and patient-focussed approach, our team strives to provide quality and effective healthcare solutions to patients.

1

Efficient Services

We have carved a strong reputation for ourselves by providing comprehensive solutions and adhering to the highest standards of corporate governance. Our internal controls and processes are thoroughly reviewed at regular intervals and improved upon. Judicious maintenance of equipment and clinical audits for our patients are regularly conducted to further improve our services. Our Code of Ethics is updated every year and observed by all our administrative members.

2

Robust Governance

Timely and efficient services are extremely important in the healthcare industry. Our robust internal controls ensure that our patients are provided quality and efficient treatment and care.

3

Board of Directors

The Board of Directors ("the Board") is at the core of the Company's Corporate Governance practices and oversees how management serves and protects the long term interests of its stakeholders. Our Board comprises mix of Executive, Non-Executive and Independent Directors, which inherently validates the transparency and fairness of the Board. The Board meets every quarter to review the quarterly performance.

Dr. Vikram Shah

Chairman and Managing Director 3

Dr. Vikram Shah, aged 58 years, is the Chairman and Managing Director of our Company with over 26 years of experience in the medical industry. He holds a bachelor's degree in medicine and surgery as well as a master's degree in orthopaedic surgery from B. J. Medical College, Ahmedabad. He is the pioneer of our Company who has been conferred with the 'Hercules Award for Innovation of 0 Technology in Knee Surgery' by the Gujarat Innovation Society in 2014 and the 'Pathbreaking Services in the Field of Joint Replacement and Orthopaedic Surgery Award' by Rotary International in 2009. He has been the recipient of the Double Helical National Health Award 2017 for his outstanding record in Knee replacement surgery with his innovative '0 Technique'. Recognised for his outstanding contribution in the field of orthopaedics on completion of 1,00,000 joint replacement surgeries, he received the 'Times Man of the Year' Award by Times of India Group in 2018. He has also been conferred with 'Luminary Award' by Divya Bhaskar Group for his contribution in the field of orthopaedics. Recently, he was conferred with the Honorary Doctorate Degree, D. Sc (Honoris Causa) by the IIS University, Jaipur.

Mr. Sushobhan Dasgupta

Vice-Chairman & Global President

Mr. Sushobhan Dasgupta, aged 58 years, is Vice Chairman and Global President effective from 17 May, 2021. He did his MSc. in Human Physiology with Gold Medal in Nutrition & Dietetics from Kolkata University and completed MBA with Marketing (Gold Medalist) from Jadavpur University. He has rich exposure of over three decades in various Leadership roles across several developed and emerging markets such as USA, UK, Germany, Singapore, Australia and New Zealand. His immediate past assignment was with Johnson & Johnson Medical India as Managing Director and Vice President, Orthopaedics, Johnson & Johnson Asia Pacific serving as a member of the Johnson & Johnson Orthopaedics Global Board.

He is also active member of leading industry forums. He is Past President of the Healthcare Federation of India (NATHEALTH), immediate Past Chairman of the FICCI Medical Devices Forum and currently Chair - Finance, Healthcare Sector Skills Council. In addition, he was also an active member of FICCI's National Committee on Healthcare, CII's National Committee on Public Health and CII's National Committee on MNCs, The American Chamber of Commerce's (AMCHAM) and ADVAMED Medical Devices Forum. He is a founder member of the newly formed Medical Technology Association of India (MTaI). He is the recipient of the honorary fellowship from the Association of Minimal Access Surgeons of India (AMASI). He is also the recipient of the Award of Appreciation from the Indian Arthroplasty association at IAACON 2017 Kolkata for his contribution over the years in the field of Arthroplasty in India.

CA Shyamal Joshi

Independent Director 1 2 3 4

CA Shyamal Joshi, aged 72 years, is a Non-Executive and Non-Independent Director of our Company. He holds a bachelor's degree in commerce from Gujarat University. He is also a member of the Institute of Chartered Accountants of India. He has been associated with our Company since 2010. He has vast experience in various areas including corporate strategy and fundraising. Currently, he holds the position of Director in various other companies.

Dr. Ashok Bhatia (PhD)

Non-Executive Director

Dr. Ashok Bhatia, aged 67 years, is a Non-Executive and Non-Independent Director of our Company. He holds a bachelor's degree in Science from Punjab University, a master's degree in Business Administration with a Specialisation in Marketing and a Doctorate in Business Administration in Talent Management from Adam Smith University, United States of America. He has more than 40 years of professional experience. In the past, he was associated with Cadila Healthcare Limited as President, Emerging Markets. Currently, he is an external consultant of McKinsey & Co and a visiting faculty at IIM Ahmedabad, IIM Rohtak and IIT Gandhinagar.

Mr. Tej Malhotra

Non-Executive Director 1

Mr. Tej Malhotra, aged 71 years, is an Independent Director of our Company. He holds a bachelor's degree in Mechanical Engineering from Sambalpur University, Odisha. He has over four decades of experience in industries both in India and abroad. Previously, he held the positions of Senior Executive Director at GHCL Limited, Technical Director at Idea Soda Ash and Calcium Chloride Company of Saudi Arabia and Executive Engineer (Mechanical) at Hindustan Copper Limited. He has been awarded the 'Bhartiya Udyog Ratan' award by the Indian Economic Development and Research Association, the 'Bhartiya Gaurav' award by the World Economic Progress Society and 'Darbari Seth Award 2009' by the Alkali Manufacturers of India for best managed soda-ash plant. Currently, he is working as President of RSPL Limited and heading a mega project of soda-ash in Dwarka (Gujarat).

Dr. Umesh Menon (PhD)

Independent Director 1 2 3 4

Dr. Umesh Menon, aged 50 years, is an Independent Director of our Company. He holds a bachelor's degree in Commerce from Gujarat University, a master's degree in Commerce from Gujarat University and a master's degree in Business Administration with Specialisation in Finance from B. K. School of Business Management, Ahmedabad. He is also a Fellow member of the Institute of Cost Accountants of India. He has been conferred with the Doctorate (PhD) in Management degree from Calorx Teachers' University of Ahmedabad. He has rich experience in the areas of finance and cost accounting. He is currently on the Board of Directors of Varis Management Services Private Limited. He is a regular Visiting Faculty at Emirates Foundation and an International Expert & Trainer for United Nations Industrial Development Organisation.

CA Sujana Shah

Independent Director 1 2 4

CA Sujana Shah, aged 43 years, is a graduate in Commerce from Gujarat University and a member of the Institute of Chartered Accountants of India. She is a practising Chartered Accountant and has vast experience of over 19 years in the fields of finance, accounts, audit, direct and indirect taxes, banking, treasury, etc. Presently, she is a partner of V. R. Shah & Associates. She has also been the statutory and internal auditor of some of the most reputed public banks of India.

1 *Audit and Risk Management Committee*
2 *Nomination and Remuneration Committee*
3 *Stakeholders Relationship Committee*
4 *CSR Committee*

● *Chairman of Committee*
● *Member of Committee*

Management Discussion & Analysis

INDUSTRY OVERVIEW

Indian Healthcare Industry

According to Frost & Sullivan's 'Outlook of India's Healthcare Industry, 2020' the Indian Healthcare Industry is expected to reach USD 193.83 billion in 2020 from USD 233.14 billion in 2019. The decline is mainly attributable to severe impact on medical tourism led by international travel restrictions and nationwide lockdown restricting business from direct walk-ins, postponement of elective surgeries, cautious approach by patients, sharp drop in OPD footfalls and B2B channels. The industry comprising of hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment, had registered double-digit growth during 2015-19, and is expected to witness sharp recovery with business as usual from 2022.

The healthcare industry is likely to witness 20% in 2021 despite Covid-19 challenges with occupancies expected to bounce back substantially to 60% from the projected occupancy of 52% in 2021, as per ICRA. The key growth driver is expected to be the pent-up demand as elective procedures cannot be delayed indefinitely, by domestic as well as international patients. Over the longer term, the prevalence of stable fundamental demand factors like growing population, increasing life expectancy, rising incidence of non-communicable lifestyle diseases, growing per capita spend, increasing health insurance penetration and substantial rise in medical tourism (excluding impact of Covid-19).

Healthcare which is one of the largest sectors of the Indian economy, in terms of both revenue and employment generation, was main focus of the Union Budget 2021-22. The total per capita government spending on healthcare has nearly doubled from ₹1,008 per person in FY 2014-15 to ₹ 1,944 in FY 2019-20, at 15% CAGR, but is still considered low globally.

The main component of the healthcare industry is the hospital industry comprising ~80% of the total share. The Government's plans to increase budgetary allocation for public health spending to 2.5% of GDP by 2025, is expected to boost the hospital sector as well. The hospital sector was valued at USD 61.79 billion in FY 2016-17 and is expected to reach USD 132 billion by FY 2022-23, at 16-17% CAGR. For ensuring equitable access to healthcare for citizens in all parts of the country, hospitals beds need to be scaled up by at least 30%. During 2020, planned procedures saw 80% decline and unplanned procedures witnessed 66% decline led by restricted patient movement and fear of infection impacting hospital operations significantly. Additional three million beds will be needed for India to achieve the target of 3 beds per 1,000 people by 2025. Also, India has set a target to have one doctor to every 800 patients by 2030. Additional 1.54 million doctors and 2.4 million nurses will be required to meet the growing demand for healthcare leading to generation of over 50,000 job opportunities in the healthcare sector by 2025.

(Source: https://www.expresshealthcare.in/news/healthcare-industry-is-expected-to-make-v-shaped-recovery-with-business-as-usual-from-2022-frost-sullivan/422279/)

Hospital Industry growth

The demand for hospital services has been consistently soaring in the country, with every class of the society demanding better quality and standards of healthcare which has resulted in continuous growth of the healthcare industry. The demand for tertiary care hospitals and specialty hospitals is particularly high in India due to the considerable gap between beds availability and beds requirement. India's hospital bed density is less than half the global average of 3 hospital beds per 1,000 population, implying the need for over 2.2 million beds over the next 15 years. Given this huge growth potential, nearly 600 investment opportunities worth USD 32 billion exist in the hospital/medical infrastructure sub-sector on Indian Investment Grid (IIG).

In addition to the favourable demographic and epidemiological trends, Covid-19 is a catalyst for long-term changes in attitudes towards personal health and hygiene, health insurance, fitness and nutrition as well as health monitoring and medical check-ups. This is bound to boost hospital industry growth.

SWOT Analysis for the sector

Strengths

- Strong corporate participation world-class class facilities
- Steady increase in number of hospitals, diagnostic centres, doctors and other medical professionals
- India is expected to rank amongst the top three healthcare markets in terms of incremental growth by 2020
- Low cost of medical services
- India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research
- Reduction in customs duty and other taxes on lifesaving equipment
- Rapid growth in medical educational infrastructure
- Increasing access to insurance

- Increasing use of modern technology
- Strong private investment

Weakness

- Concentration of healthcare infrastructure in urban areas
- ~1% of GDP spends directed towards healthcare sector
- Low bed availability ratio per person
- Low doctor available to patient ratio
- Lack of capital investment

Opportunities

- Extremely low per capita bed availability
- Conducive policies for encouraging FDI and tax benefits
- Favourable Government policies
- Rising income levels
- Ageing population
- Growing health awareness
- Changing attitude towards preventive healthcare
- Rising medical tourism
- Rising middle-class population
- Growing prevalence of lifestyle diseases

Threats

- Uncontrollable spread of communicable diseases/pandemic
- Requirement of huge capital
- Cost expectation and service imbalance

Government Initiatives

The Indian Government is undertaking deep structural and sustained reforms to strengthen the healthcare sector. The Government has also announced conducive policies for encouraging Foreign Direct Investment (FDI). Healthcare became the single-most important sector due to the coronavirus pandemic which completely exposed India's underfunded healthcare system. The Government is encouraging new developments paradigm with a heightened investment towards healthcare infrastructure. The requisite focus for a stronger public health system, along with appropriate support for sustenance as well as the expansion of private healthcare infrastructure. The Government significantly increased allocation for the healthcare sector to be able to provide access to medical care for all in the country. The Government is committed to increase spends on primary, secondary and tertiary healthcare.

Budget 2021: Health and Well-being Expenditure

(₹ Crore)

	2020-21 BE	2021-22 BE
Department of Health & Family Welfare	65,012	71,269
Department of Health Research	2,100	2,663
Ministry of AYUSH	2,122	2,970
Covid Vaccination		35,000
Department of Drinking & Water Sanitation	21,518	60,030
Nutrition	3,700	2,700
Grants for Water and Sanitation		36,022
Grants for Health		13,192

Union Budget 2021-22

- An allocation of ₹2,23,846 crore was made for the healthcare sector, up 137% from that in the previous year, in view of Covid-19 crisis
- The Government emphasised on development of healthcare industry with thrust on water, sanitisation, vaccination drive and healthcare infrastructure development
- Allocation of ₹35,000 crore for the massive inoculation drive across the country
- Announced the launch of Aatmanirbhar Swastha Bharat Yojana with an outlay of ₹ 64,180 crore, which will be used for developing primary, secondary, and tertiary healthcare over a period of six years in addition to the National Health Mission
- Proposed setting up 17,000 rural and 11,000 urban health and wellness centres reassuring its vision of affordable and quality health coverage for all
- Proposed setting up of integrated public health laboratories in all districts and 3,382 block public health units to be established in 11 states
- Critical care hospital blocks are also to be created in 602 districts and 12 central institutions
- Allocation under Ayushman Bharat or the Pradhan Mantri Jan Arogya Yojna (PMJAY) has more than doubled to ₹ 6,400
- Allocation for National AIDS (Acquired Immunodeficiency Syndrome) and STD (Sexually Transmitted Diseases) Control programme remained unchanged at ₹ 2,900 crore

- Announced the national rollout of Pneumococcal Vaccine which was presently limited to only five states to help avert over 50,000 child deaths annually

The National Health Mission (NHM)

The Government allocated ₹ 36,575.5 crore to NHM to provide accessible, affordable and quality healthcare, of which ₹ 30,100 crore was towards the National Rural Health Mission (NRHM) and ₹ 1,000 crore towards the National Urban Health Mission (NUHM). The allocation was a marginal increase of 9.5% when compared to the budget estimate of ₹ 33,400 crore in 2020-21.

Tax incentives

- All healthcare education and training services are exempted from service tax
- Increase in tax holiday under section 80-IB for private healthcare providers in non-metros for minimum of 50 bedded hospitals
- 250% deduction for approved expenditure incurred on operating technology enables healthcare services such as telemedicine, remote radiology
- Artificial heart is exempted from basic customs duty of 5%
- Income tax exemption for 15 years for domestically manufactured medical technology products
- The benefit of section 80-IB has been extended to new hospitals with 100 beds or more that are set up in rural areas. Such hospitals are entitled to 100% deduction on profits for 5 years

> POSHAN Abhiyaan has been restructured from FY 2021-22 onwards and combined with three schemes under the Umbrella ICDS (Integrated Child Development Services – Anganwadi Services, Poshan Abhiyan, Scheme for Adolescent Girls and National Creche Scheme) to form Saksham Anganwadi and POSHAN 2.0.

Mission POSHAN 2.0

POSHAN Abhiyaan has been restructured from FY 2021-22 onwards and combined with three schemes under the Umbrella ICDS (Integrated Child Development Services – Anganwadi Services, Poshan Abhiyan, Scheme for Adolescent Girls and National Creche Scheme) to form Saksham Anganwadi and POSHAN 2.0. For the new composite scheme, the government has allocated a budget of ₹ 20,105 crore. The existing Supplementary Nutrition Programme (SNP) and the Poshan Abhiyan were merged to strengthen nutritional content, delivery, outreach and outcome.

Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

Under this scheme, which comprises setting up of new AIIMS (All India Institute of Medical Sciences) and upgradation of existing Government Medical Colleges allocation was reduced by ₹ 517 crore from ₹ 7,517 crore in RE 2020-21 to ₹ 7,000 crore in Union Budget 2021-22.

Four-pronged strategy

The Government has adopted a four-pronged strategy to keep India healthy.

- The first strategy is the prevention of illness and promotion of wellness, through initiatives such as Swachch Bharat Abhiyan, focus on yoga, care and treatment facilities for pregnant women and newborns, drinking water and sanitation etc.
- The second strategy is to make effective and affordable treatment accessible for all citizens alike, through schemes like Ayushman Bharat insurance and Jan Aushadhi.
- The third focus area is improving health infrastructure and increasing the quantity and quality of healthcare professionals, for which the Government has made efforts in the past six years to expand AIIMS and AIIMS-like institutions in remote states
- The fourth strategy is to look for solutions in a time-bound manner and in mission mode, such as immunisation coverage or achieving the tuberculosis elimination target of 2025 etc.

100% Foreign Direct Investment

In India, 100% FDI is allowed under the automatic route for greenfield projects. For brownfield project investments, up to 100% FDI is permitted under the Government route. Demand growth, cost advantages and policy support have been instrumental in attracting FDI. Between April 2000 and December 2020, FDI inflows for drugs and pharmaceuticals sector stood

at USD 17.75 billion. Inflows in sectors such as hospitals and diagnostic centres, and medical and surgical appliances stood at USD 7.03 billion and USD 2.18 billion, respectively, between April 2000 and December 2020.

Growing Private Participation

The private sector is responsive to mass population's needs and its ability to rapidly adopt new innovations and maximise their scale up. This has resulted in a fair share of healthcare in India being dominated by private players. Over 70% of healthcare services in India are provided by the private sector. About 72% residents of rural areas and 79% residents of urban areas use private healthcare services. Hospitals, labs, radiology, homecare and wellness services in the private sector are ubiquitously backed by private capital and Indian entrepreneurship spirit. The growth in telemedicine and medical tourism sector has happened with recent advances in digital health, telecom revolution and a large pool of skilled doctors with technical expertise that has transcended national and state borders mainly due to the determination of the private players.

In most major disciplines including transplants, cardiac surgeries etc., the Indian private healthcare sector capabilities and outcomes are on par or better than several international hospitals. However, the costs are a mere 20% as compared to hospitals globally. Similarly, the Indian medical diagnostics and pharmaceutical industry has been able to provide people living in remote areas access to modern diagnostics facilities. The prices of diagnostics have remained flattish or at best increased by 5–10% in the last five years, while the consumer price index (CPI) price inflation has grown by ~30%. Though private healthcare services continue to remain out of reach for many Indians, it has undoubtedly driven efficiency and improved access which has brought much of India under its services. Unfortunately, the cost of private healthcare is still about four times greater than the country's public healthcare, which is greatly subsidised by Indian Government through interest free capitals, subsidised capital loans, free land, electricity and a number of subsidies which makes it difficult to compare the real efficiency and comparable cost of service delivery.

Only 5-10% of India's private sector hospitals and labs are accredited at par with equivalent international standards like NABH, JCI, NABL etc. These handful of accredited institutions have catapulted India to a top 3 destination for medical tourism and created an export market of nearly USD 9 billion in 2020 by strict adherence to global standards of process, protocol and frugal innovations made in India.

Healthcare Delivery in India

Various institutions, organisations and persons that operate within the healthcare system together constitute the healthcare delivery. The healthcare delivery is responsible for the promotion of health, prevention of illness, detection and treatment of disease and rehabilitation. The healthcare delivery in India is poised to undergo change at all stages, prevention, diagnosis and treatment, as necessitated by the pandemic. The health sector's evolution calls for active involvement and participation of all stakeholders and use of innovation to bridge intent and execution. No single entity in the healthcare sector can deliver results and achieve outcomes.

Healthcare infrastructure in India provides 10 beds per 10,000 people against global average of 29. India has around 45,000 ventilators which is abysmally low, considering the number of Covid patients who need ventilator support and for other respiratory diseases. Further, these cannot be imported as global supply chains are also overloaded. It is imperative for India to develop an efficient healthcare system with significant public investments in building medical colleges, nursing schools, training for medical staff, manufacture of specialised medical equipment, synthetic biology, drug or vaccines manufacturing and a well-crafted integrated structure of primary, secondary and tertiary care hospitals that uses telemedicine to optimise the utilisation of capacity.

As per data from National Health Profile-2019, there are just 713,986 beds in Government hospitals, i.e. 0.6 beds per 1,000 patients. There are more than 3,000 private hospitals with a bed size of 100+ having adequate tertiary care infrastructure. Then there are 25,000 hospitals having bed size between 30-100 and 40,000 smaller hospitals with a bed strength of less than 30. Also, 0.8 doctors for every 1,000 patients. Further, primary healthcare centres and community healthcare centres also lags behind in numbers by 22% and 30%, respectively. Rural regions still grapple with a shortage of medicines, instruments, care providers and even basic utilities. There were 12,55,786 doctors with recognised medical qualifications (under I.M.C Act) registered with state medical councils/medical council of India. The Board of Governors, the Council of India (MCI) registered 3,71,870 allopathic doctors with the Medical Council of India/State Medical Council for their specialist/postgraduate qualifications. According to a study in India, there is only one Government doctor for every 10,189 people and there is a deficit of 600,000 doctors, whereas the nurse-to-patient ratio is 1:483. While there has been a steady increase in medical professionals, with growing medical education infrastructure, and forward-looking and encouraging Government policies, the number of medical professionals is expected to witness strong growth giving boost to the sector.

The Centre and various State governments are introducing green field hospital projects and upgrading specialty hospitals plus medical colleges with OPD annexe. States are upgrading district

hospitals to medical college cum hospitals (100-500 bed/100-250 seats) with an approximate investment of 50-100 crore per project. To improve connectivity like highways, railways and airports connecting all hospitals and medical facilities is a must to better the healthcare infrastructure in India.

The need now is to initiate structural changes in India's health policy, increase technology deployment, reduce dependency on import and encourage domestic manufacturing of healthcare equipment and devices, and create a stronger native healthcare infrastructure to assist the country's quest towards economic revival.

Covid-19 Impact

Covid-19 added immense pressure on India's stressed healthcare infrastructure. Amid lack of healthcare professionals, rising cases across the country only add to the pressure. However, the Indian startup ecosystem fought the pandemic with numerous innovations. Entrepreneurs and innovators went beyond their own businesses, pivoting from their core model to build solutions to fight the pandemic. The Indian healthcare sector, which struggled to meet the demand for PPE kits, masks, sanitisers, and test kits at the outbreak of the pandemic, emerged as a large exported of these essentials.

After some success in curbing the virus considerably, India's economy had returned to functioning normally by the second half of 2020. However, 2021 witnessed rapid spread of the virus partly due to complacency on the social distancing measures and mask-wearing policies. With exponential rise in daily cases, several hospitals across the country were stretched beyond their capacities in handling the rising burden of the highly infectious disease. Despite several healthcare reforms, India was not well placed to tackle the second wave of Covid-19 infections sweeping the nation. Several states within a short span started falling short of health infrastructure and equipment, ranging from oxygen to ventilators. The situation was aggravated with significant inefficiency, dysfunctioning, and acute shortage of the healthcare delivery systems in the public sector.

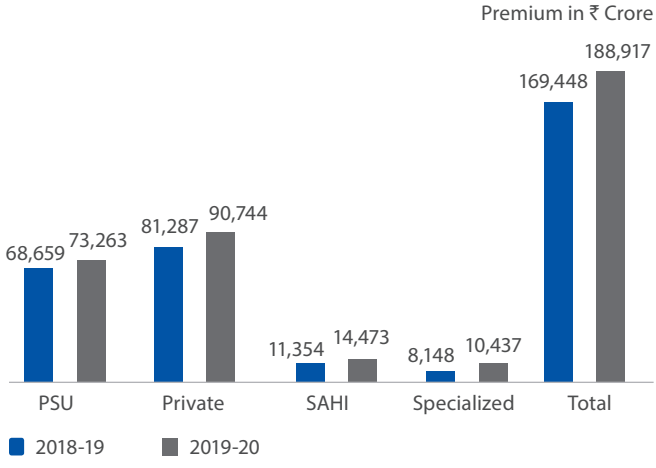
When India launched its massive Covid-19 inoculation drive in mid-January, not only was India self-reliant but also exported the vaccine to several other countries. With decades of experience inoculating pregnant women and babies in rural areas, it was expected that the vaccine will quickly reach every corner of the country. But with mass roll-out of vaccine, inoculation centres across the country started running short of doses and all exports had to be stopped as production was impacted owing to US hoarding the ingredient supply to India. However, India ran the largest vaccination drive in the world with over 15 crore of the population being vaccinated by April end. To curb the second wave, states resorted to different measures like weekend lockdowns, night curfews to complete lockdown as the healthcare system completely collapsed with acute shortage of beds, ventilators, oxygen and medicine supplies.

The Government initiated various steps to control the spread of the virus as well as address major gaps in the availability of life saving healthcare facilities. Apart from expanding the vaccine program to all its citizens above the age of 18 years, the Government tried to procure more vaccines other than its indigenous two. Industries were prompted to redirect operations to produce oxygen for the healthcare system while immediate oxygen supplies were imported. The Indian Railways initiated a roll-on, roll-off (RoRo) train – upon which empty cryogenic tankers were ferried to oxygen-surplus destinations and supplied to states requiring it. To increase medicine supplies, the Government undertook rapid clearances for new capacities, stopped exports of the medicines, APIs and formulations used in the manufacturing, and allowing EoUs and manufacturers located in SEZs to also sell in the domestic market. The Government launched the Pradhan Mantri Garib Kalyan Package insurance scheme to pay USD 1.5 million to the families of those who lost their lives on account of Covid-19 or Covid-19 related duty. The scope of ECLGS 3.0 was extended to cover business enterprises in hospitality, travel and tourism, leisure and sporting sectors. The Government tackled the situation on war-footing to ensure safety and well-being of all its citizens.

Health Insurance Industry

Health insurance industry contributes 20% to the non-life insurance business, making it the 2nd largest portfolio. There has been significant growth linked to the rising income levels, increasing awareness in urban areas and growing lifestyle related health demands. The penetration of private health insurance in India is less than 10%.

Premium (within India)
Underwritten by General and Health Insurance



Out-of-pocket expenditure constituted over 60% of all health expenses, presenting a major challenge for India. Poverty level is expected to rise with ~63 million people being added every year due to lack of financial protection for their healthcare needs. In order to address this important challenge, India launched the PM-JAY, the second important pillar of the Ayushman Bharat initiative. PM-JAY is the world's largest non-contributory Government-sponsored health insurance scheme that enables increased access to inpatient healthcare for poor and vulnerable families in secondary and tertiary facilities. It could be a crucial inflexion point for the healthcare industry in India because of its emphasis on improving the performance of public facilities and leveraging the potential of the private sector in delivering healthcare for the poor.

PM-JAY provides 500 million beneficiaries with an annual hospitalisation cover of up to ₹ 5,00,000 per family. Over 24,000 hospitals were empanelled under the scheme, as of February 23, 2021 and over 16 million hospital admissions were covered. By providing drugs and diagnostics free of cost at the HWCs as well as covering most secondary and tertiary procedures under PM-JAY, Ayushman Bharat was aimed at protecting millions. The scheme was directed to enhance the penetration of health insurance in India from 34% to 50%. Health and general insurance providers were mandated to offer the indemnity policy. In Union Budget, 2021-22, the Finance Minister announced that the FDI cap for the insurance sector would be increased to 74% from the current 49%. This move should provide a further impetus to the expansion of health insurance in the country.

COMPANY OVERVIEW

Established in 1994, Shalby Hospitals ('Shalby' or 'the Company') is the brainchild of Dr. Vikram Shah, the specialist orthopaedic surgeon. Having started in Ahmedabad, Gujarat, Shalby currently has expanded its operations pan-India with 11 state-of-the-art multispecialty tertiary hospitals having 2,012 beds – 4 units in Ahmedabad and one each in Vapi, Surat, Mohali, Jaipur, Indore, Jabalpur and Mumbai. The Company also has plans to start two additional units with 288 bed capacity in Maharashtra. It also has 50 outpatient clinics spread across 15 states. The Company has also expanded its footprint overseas outpatient clinics in Africa in Sudan, Addis Ababa, Rwanda, Nairobi and Dar es Salaam.

2,012
Total bed capacity

25,000+
Patients per month

990+
Surgeries per month

3,000+
Human resource (doctor + staff)

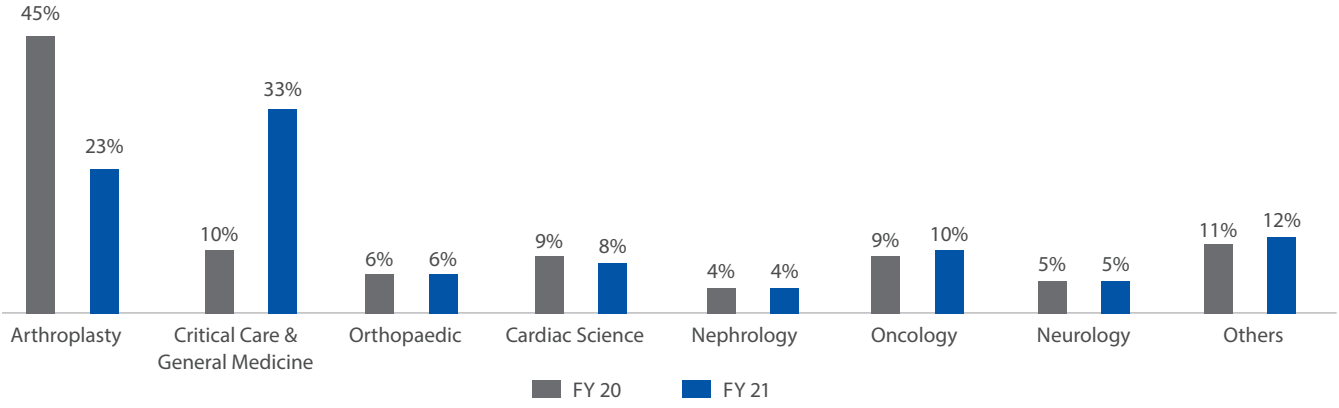
50
Outpatient Clinics across India

Shalby has developed strong brand recognition in its core markets and is well positioned for further expansion. The Company not only excels in providing quality and affordable healthcare services but is also a world renowned name in the field of joint replacements. The Company's facilities are equipped with advanced technology and boast of a highly-skilled team of healthcare specialists, doctors and nurses. Patient-centricity is at the heart of Shalby Hospitals, with a commitment for professional and ethical approach in healthcare services.

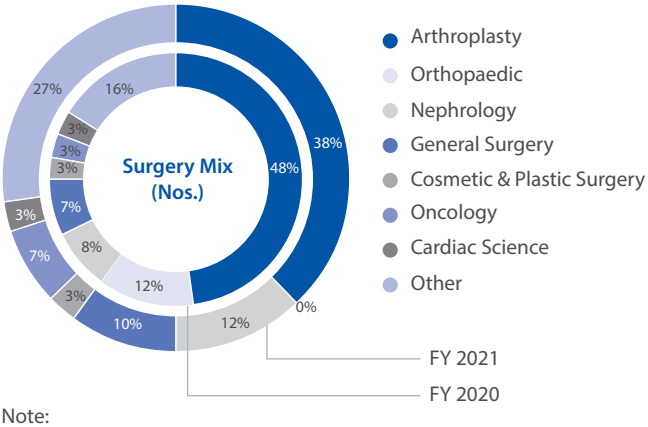
Revenue breakup charts:

Hospitals Specialities

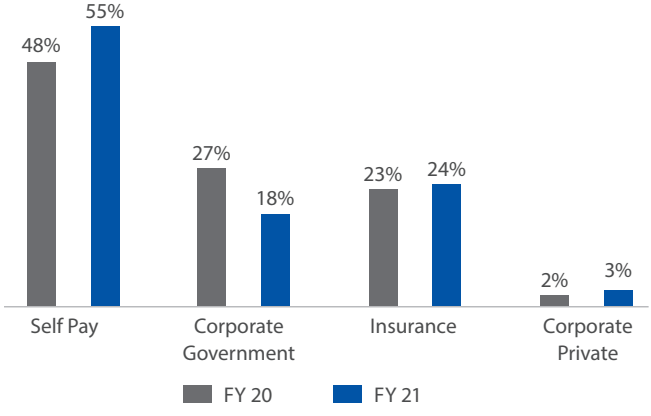
Revenue by Hospital Speciality



Number of Surgeries by Speciality



Revenues by end Patient



Note:
1. All number are on Standalone basis

Key Competitive Strengths:

- **World renowned in joint replacement surgery**

  Shalby is the number one player for knee replacement surgery globally. The Company holds 15% market share in private hospitals offering joint replacement and 5% overall market share in India. Arthroplasty surgeries constitute around 38% surgeries performed by the Company. During FY 2020-21, Shalby performed 4,661 surgeries in the arthroplasty segment, sustaining its leadership in the segment. Shalby became the first hospital in Gujarat to use Image Intensified Television in Spine and Orthopaedic surgery during the current fiscal year. With the joint replacement surgeries expected to grow at 11-12% CAGR till 2024 to reach ~0.4 million, the Company is leveraging on its niche position in the segment and expanding its footprint on an asset-light model across India.

- **Strong brand equity**

  With close to three decades of experience, Shalby has emerged as the trusted brand of choice in the healthcare sector, especially in the orthopaedic surgery segment. Use of modern advanced technologies, best-in-class infrastructure, quality healthcare services and track record of successful surgeries performed on patients of all age groups across India has earned Shalby a strong brand equity in the Indian market. In FY 2020-21, the Company provided healthcare services to 3,10 ,077 patients.

- **Optimal use of facilities and cost optimization**

  The Company has outpaced the industry with higher return ratios with a unique business model based on optimising Capex and Opex while offering best-in-class services. While

strategising new facility and operations, the Company's competent in-house planning team strives to ensure:

- Well thought of building and interior layout optimal use of space
- Prudent procurement of high quality but cost-effective equipment
- Cost savings led by centralized procurement process
- Effective space optimisation for OT rooms with high OT to bed ratio

The Company avoids the need for fixed rent or security deposit as well, as it operates on either fully owned or Operation and Maintenance (O&M) revenue sharing model.

Skilled team of professionals

The Company attributes its robust growth to its in-house expert team of over 3,000 skilled doctors, surgeons and other support staff. This team boasts of in-depth domain expertise with relevant industry experience.

Strong Outpatient Clinics (OPD) experience

Patients are offered specialised consultation at the Company's OPD clinics. With over a decade and a half experience in OPD clinics, Shalby has established a strong brand equity in India and abroad. In and around Ahmedabad, the Company conducts OPD training for local doctors. The Company chalks out a judicious expansion plan of OPD clinics based on ongoing patient trends. The Company's strong brand recall helps limit branding cost when expanding its footprint.

Strong Balance Sheet

Despite massive business expansion in the last decade, the Company managed to remain debt-free. This is attributable to asset-light expansion model, supported by stable-free cash flow from legacy hospitals in Ahmedabad. The net cash position provides a competitive edge over peers leading to smooth expansion led by a robust balance sheet.

REVIEW OF FINANCIAL PERFORMANCE

During FY 2020-21, the Company's consolidated revenue stood at ₹ 4,400 million, against ₹ 5,042 million in FY 2019-20. Profit before Tax (PBT) stood at ₹ 551 million compared to ₹ 567 million in FY 2019-20. The Company's PAT increased to ₹ 424 million from ₹ 276 million in the previous year, which is mainly due to cost optimisation and reduced interest cost. During the year, the Company repaid ₹ 201.83 million worth loans and the outstanding balance stood at ₹ 440.34 million.

Operational highlights

Particulars	FY 2019-20	FY 2020-21
Bed capacity (Nos.)	2,012	2,012
Operational beds (Nos.)	1,200	1,200
Average Length of Stay (Days)	2.61	3.22
Occupancy (Beds)	450	428
In-patient Count (Nos.)	62,758	48,515
Out-patient Count (Nos.)	325,596	261,562

Key financial ratios analysis

Ratios	FY 2020	FY 2021	Difference	
Debtors Turnover	0.19	0.20	6%	No significant change
Interest Coverage	12.09	20.16	67%	Improved due to reduced interest cost
Current Ratio	2.81	3.32	18%	No significant change
Total Liability/Equity ratio	0.21	0.19	-7%	Due to reduced amount of debt
Operating Profit ratio	12.50%	13.30%	83 bps	Due to cost efficiency

GROWTH DRIVERS

Key factors driving growth in the healthcare industry in India include expanding healthcare coverage under government schemes and private insurance, improving services, and increasing expenditure by public and private stakeholders. New developments in the healthcare market cater to the following trends – rise in lifestyle diseases, ageing population, demand for affordable healthcare services, health monitoring through diet, nutrition, and wellness testing as well as technology penetration and government incentives. Rising income levels and growing awareness also contribute to market growth.

Lifestyle diseases on the rise

While several critical diseases such as polio, measles, TB, HIV and Covid-19 have seen concentrated efforts by Indian healthcare to combat them, lifestyles diseases like diabetes and heart pose a major threat to the nation. These diseases are not in the top 10 major diseases list of the country. India, however, is the diabetes capital of the world, estimated to have 69.9 million cases by 2025. These lifestyle diseases are a matter of great concern as they are spreading at a fast pace amongst both the urban and rural youth. Cardiovascular diseases and diabetes are also estimated to have an economic cost for the country of USD 6.2 trillion by 2030 as they reduce the productivity of patients and add to the growing cost of healthcare. Covid-19 pandemic brought to surface the seriousness of these lifestyle diseases with mortality rates being high in comorbid patients. Rapid urbanisation has led to a more sedentary lifestyle and poor eating habits increasing prevalence of lifestyle diseases. Awareness on long-term health and immunity and pre-emptive care is a must to keep a check on these diseases. Growing lifestyle diseases lead to growing demand for quality healthcare services, acting as growth driver for the industry.

Orthopaedics – an evolving market

The Indian orthopaedic devices market was valued at USD 1,540.41 million in FY 2019-20 and is expected to grow at CAGR of 7.71% during 2020-26. The growth is driven by increasing rate of geriatric population and rising prevalence of diseases such as diabetes, obesity, osteoarthritis, and osteoporosis. Furthermore, rise in the road accidents is also expected to drive the market. Covid-19 pandemic has further escalated orthopaedic problems by restricting people's ability to stay active and mobile. There has been a rise in patients with back-related problems, as work from home has led to increased inactivity, coupled with an already-existing sedentary lifestyle. Additional factors include poor posture, poor exposure to sunlight, poor sleeping hours, and a lack of proper diet. College students, IT individuals, and sports individuals, whose routine activity and schedules have been disturbed, also have seen rise in orthopaedic problems. Such lifestyle is expected to augment the demand for joint replacement surgeries, arthroscopy and paediatric orthopaedics. Technological advancements and minimal invasive surgeries further boost segment growth.

Medical tourism

According to a joint NATHEALTH-PwC industry report from 2018, the cost of medical treatment in India was less than a tenth of that in the US with clinical outcomes in India's top hospitals being comparable to those at internationally recognised facilities. The top reason for medical travel to India was treatment at accredited facilities and by skilled doctors at low costs. Medical tourism has been a key growth driver for the healthcare sector in India. In 2015, India ranked the third-most popular medical tourism destination in the world, with the industry valued at USD 3 billion. The number of foreign tourists coming on medical visas was nearly 450,000 in 2017. In 2020, the industry was expected to reach USD 9 billion, but due to Covid-19 pandemic international travel became restricted. India is considered a leading medical treatment destination especially from developing countries due to its state-of-the-art medical facilities equipped with advanced technologies and a high success rate.

Growth of private health insurance

In India's insurance sector, health insurance is the second largest in terms of premium contributions despite only 10% of total population being covered by private health insurance. In September 2018, the National Health Protection Scheme was launched under Ayushman Bharat to provide coverage of up to ₹ 5,00,000 to over 10 crore vulnerable families and increase the penetration of health insurance in the country from 34% to 50%. The market share of private sector companies in India's non-life insurance market was 56% as of April 2020.

The surge in claims arising due to the Covid-19 pandemic across the country has resulted in a number of insurers entering into strategic partnerships with established companies to offer Covid-19 insurance plans. New policies floated cover cost of PPE kits and other expenses incurred during Covid-19 treatment. In June 2020, Insurance Regulatory and Development Authority of India (IRDAI), mandated health and general insurance providers to offer the indemnity policy with respect to Covid-19.

RISKS AND CHALLENGES

The Company is exposed to a variety of risks due to internal and external factors for which it has devised strategies to minimise impact on business operations.

1. **Regulatory Risks**

Being a part of the healthcare sector, the Company needs to comply with several rules and regulations. Since the regulations and legal procedures are exposed to constant change, the Company faces regulatory risks like price cap on surgeries, implants, stents etc. The Company faces challenges in terms of compliance, adherence to procedures and meeting patient expectations on costs and treatment. Economic policies like demonetisation, GST, taxes also impact the Company's business operations.

Risk Mitigation: The Company keeps a close watch on regulatory developments and tries to foresee changes in regulations basis evolving trends in the sector. Cost optimisation and operational efficiency enhancement are the focus areas to mitigate regulatory risks.

2. **Lack of Skilled Professionals**

Expert team of skilled and qualified professionals is imperative for providing superior quality healthcare service. Due to limited availability of medical education infrastructure, there is lack of trained and competent specialists, doctors, nurses and paramedics. There is also significant imbalance in availability of medical professionals in urban and rural areas. This impacts the ability of the Company to provide superior quality healthcare service.

Risk Mitigation: Excellent educational programmes for paramedical students and other healthcare professionals by industry experts is offered by the Company's 'Shalby Academy'. Students are trained for efficient healthcare delivery and handling complex surgeries. The Company's hospitals are insulated from talent crunch as most of the experts trained in this academy are absorbed in its own hospitals.

3. **Capital intensive nature of the business**

High land and building costs, ever increasing construction costs, legal and approval costs, procurement and maintenance of technologically advanced medical equipment makes hospital business highly capital intensive. High cost of medical practitioners also add to the cost burden. These factors put return on investments to risk.

Risk Mitigation: The Company's unique business model with optimal use of real estate to expand operations enables it keep capex cost under control. It has an in-house team of architects and designers for construction and utilities planning enabling it break even faster than peers. Systematic sourcing of medical equipment at competitive rates helps reduce operational costs and increase profits.

4. **Concentration Risk**

With half of operations concentrated in a single state on India, the Company faces geographical concentration risk.

Risk Mitigation: The Company has consciously expanded its new facilities in states other than Gujarat to mitigate geographical concentration risk. The Company set up 5 hospitals in other states with a bed capacity of 908. The Company is also in the process of adding two additional hospitals in Maharashtra with a bed capacity of 288 beds and increase bed capacity of the existing facility in Maharashtra by 50 beds. This strategy is aimed at reducing revenue concentration from a single state.

STRATEGY

The Company's growth strategy includes focus on asset-light business model, cost management and targeted expansion.

Unique asset-light business model

The Company's approach for expanding footprint into new markets includes studying patient trends and creating a market for its services. Its extensive chain of OPD clinics spread across the country has created strong brand equity. These clinics act as a feeder as they offer pre-operative consultation and postoperative care. The Company is thus able to study market dynamics around these OPD clinics and sets up multi-specialty hospital in already established highly viable markets with significant brand recall. This strategy enables the Company to save branding costs related to expanding in new regions.

Expanding to new geographies

Leveraging its strong brand equity, orthopaedic expertise and existing OPD infrastructure, the Company is judiciously expanding in newer States to increase business operations. The Company is currently working on adding two additional hospitals in Maharashtra with a bed capacity of 288 beds and increase bed capacity of the existing facility in Maharashtra by 50 beds. Additionally, the Company sends in-house doctors to perform orthopaedic surgeries in new geographies and build the orthopaedic practices there. The Company uses franchisee model for business expansion of for orthopaedics and for joint replacement, eliminating capex investment leading to an asset light model.

Cost Optimisation

The Company's growth revolves around enhancing operating efficiency and profitability with judicious use of real estate, customised building construction, prudent use of floor space and centralised large scale procurement of medical instruments, devices and other consumables. The Company's per bed

cost is ₹ 3.5 million, which is significantly lower than ₹ 7.5-15 million per bed incurred by other private hospitals. This unique strategy has thus resulted in significant cost reduction and profitable expansion.

Specialties expansion

The Company is renowned for its knee replacement surgeries and is a leader in the orthopaedic segment. It is thriving to enhance capabilities in Oncology and Neurology, Cardiac Science and Critical Care as also quaternary treatments like organ transplants for liver, heart, lungs and kidney for organic growth. To achieve diversification in services segment, keeping in pace with current needs, the Company is exploring homecare segment.

Shalby Care Card

The Company launched an innovative product 'Shalby Care Card' to promote health awareness and brand loyalty amidst Covid-19 pandemic. The membership cards come in two categories of silver and gold costing ₹ 2,500 and ₹ 5,000 respectively providing discount for different services. Patients without medical insurance can have access to affordable treatment with discounted service. This will enable the Company to increase occupancy and loyal customer base. The service gained good consumer traction in FY 2020-21.

Shalby Homecare

The pandemic has altered human life completely and also brought about significant changes in the mode of functioning of the healthcare sector with affordable home care gaining immense popularity. The Company offers "Homecare" expert healthcare services at the convenience of home to enable fast recovery of patients from illness and disabilities. The intention is offer an "invisible hospital" at home. The Company reported a total of 10,487 homecare cases and 34,164 homecare visits in FY 2020-21. The service witnessed good consumer traction due to high quality and cost-effective solutions.

Mars Medical Devices Limited

Leveraging Government's "Atmanirbhar Bharat" campaign, the Company plans to manufacture medical devices through its 100% subsidiary Mars Medical Devices Limited. This initiative of backward integration will enable the Company to secure supply chain and reduce costs significantly.

OUTLOOK

Despite challenging environment due to Covid-19 outbreak, the growth prospects of healthcare industry remain robust given fundamental growth factors remain intact. The Company continues its expansion strategy by increasing geographical footprint and scope of service offerings. With a large underserved Tier-1 and Tier-2 cities demand for specialties services, the Company is looking to expand in these regions. The Company's new services of care card and homecare has also gained good traction and the Company remains committed to expand the scope of these services.

The Company is setting up two new facilities in Maharashtra as detailed below:

- Mumbai (Santacruz) – 175 beds – Capex: ₹ 1,600 million – Operational year: FY 2023-24
- Nashik – 146 beds – Capex: ₹ 310 million – Operational year: FY 2022-23

The Company witnessed increased traction in elective surgeries during FY 2020-21. The Company has crafted a niche for itself in the healthcare industry with its superior service capabilities and rich domain expertise. The Company expects to continue to outperform the industry average growth in the coming fiscal year as well.

REGULATIONS AND SAFETY

As India is competing to achieve global standards, the healthcare sector is increasing focus on compliance with international safety standards. Being a part of the healthcare sector, Shalby constantly thrives to adhere to the ever-evolving rules and regulations. The Company is committed to positively respond to dynamic industry demands with strong compliance to even stricter statutes.

As part of environment strategy, the Company has adopted various initiatives to restore environment and ensure minimal impact due to its operations. The Company is committed to focus on maintaining sustainability while exceeding patient's service expectations. The Company thrives to maintain quality standards, reduce waste generation and segregate recyclable waste at hospitals. The Company ensures that all its procedures are in keeping with applicable rules and safety regulation. It also strictly adheres to legal and safety requirements.

For radiation procedures, the Company follows strict surveillance procedures and maintains records for any future legal discourse. All the vendors of the Company are duly certified ensuring all equipment and devices confer to highest regulatory standards. The Company has earned the global accreditations from the National Accreditation Board for Testing and Calibration Laboratories (NABL) owing to its robust corporate governance practices and regulatory compliances.

INTERNAL CONTROL

The Company has a robust internal financial controls system, in all material respects, for proper financial reporting. During FY 2020-21, the Company was operating effectively based on, "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". The senior management ensures effective internal control system is in place and adheres to all applicable laws and regulations. The internal control system ensures safeguarding of assets, reliability and accuracy of financial reporting and prevention of fraud and errors. All Company transactions are recorded in accordance with the Indian Accounting Standard (Ind-AS) in keeping with the accounting policies. The Internal Audit Team regularly monitors the key findings and offers strategic direction.

HUMAN RESOURCES

Human Resources function plays is crucial for business continuity. Identifying and on-boarding right talent, ensuring their continuous engagement with organisation's mission and vision, retaining them with a vibrant culture and ensuring their career growth are the backbone of the Company. This has become more challenging due to the ever growing demand and scarcity of trained healthcare professionals in India. To address these challenges and expectations, the Company has established a strong Human Resources team at corporate office and across all operating units. An experienced team of professionals for Learning and Development initiative is also made part of this team.

In order to cater to the internal and external stakeholders, the team has adopted the below as their Mission Statement which involves the soul of the organisation's purpose.

> "To adopt and pursue HR best practices that enable us to create a pool of talented workforce with an exciting workplace and to inculcate a sense of empathy, ethical values and high degree of professional integrity to ensure best-in-class services and excellent patient care."

Implementation of MyShalby HRMS Portal

Human resources being an imperative strategic business partner, digitalisation of routine HR functions had become crucial. To cater to this need, the Company has partnered with People Strong and successfully rolled out cloud-based software. The portal has been suitably branded as MyShalby to create an emotional attachment with the employees. MyShalby is one-stop solution, digitalising all day-to-day HR functions such as recruit, on-boarding, employee life cycle, leave, attendance, confirmations, transfers, promotions, exits, learning, and payroll with the help of technology and artificial intelligence. Collaborative tools such as Zippi and Jinie (AI-based Chabot) are helpful in further strengthening team relationships.

My Shalby My Family – Induction Program

An exclusive induction program called My Shalby My Family designed and conducted by Shalby's expert Learning and Development professionals helps new team members to fit in easily. During the course of two days, the program covers range of topics including mandatory trainings like POSH, fire safety, BLS etc. It further imbibes organisational core values in new joiners. A refresher program is designed for entire workforce to realign them with latest updates/developments.

Know your Hospital Program

"Know your Hospital", an HR initiative aims to educate employees on various aspects of patient care and hospital management. Employees are made aware about importance of their role in delivering seamless patient experience and quality care. Program consists of interactions with consultant doctors from different specialties, hospital tour, scope of services, cross-functional postings and learning interventions.

Shalby Critical Care Nursing Training and Certification Program

Investing in Nurses is a prerequisite for driving Excellence in Nursing Care. The Company is truly committed to deliver the highest standards of healthcare by providing quality nursing care. The Company strongly believes in preparing its nurses with professional excellence, clinical expertise, bedside skill competencies and critical thinking, meeting the best nursing standards. The Company constantly strives to develop and sustain excellence in nursing care, through various skill development programs, with Critical Care Nursing Training Program being one among many.

The program consists of two modules – General Nursing and Critical Care Nursing, spread over 5 days with active involvement of our Physicians and Intensivists followed by on-the-job trainings and clinical competency assessments.

Recently, the Company conducted multiple sessions at group level and trained around 200 nurses thoroughly through this critical care nursing program.

Simulation Lab

To equip its team with the real-life scenarios, and hands-on practice, the Company has set up its own Simulation Lab, viz. Shalby Centre of Excellence for Learning and Simulation (SCOLES). As one walks into the SCOLES, we see automated manikins, assortment of medical equipment, such as IV pumps, medication carts, enteral feeding pumps, stretchers, and more. It makes the team feel like they are in a real-life situation, but without the fear of hurting someone. They have the opportunity to make mistakes, learn from them, and try again, under the guidance of instructors.

Rewards and Recognition

Shalby's hugely popular quarterly Rewards and Recognition program has created a culture of excellence and best performance. It aims at making employees feel special and valued by reinforcing the right behaviour. This initiative has helped in improving employee productivity, boosting employee retention and creating a positive workplace. Awards are distributed under various categories like SHALBY GEMS, SHALBY CLAPS (on the spot award) and SHALBY SHAAN (for Nursing Excellence, Best Technician, Best OT Staff and Best Support Staff).

Employee Engagement Initiatives

It is imperative to keep the employees engaged and motivated at work all the time. In order to foster intrinsically motivating and positive work culture in the organisation, various employee engagement strategies are observed to keep the employees energised and motivated, like reward and recognition programs, appreciation through ELITE cards, employee engagement initiatives like celebrating various days (i.e. World Cancer Day, Doctor's Day; Independence day, Republic day) sports activities (Cricket match, Cyclothon, Walkathon, Zumba) and cultural festivities like Holi, Diwali etc. An engaged employee is more productive, highly motivated and integrated with the organisations culture. The Company's employee engagement initiatives have yielded several benefits including increased productivity, improved retention rates, happier customers, lower absenteeism, and innovation in work.

Social Media Outreach

The senior leadership team engaged with employees' fraternity and public at large through social media during the period, which further strengthen the employer branding of the company.

Fight against Covid-19

The team has worked tirelessly during the first and second wave of Covid-19 serving the ever-highest number of patients in distress. This was only possible because of extraordinary courage, continued commitment and ownership by the front warriors. The senior leadership did not take a day off and rigorously visited all the units to ease out fear and threat of Covid-19 from minds of employees.

An incentive of more than rupees three crore was paid to hospital and outsourced staff to recognise unwavering commitment and efforts of employees across the group.

The organisation stood strong with employees, who got infected with Covid-19 and ensure their treatment and safe return to normal life. Employees' families and friends who were infected were given preferred treatment and beds according to their needs. With the help of the respective State Governments, the Company was able to get its employees vaccinated in the first round of vaccination. As preventive measure Vitamin tablets were distributed free of cost to all employees and outsourced staff.

To train and educate staff during the unprecedented times of Covid, the Company arranged different sessions related to Covid protocols on our LMS module Gangotri which helped in creating awareness regarding precautions and safety measures.

HR Scorecard

HR scorecard is a process to optimise effectiveness of Human Resource function with help of SMART (Specific, Measurable, Achievable, Relevant and Timely) parameters. A monthly scorecard is released identifying strength and improvement areas for each of the units yielding sustainable and continuous improvement.

PeopleQ Inspiration Award for Excellent Employee Communication

Communication is the key, especially during the difficult times like spread of Covid -19; the Company's best efforts to spread positive messages to the employees through digital media during the period of lockdown have resulted in winning "PeopleQ Inspiration Awards" for Excellent Employee Communication.

INFORMATION TECHNOLOGY

Industry 4.0 is an innovative approach to generate new concept enabling development in the Indian health care sector through the integration of technologies, smart machines and different software. This digital transformation revolution embraces automation and creates new manufacturing opportunities. The senior management remains fully committed in delivering highest quality of healthcare services with the use of latest technology.

The Company considers IT to be an integral part of functioning of hospitals. In FY 2018-19, the Company began the process of digital transformation which is steadily progressing with a target of leveraging on the massive business transformation program.

The Company concluded implementation of SRIT - the new hospital information system across all units.

The IT transformation revolution is aimed at steady and multi-dimensional social, economic and technological development not restricted to the hospitals. Industry 4.0 is expected to digitalise hospitals and execute ChatBots, IVR-based call centres, use of smartphones or tablets, managing online appointments, Online Video Consultations and developing Apps and Facebook or LinkedIn pages. With adoption of smart IT solutions, hospital processes and patient care is expected to bring about a decisive change in mindset.

The prominent focus points of the holistic IT transformation are:

- Approach centred around patients
- Crisis management using technology
- Care Quality
- Complex health data related advanced analytics
- Tele-consultation
- Inter-operability
- Back-office automation

Patient-centricity is at the heart of the digital transformation journey. The Company has ensured safe communication and confidential patient-doctor information exchange. During the transformation process, the Company has completely revamped the IT infrastructure encompassing servers, networking, storage, power supply and client machines. Also Bandwidth has been upgraded and enhanced for seamless user experience. The IT revamping is expected to boost quality and revenue flow for the Company.

IT systems implemented include:

- New Hospital Information System (HIS) for electronic medical records
- Growth focussed transformation of IT infrastructure
- Conceptual framework for digital transformation of hospitals
- Tele-radiology
- Tele-consultation
- Cloud solutions for back-office operations
- Implementation of control and processes

Business Critical Systems under implementation:

- SAP ERP
- CRM
- Website revamp
- Warehouse Management System

Directors' Report

Dear Members,

Your Directors are pleased to present the Seventeenth Annual Report on business and operations of the Company along with audited financial statements for the financial year ended March 31,2021.

FINANCIALPERFORMANCE SUMMARY

The summarizedfinancial highlight is depicted below;

(₹ in million)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	4,186.69	4,838.86	4,308.96	4,868.50
Other Income	96.16	177.42	90.62	173.71
Total Expenditure (Except Finance cost & Depreciation/ Amortization)	3,325.43	4,023.80	3,444.89	4,051.17
Profit before Interest Depreciation and Tax	**957.42**	**992.48**	**954.69**	**991.05**
Finance Cost	35.84	63.58	36.19	63.58
Depreciation/Amortization	366.66	358.61	367.95	360.20
Profit Before Tax	**554.92**	**570.29**	**550.55**	**567.27**
Provision for Taxation (Inclusive of provision for deferred tax)	126.11	290.57	126.93	291.41
Profit After Tax	**428.81**	**279.72**	**423.62**	**275.86**
Other comprehensive income	1.65	0.17	1.63	0.17
Total Comprehensive Income	430.46	279.89	425.25	276.03

PERFORMANCE OF THE COMPANY

During the year under review, the revenue from operations of the Company decreased to ₹ 4,186.69 million as compared to ₹ 4,838.86 million in the previous year. The EBITDA for the year under review decreased to ₹ 957.42 million against previous year of ₹ 992.48 million. Your Company has earned Profit after tax of ₹ 428.81 million as against ₹ 279.72 million in the previous year.

During the year under review, the consolidated revenue from operations decreased to ₹ 4,308.96 million as compared to ₹ 4,868.50 million in the previous year. The consolidated EBITDA decreased to ₹ 954.69 million from ₹ 991.05 million in the previous financial year.

The first two quarters of the financial year have been severely impacted by the ongoing spread of Covid-19 pandemic and measures adopted to contain the spread such as nationwide lockdown and extended restrictions in various states. The healthcare sector has also been inundated with patients in need of Covid-19 critical care, whilst many other patients postponed their consultancies and surgeries.

However, from third quarter onwards, we saw normalization of overall economic and business activities and due to this, we saw increase in elective surgeries, treatment of Covid-19 patients and bed occupancy.

We have also witnessed sudden increase in footfall in 4th quarter which was mainly because of deferment of elective work of first two quarters.

DIVIDEND

The Board of Directors has recommended a dividend of ₹1.00 per equity share (10% on the face value of ₹ 10 each) on the paid up share capital of the Company for financial year ended on March 31, 2021 amounting to ₹108.01 million, which if declared, at the ensuing Annual General meeting scheduled on September 27, 2021 will be paid to those shareholders whose names appear in the Register of members as at closing hours of business on September 20, 2021 ('cut-off date'). In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by both depositories, NSDL and CDSL for this purpose.

The Register of Members and Share Transfer Books will remain closed from Tuesday, September 21, 2021 to Monday, September 27, 2021 (both days inclusive).

DIVIDEND DISTRIBUTION POLICY

The Company has adopted Dividend Distribution Policy on January 8, 2021, which is available on the website of the Company at the link: https://www.shalby.org/wp-content/uploads/2018/01/Dividend-Distribution-Policy-v1.pdf.

RESERVES

The Company has not transferred any amount into General Reserve during the period.

INITIATIVES AT SHALBY IN RESPONSE TO COVID-19 PANDEMIC

The CoVID-19 pandemic has led to unprecedented disruption not only to Global economy but also to the lives of people across the Globe and it has impacted all the businesses with different magnitude. During lockdown declared by Ministry of Home Affairs(GOI), all our Hospital units in India were remained open for treatment of medical emergency or other medications as healthcare falls under essential services. We, at Shalby Limited, have taken inter alia, the following steps to safeguard our patients and minimize the infection at our hospital units;

- Joined hands with government in tough time and started treatment of CoVID-19 patients at four hospitals in addition to non CoVID patients.
- Instigated tele-consultation for benefit of the patients which enabled patients to consult the doctors for any medication needs.
- Homecare services were also available to our patients and public at large for supply of medicine, nursing services at home etc.
- All our doctors and concerned staff have been provided Personal Protective Equipment Kits for safety purpose.
- Staff members have been provided with Covid-19 vaccine and necessary medicines
- Abundant precautions are being followed at every unit to handle CoVID and Non CoVID patients.
- All our hospital units are being sanitized frequently with strictly following the protocols for handling CoVID-19 positive and negative patients without disrupting the business operation.
- Maintaining social distancing norms and also framed work from home policy for our employees during the lockdown period.
- Worked with limited number of employees and required doctors during the lock down period for safeguarding the interest of all.
- Conducted many webcasts through social media to address common query of patients and general public at large with immenseresponse.
- Conducted many webcasts to create general awareness about CoVID-19 pandemic and precautions needed to protect from CoVID-19 pandemic.

BUSINESS & STRATEGY

Implant Business

With clear strategic direction and Shalby's well established healthcare infrastructure, through a step-down subsidiary: Shalby Advanced Technologies, Inc., your company took a forward step in the space of implant business and acquired implant manufacturing assets which includes plant, equipment and patents along with implant inventory of Consensus Orthopedics, founded in 1992 and headquartered at California, USA. This will not only enable Shalby to integrate backward our core specialty of orthopaedics but also aid to diversify hospital business as well as revenue mix.

To enter and establish a strong footprint into the vast opportunity that exists in the world's largest implant market in the US and Asia Pacific, your company onboard Mr. Sushobhan Das Gupta (former Vice President Orthopedics, DePuy Synthes at Johnson & Johnson Medical Asia Pacific) as Vice Chairman and Global President of Shalby Limited. With over 30 years of magnificent experience in the field of healthcare, Mr. Dasgupta worked in several developed & emerging markets across several businesses and disciplines in the medical technology, orthopaedics and consumer health sectors. Your company also appointed Mr. Dan Hayes (founder and former CEO of Consensus) as CEO of Shalby Advanced Technologies. As the founder and CEO of several orthopaedic companies, he has previously successfully led the acquisition and turnaround three orthopedic implant companies. Additionally, Shalby Advanced Technologies, Inc. also retained 40+ staff of implant business of Consensus Orthopedics.

This acquisition will empower Shalby to procure quality implants at a competitive price for its own consumption in India and also tapping the existing customers base for which the Consensus products enjoys high doctor loyalty across the US and international markets. This transaction is expected to be operationally break-even by FY 2023, wherein your company expect to have implant business to account for 15% of the total revenue.

UPCOMING PROJECTS

Nashik Project: The Company had entered into a definitive agreement (O & M Agreement) with Samruddhi Hospital P. Ltd in the year 2014 to operate and manage the hospital for a period of 30 years. Under this arrangement, Samruddhi will construct the hospital building and hand over to your Company ready to use building to manage the hospital and your Company will invest estimated capex of ₹ 310 million thereto. The project has been delayed due to the novel Covid-19 pandemic spread across the globe. It is estimated that your Company may receive possession of constructed building in Fiscal 2023 and it is anticipated to start the operation of the 146 bedded hospital in Fiscal 2023.

Mumbai Project: Your Company is in the process of setting up a 175 bedded hospital in the heart of Mumbai, Santacruz, to be equipped with state of the art equipment and technology. The existing structure in place is a building over 60 years old, which needs to be demolished completely and your Company together with counterpart are in the process of demolishing the existing structure to commence construction of new building. It is anticipated that necessary permission for demolition of existing structure and approval of proposed building will be received in current Fiscal 2022, thereafter your Company will start the construction and complete the new hospital building after investing estimated capex of ₹ 1,600 million. Due to ongoing novel Covid-19 pandemic spread across the globe, the project will be slightly delayed and it is expected to start the operations in later part of Fiscal 2024.

Information Technology Infrastructure

With increasing demand for digital transformations and new normal emerging due to Covid-19 pandemic, the focus of patient care is also getting shifted towards more patient centric and online/apps based systems. Shalby's focus is also accordingly been changed with new CRM & Call Centre, more interactive website on best platform with integrated ChatBots and whatsapp business apps to enhance patient experience on enquiries and leads. Initiating online Video consultation gave necessary digital push to Shalby towards this journey and not only local but remote patients also are now able to connect with consultants/doctors during pandemic lockdown times and thereafter. For enhancing better control, implementation of SAP/S4Hana and integration with HIS will give much boost to this digital journey.

During this journey of digital transformation, Shalby as an organization is looking at the patient and enhancing its process to give efficient and effective care, both from Clinical and the technical perspectives and has facilitated patient-physician exchange of information through safe communication and doctor-patient confidentiality. Members are requested to refer to Management Discussion and Analysis section for detailed information on enhancement of information technology infrastructure in the Company.

CREDIT RATING

During the year under review, ICRA Limited as reaffirmed the long term credit ratings as ICRA A on term loans and fund based facilities availed by the Company and the outlook on the long term rating as "Positive". This rating indicates adequate degree of safety regarding timely servicing of financial obligations and low credit risk.

SHARE CAPITAL

During the year under review, there is no change in the share capital of the Company. The authorized share capital of the Company stands at ₹ 1,177.50 million divided into 117,750,000 equity shares of ₹ 10 each. The issued, subscribed & paid up share capital of the Company stands at ₹ 1,080.10 million divided into 108,009,770 equity shares of ₹ 10 each.

CONSOLIDATED FINANCIAL STATEMENTS AND REPORT ON PERFORMANCE OF SUBSIDIRIES

As on March 31, 2021, your Company has eight subsidiaries viz. Vrundavan Shalby Hospitals Limited, Shalby International Limited, Yogeshwar Healthcare Limited, Slaney Healthcare Pvt. Ltd., Griffin Mediquip LLP, Shalby (Kenya) Limited, Mars Medical Devices Limited and Shalby Hospitals Mumbai Pvt. Ltd. and one step-down foreign subsidiary namely "Shalby Advanced Technologies, Inc." During the FY 2020-21, your Company has incorporated wholly owned subsidiary Company under the name and style 'Mars Medical Devices Limited' (MMDL) on April 3, 2020. MMDL has incorporated a subsidiary company Shalby Advanced Technologies, Inc. at Delaware, USA for implant business for which company has entered into definitive agreement for acquisition of assets from Consensus Orthopedics, California, USA.

The Company has also incorporated wholly-owned subsidiary company under the name and style 'Shalby Hospitals Mumbai Pvt. Ltd.' on December 10, 2020. The said subsidiary Company is yet to commence its operation.

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Consolidated Financial Statements form part of this Annual Report which shall also be laid before the ensuing Annual General Meeting of the Company.

The Standalone and Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. A report on the performance and financial position of each of the subsidiaries and LLP as per the Companies Act, 2013 is provided as Annexure-A (Aoc-1) which forms part of this Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available at Subsidiary Financials section at https://www.shalby.org/investors. The financial statements of the Company and subsidiary companies shall be available for inspection by any shareholder(s) during working hours at the Company's registered office and that of the respective subsidiary companies concerned.

AWARDS & RECOGNITIONS

During the financial year 2020-21, your company has been awarded with the "Best Medical Tourism Centre of Gujarat Award – 2020", by State Tourism, Government of Gujarat for the 4th consecutive year for servicing International patients and contribution to Medical Tourism, "Business Solitaires – The Most Trusted Chain of Multi-specialty Hospitals Award 2021" by Radio MY FM 94.3 and Shalby Indore has been awarded as first runner-up at "Swachh Hospital (Swachhta Champion) Award", under Indore Swachhta Ranking- Swachhta Survekshan 2021, conducted by Indore Municipal Corporation.

ANNUAL RETURN (MGT-7)

The Annual return of the Company as on March 31, 2021 is available on the Company's website and can be accessed at https://www.shalby.org/wp-content/uploads/2017/10/Shalby-Draft-Form_MGT-7_FY-2021-22.pdf.

BOOKS OF ACCOUNTS

During the year under review, the Board of Directors has decided to keep the books of accounts at the Corporate office and passed the resolution u/s. 128 of the Companies Act, 2013 and accordingly, the same are being kept at a place other than the Registered office of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013

Particulars of loans given, investments made, guarantees given and securities provided in the notes to the standalone financial statements forming part of this annual report.

PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTY U/S 188 OF THE COMPANIES ACT, 2013

All the related party transactions that were entered into during the financial year were on arm's length basis and your Company has taken approval of audit committee, Board of Directors and shareholders whenever applicable. Pursuant to Regulation 23 of the Listing Regulations, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for their review and approval.

During the year under review, there was no material transactions carried out with any of the related parties in terms of regulation 23 of SEBI Listing Regulations. The details of the related party transactions are provided in the Annexure- B (AOC - 2) pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014. Your directors draw the attention of members to the notes to the financial statements which set out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTMENT AND RESIGNATION

During the under review, there was no change in the Board of Directors. The Shareholders at the 16th Annual General Meeting held on September 14, 2020 approved the re-appointment of Dr. Vikram Shah as the Chairman and Managing Director of the Company for further period of 5 years w.e.f. March 27, 2020. Mr. Tushar Shah, has been appointed as Associate Vice President and Company Secretary in place of Mr. Jayesh Patel, Company Secretary during the year under review. As on March 31, 2021, Dr. Vikram Shah, Chairman & Managing Director, Mr. Prahlad Rai Inani, Chief Financial Officer and Mr. Tushar Shah, Associate Vice President and Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013.

DIRECTORS RETIRING BY ROTATION

In terms of section 152 of the Companies Act, 2013, Dr. Ashok Bhatia (DIN: 02090239), being the longest in the office shall retire at the ensuing Annual General Meeting and being eligible for reappointment, offers himself for re-appointment.

A brief resume of Director being appointed / re-appointed along with the nature of his expertise, his shareholding in the Company and other details as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on general meeting (SS-2) is appended as an annexure to the Notice of the ensuing Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and they have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair their ability to discharge their duties with an objective independent judgment and without any external influence.

BOARD MEETINGS

The Board met six times during the year under review, on June 15, 2020, September 5, 2020, September 28, 2020, October 12,

2020 January 8, 2021 and March 6, 2021. The details of numbers of meetings and attendance of directors have been provided in the Report on Corporate Governance which forms part of Annual Report.

COMMITTEES

The Company has various committees which have been formed in compliance of provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are in compliance with the provisions of relevant statutes.

The Board has constituted following committees.

i. Audit and Risk Management Committee

ii. Stakeholder Relationship Committee

iii. Nomination and Remuneration Committee

iv. Corporate Social Responsibility Committee

v. Management Committee

The details with respect to the composition, powers, roles, terms of reference, numbers of committees along with their attendance etc. of respective Committees are provided in detail in the 'Report on Corporate Governance' which forms part of this Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors affirms that the Company has complied with the applicable Secretarial Standards (SS1 and SS2) issued by the Institute of Companies Secretaries of India relating to Meetings of the Board, its Committees and meeting of shareholders which are made mandatory.

POLICY ON APPOINTMENT AND REMUNERATION TO DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL

Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed briefly in the Corporate Governance Report, which forms part of this Report. Your Company's Policy on remuneration for the Directors', Key Managerial Personnel and other employees and Company's policy in this regard includes, *inter-alia*, criteria for determining qualifications, positive attributes, independence of a director and other matters as required under sub-section (3) of Section 178 of the Companies Act, 2013. The said policy is available at https://www.shalby.org/wp-content/uploads/2018/01/Nomination-Remueration-Policy_final-v2.pdf

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Company upholds the standards of governance and is compliant with the provisions of Corporate Governance as stipulated under SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015. The Report on Corporate Governance for FY 2020-21, as per Regulation 34(3) read with Schedule V of the SEBI (LODR), Regulations, 2015 forms part of this Annual Report. The Certificate from Practicing Company Secretary confirming the compliance with the conditions of corporate governance as stipulated by Regulation 34(3) of SEBI (LODR), Regulations, 2015 is annexed to this Report.

In compliance with Corporate Governance requirements as perthe SEBI Listing Regulations, your Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company, who have affirmed the compliance thereto and the same is available at https://www.shalby.org/wp-content/uploads/2018/01/Code-of-Conduct-for-Directors-Senior-Management-v2.pdf

In terms of regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report on the Company's financial and operational performance, industry trends, business outlook and Initiatives and other material changes with respect to the Company and its subsidiaries, wherever applicable and CEO/CFO Certificates thereto, are presented in separate section which forms part of the Annual Report.

BUSINESS RESPONSIBILITY REPORT

In terms of regulation 34 of the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environment, social and governance perspective in the format specified by SEBI is presented in separate section which forms part of the Annual Report.

PERFORMANCE EVALUATION OF BOARD AND ITS COMMITTEE

The criteria for performance evaluation and the statement indicating the manner in which formal annual evaluation has been made by the Board are given in the 'Report on Corporate Governance', which forms part of this Annual Report.

Pursuant to provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, Board committees and individual directors in the manner prescribed in Performance Evaluation Policy, which is available at https://www.shalby.org/wp-content/uploads/2018/01/Performance-Evaluation-Policy-for-BOD-v2.pdf

DEPOSITS

During the year, the Company has not accepted any fixed deposits from the public as per provisions of section 73 to 76 of the Companies Act, 2013 and Rules made there under. Hence, the

disclosures as required under Rule 8 (5) (v) & (vi) of the Companies (Accounts) Rules, 2014, are not applicable to your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134 (5) of the Companies Act, 2013, your Directors hereby confirm that:

a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirement set out under Schedule III to the Act have been followed and there are no material departures from the same;

b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) they had prepared the annual accounts on a going concern basis;

e) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 is set out below;

(A) Conservation of Energy:

The operations of the Company are not energy-intensive. However, the following significant measures are being taken to reduce energy consumption by using energy efficient equipment.

- Phasing out of CFL lamps to LED lights
- Occupancy sensors installation in toilets to avoid permanent illumination and save electrical consumption
- Proper thermal insulation to increase efficiency of HVAC system and thereby reducing energy consumption
- use windows and doors to provide good levels of natural ventilation in some areas within a hospital, allowing mechanical ventilation to be switched off or turned down to save energy
- Provide infrared controllers in water taps as they provide water only when required, switch off automatically and can save between 5 to 15% of water per tap per year
- Introduction of timer based operation of air handling units to reduce power consumption
- Energy optimization practices implemented in transformer operation
- VFD installation for AHU motor in a phased manner
- All lifts and OT AHUs are operated with VFD panels
- For recently commissioned units, building orientation has been so designed that helps to maximize use of Day Light and to reduce heat gain in order to reduce energy consumption.
- For recently commissioned units, the building is being constructed by using structural steel to reduce embedded energy and also to reduce the impact of construction activities to the neighborhood and environment and with STP and recycled water is being used for flushing and watering plant to reduce water usage.
- The glass used for facade in a number of facilities is double glazed and is energy efficient low emissivity type which helps in reducing solar beat gain coefficient while improving the visibility.
- Rain water harvesting system installed at our greenfield recently completed projects to conserve natural resources
- HVAC temperature is being adjusted based on the seasonal temperature and particular clinical requirements, to reduce the power consumption.
- Discipline wise SOP is being followed for routine maintenance on daily, weekly, monthly, and yearly basis, as required to keep the system installed in check and reduce consumptions of water and electricity.
- In case of modification or renovation, we maximize the usage of existing materials to conserve the natural resources.

There would not be a material financial implication of the said measures as energy costs comprise a very small portion of your company's total expenses.

(B) Technology absorption:

I. The effort made towards technology absorption;

Over the years, your Company has brought into the country the best technology available in healthcare to serve the patients better and to bring healthcare of international standard within the reach of every individual.

In order to promote indigenous technology absorption,the following equipment, inter alia, has been installed at our various units;

a) Anesthesia workstation

b) Tripple Dome OT lights

c) Electric OT table with 10 functions for renal transplant

d) Single door auto clave machine

e) Fabrilator Machine

f) Biosafety Cabinet for Chemotherapy

g) Anesthesia Trolley

h) Baby Cradle with infant Bed

i) Blood bank equipment including Deep freezer, Blood bank refrigerator, Platelet agitator/ incubator, Blood collection monitor and tube sealer, Donor couch compofuge

j) X-ray system;

k) Dialysis machine;

l) Ventilator;

m) CT scanning machines;

n) MRI scanning machines;

o) Ultrasound systems; and

p) Linac systems.

The benefit accrued due to this is primarily cost reduction from import substitution considering the impact of exchange rate fluctuation and revision of customs duty tariffs. The performance and quality of these equipments have been found to be quite satisfactory.

II. Import - Due to spread of Covid-19 across the globe, company has not imported any equipment during the year under review. However, Company is using latest imported medical equipment/ machinery and other small equipment in its various units of Shalby.

III. The expenditure incurred on Research and Development

NIL

(C) Foreign exchange earnings and expenditure:

[₹ in Million]

Particulars	2020-2021	2019-2020
Earnings in Foreign Currency	13.08	81.93
CIF Value of Imports	-	-
Expenses in Foreign Currency	1.53	10.68

PARTICULARS OF EMPLOYEES & REMUNERATION

The details regarding ratio of remuneration of each director to the median employee's remuneration and other details as required in section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended herewith as Annexure - C.

The statement containing information as per provision of Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in separate annexure forming part of this report. However, Annual Report is being sent without the said annexure. In terms of provisions of section 136 of the Companies Act, 2013, the said annexure is open for inspection at the registered office of the Company during the office hours. Any member interested in obtaining the copy of the same may write to the Company Secretary at the Registered Office of the Company.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures. The Company has in place adequate internal financial controls in order to ensure that the financial statements of the Company depict a true and fair position of the business of the Company. The Company continuously monitors and looks for possible gaps in its processes and it devices and adopts improved controls wherever necessary.

RISK MANAGEMENT

In terms of SEBI notification dated May 5, 2021, your company is now required to form Risk Management Committee and Company

is in process of forming of Risk Management Committee. The risks are measured, estimated and controlled with the objective to mitigate adverse impact. Your company's fundamental approach to risk management includes, anticipate, identify and measure the risk. Your company has in place a mechanism to monitor and mitigate various risks associated with the business. The Company has adopted a risk management policy which inter alia, sets out our approach towards risk assessment, risk management and risk monitoring, which is periodically reviewed by the Board. The said policy is available at https://www.shalby.org/wp-content/uploads/2018/01/Risk-Management-Policy_Final.pdf

VIGIL MECHANISM

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report genuine concerns to the management regarding instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or mismanagement, if any. Further, the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for strict confidentiality, adequate safeguards against victimization of Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit and Risk Management Committee, in appropriate cases. The functioning of vigil mechanism is reviewed by the Audit and Risk Management Committee from time to time. None of the Whistle blowers has been denied access to the Audit and Risk Management Committee of the Board pertaining to whistle blower policy. The said Vigil Mechanism and Whistle-Blower Policy is available at https://www.shalby.org/wp-content/uploads/2018/01/Vigil-Mechanism-and-Whistle-blower_policy-v2.pdf

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of the Act, your Company has constituted a CSR Committee, which comprises Mrs. Sujana Shah, Chairperson, Dr. Umesh Menon, Member and Mr. Shyamal Joshi as its members as on March 31, 2021. The Company has also framed a CSR Policy in compliance with the provisions of the Act which is available at https://www.shalby.org/wp-content/uploads/2018/01/Corporate-Social-Responsibility-CSR-Policy-v2-1.pdf. The Annual Report on CSR activities outlining geographical areas for CSR activities, composition of CSR committee, amount of CSR fund expended etc is annexed herewith as Annexure - D.

OTHER DISCLOSURES AND INFORMATION

1. **Anti-sexual Harassment of Women at workplace**

   Your Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace under the provisions of Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act 2013 and rules framed thereunder. The Company has Internal Committee to redress complaints received relating to sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, there was 1 complaint received which was investigated and resolved and there were no complaints pending at March 31, 2021.

2. **Significant or Material Orders passed by the Authority**

   No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company and its future operations.

3. **Material changes and commitments affecting financial position**

   The outbreak of Coronavirus (CoVID-19) pandemic globally and In India is causing significant disturbance and slowdown of economic activity. The Company is providing healthcare services, being "essential services" there has been no suspension of operation and the Company has taken further steps for smooth functioning of its operations during the said pandemic. The management has also evaluated impact of this pandemic on its business operations and based on its review and current Indicators of future economic conditions, no material impact is anticipated on the financials of the Company in long run. Due to the temporary suspension of services of elective surgeries and travel restrictions of overseas patients, business operations of the Company are expected to be lower in the short term, though the same is not likely to have a continuing impact on the business of the Company in the long run. Further, the Management believes that in the long term, there may not be material impact of CoVID-19 pandemic on the financial position and performance of the Company. However, the impact assessment of CoVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of this report. The Company will continue to monitor any material changes to future economic conditions.

AUDITORS

Statutory auditor & auditors' report

Pursuant to Section 139 of the Companies Act, 2013, M/s. T. R. Chadha & Co., LLP, Chartered Accountants, Ahmedabad has been appointed as Statutory Auditors of the Company, for a period of 5 consecutive years who holds the office from the conclusion of 14th AGM which was held in 2018 till the conclusion of 19th AGM to be held in 2023.

The said Statutory auditors have confirmed that they have not incurred any of the disqualification as mentioned in section 141(3) of the Companies Act, 2013 and the Rules framed thereunder.

During the year, the Auditors had not reported any matter under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3) (ca) of the Act.

The Statutory Auditor's comment on your company's account for the year ended March 31, 2021 are self-explanatory in nature and do not require any explanation. The Auditors Report does not contain any qualification or adverse remarks.

Internal Auditor

M/s. Price Water House Coopers Pvt. Ltd. is the Internal Auditors to conduct internal audit as per agreed scope of works pursuant to the provision of section 138 of Companies Act, 2013 read with Companies (Accounts) Rules, 2014. They were appointed as an Internal Auditor for FY 2021-22 by the Board of Directors based on the recommendation of Audit Committee.

Cost Auditor

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, M/s. Borad Sanjay B & Associates has been appointed as Cost Auditors by the Board of Directors on the recommendation of Audit Committee, for audit of cost records for the year ended on March 31, 2021. The Cost Audit Report for the year 2020-2021 will filed before the due date with the Ministry of Corporate Affairs.

Your Company has received consent along with confirmation from M/s. Borad Sanjay B & Associates that the appointment is in accordance with the applicable provisions of the Act and Rules framed thereunder and they do not hold any disqualification under section 139, 148 and 141 of the Companies Act, 2013 for their appointment for FY 2021-22. The Board of Directors of the Company appointed M/s. Borad Sanjay B & Associates for audit of cost records for the year ended on March 31, 2022 at a remuneration of ₹ 1,00,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred, if any, in connection with the cost audit. As required under the Act and Rules made thereunder, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking ratification by members for the remuneration payable to M/s Board Sanjay B & Associates is included at Item No. 6 of the Notice convening 17th Annual General Meeting.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Mr. Shambhu J. Bhikadia, Practicing Company Secretary (PCS Registration no. 3894) to conduct the Secretarial Audit of the Company for the year ended March 31, 2021. The Secretarial Audit Report for the FY 2020-21 is annexed to this Report as Annexure-E. Your Company has also obtained certificate from the secretarial auditor certifying that none of the directors of our Company has been debarred or disqualified from being continuing as directors of the Company by SEBI, Ministry of Corporate Affairs or such similar statutory authority and the said certificate is attached at the end of Corporate Governance Report.

In response to observation made by Secretarial Auditor w.r.t. non-compliance with Minimum Public Shareholding as per regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors have noted that one of the promoters of the Company, Shah Family Trust has sold 58,10,000 Equity Shares of the Company representing 5.38% of the total issued and paid up Equity Share Capital of the Company on April 26, 2021 ("T day") (for non-retail Investors only) and April 27, 2021 (for Retail Investors and for non-Retail Investors who choose to carry forward their un-allotted bids) through a separate, designated window of BSE Limited (the "BSE") and National Stock Exchange of India Limited ("NSE") in accordance with the "Comprehensive Guidelines on Offer for Sale (OFS) of Shares by Promoters through the Stock Exchange Mechanism" issued by Securities and Exchange Board of India. The Company has now complied with Minimum Public Shareholding in terms of regulation 38 and Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957.

Offer for Sale by Promoter (OFS)

In order to comply with requirements of minimum public shareholding under regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Shah Family Trust, one of the promoters of the Company has sold 58,10,000 equity shares of the Company constituting 5.38% of the paid up capital of the Company on April 26, 2021 and April 27, 2021 to the public in accordance with the "Comprehensive Guidelines on Offer for Sale (OFS) of Shares by Promoters through the Stock Exchange Mechanism" issued by SEBI and raised the Public Shareholding level at 25% in compliance with said regulation.

Company has now complied with Minimum Public Shareholding in terms of regulation 38 and Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the wholehearted support and contribution made by all Doctors, nursing/paramedics especially in the ongoing COVID-19

pandemic, bankers, Government Authorities, auditors and shareholders during the year under review. Your Directors express their deep sense of appreciation and extend their sincere thanks to every employee at all level for their dedicated services and look forward their continued support.

CAUTIONARY STATEMENT

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

For and on behalf of the Board of Directors

Dr. Vikram Shah
Chairman & Managing Director
DIN : 00011653

Place : Ahmedabad
Date : May 5, 2021

Annexure A

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in million)

Sr. No.	Particulars	Vrundavan Shalby Hospitals Limited	Shalby (Kenya) Limited	Shalby International Limited	Yogeshwar Healthcare Limited	Griffin Mediquip LLP	Mars Medical Devices Limited	Slaney Healthcare Private Limited	Shalby Hospitals Mumbai Private Limited
1	Date from which it became subsidiary	August 12, 2011	June 9, 2011	September 5, 2012	October 11, 2012	July 23, 2012	April 3, 2020	September 5, 2020	December 10, 2020
2	Financial year ended	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
3	Country	India	Kenya	India	India	India	India	India	India
4	i) Reporting currency	INR	KHS	INR	INR	INR	INR	INR	INR
	ii) Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1.00	0.67	1.00	1.00	1.00	1.00	1.00	1.00
5	Share Capital/partner capital	18.00	0.07	0.50	7.35	43.71	0.50	0.10	0.10
6	Reserves & Surplus	47.67	(4.99)	(0.47)	(5.82)	-	(0.02)	15.62	(0.03)
7	Total Assets	66.08	2.51	0.06	1.57	137.21	0.51	44.88	0.20
8	Total Liabilities	0.41	7.44	0.03	0.03	88.82	0.03	29.16	0.13
9	Investment	-	-	0.05	-	-	-	-	-
10	Turnover including other Income	0.12	0.07	0.03	0.54	218.04	0.01	157.76	-
11	Profit/(Loss) before Taxation	(0.73)	(1.66)	(0.04)	(6.39)	(1.08)	(0.02)	3.69	(0.03)
12	Provision for Taxation	-	(0.36)	-	-	0.30	-	0.88	-
13	Profit/(Loss) after Taxation and write back	(0.73)	(1.29)	(0.04)	(6.39)	(1.38)	(0.02)	2.81	(0.03)
14	Other Comprehenssive income	-	-	-	-	-	-	(0.02)	-
15	Total Comprehensive Income net of tax	(0.73)	(1.29)	(0.04)	(6.39)	(1.38)	(0.02)	2.79	(0.03)
16	Proposed Dividend (including Dividend Distribution Tax thereon)	-	-	-	-	-	-	-	-
17	% of shreholding	100.00	100.00	100.00	94.68	95.00	100.00	100.00	100.00

Note

(a) Mars Medical Devices Limited incorporated on April 3, 2020 and Shalby Hospitals Mumbai Pvt. Ltd. incorporated on December 10, 2020, Wholly Owned Subsidaries of the Company, are yet to commence its operations.

(b) Shalby Advanced Technologies, Inc. which was incorporated on March 23, 2021, Wholly Owned Subsidaries of Mars Medical Devices Limited, is yet to commence its operations.

(c) There are no subsidiaies which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures : NIL

For and on behalf of the Board Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place: Ahmedabad
Date: May 5, 2021

Annexure B

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of material contracts or arrangement or transactions not at arm's length basis for FY 2020-21 : Nil

2. Details of material contracts or arrangement or transactions at arm's length basis for FY 2020-21

Sr.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the Ordinary resolution was passed in general meeting as required under first proviso to section 188
1	Dr. Vikram Shah, Chairman & Managing Director of the Company	Lease Agreement dtd. 08/03/2017	10 Years w.e.f. 01/03/2017	The land on which SG Shalby is situated leased to the Company by Dr Vikram Shah for a period of ten years ending February 28, 2027 at a monthly lease rental of ₹ 5 lacs plus taxes etc.	As Shalby Limited is the flagship company of the group and largely responsible for the value attributed to the group, the Individual Promoter, Dr Vikram Shah, decided to extend the leasehold to the Company	20/12/2016	NA	06/02/2017
2	Shalby Orthopedic Hospital & Research Centre, Dr Vikram Shah is a partner of Shalby Orthopaedic Hospital and Research Centre, and is a director and key managerial person of the Company.	Lease Agreement dtd. 06/03/2017	10 Years from 01/03/2017	Shalby Orthopaedic Hospital and Research Centre has leased the land and building to the Company for a period of ten years ending on February 28, 2027 at a monthly lease rental of ₹ 50,000 plus taxes etc.	As Shalby Limited is the flagship company of the group and largely responsible for the value attributed to the group, the Individual Promoters, being partners of Shalby Orthopaedic Hospital and Research Centre, decided to extend the leasehold to the Company	20/12/2016	NA	06/02/2017
3	Dr. Vikram Shah, Chairman & Managing Director of the Company	Lease Agreement dtd. 18/05/2017	30 Years w.e.f. 30/06/2017	Higher of: (a) A guaranteed minimum monthly rental of ₹ 100,000; and (b) A revenue sharing of 2.5% of the gross revenue received and / or generated by Shalby Naroda, and booked on the credit side of profit and loss accounts, in the books of accounts of the Company.	Dr Vikram Shah and Mr Uday Bhatt have leased the land on which Shalby Naroda is situated to the Company for a period of thirty years. As Shalby Limited is the flagship company of the group and largely responsible for the value attributed to the group, the Individual Promoter, Dr Vikram Shah, decided to extend the leasehold to the Company	20/12/2016	NA	06/02/2017

Sr.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the Ordinary resolution was passed in general meeting as required under first proviso to section 188
Professional fees							
1	Dr. Vikram Shah, KMP	Professional Fees	10 Years w.e.f. 05/02/2014	Profeesional fee reduced w.e.f 01/04/2018 for a limited period of 3 years and payable 1) Arthroplasty: 5% of IPD collection (Surgery fees) net off discount and 20% of Ward fees; 80% OPD fees Collected 2) Other than Arthroplasty: 20% of the PF posting amount and ward fees 20% of fees. During FY 2020-21, Dr. Vikram Shah has waived his Professional Fees due to Covid-19 Pandemic. Professional fees w.e.f. 01/04/2021 will be paid as per Supplementary Agreement dated 28/01/2016 to Original agreement dated 05/02/2014 for remaining period of tenure.	07/05/2018	NA	NA
2	Dr. Darshini V. Shah, Relative of KMP	Professional Fees	10 Years w.e.f. 05/02/2014	Professional fee reduced w.e.f. 01/04/2018 for remaining period of tenure and payable 1) For SG Shalby 50% of total dental Income & 2) For Vijay and Krishna Shalby unit:s 30% of dental income. During FY 2020-21, Dr. Darshini Shah has waived her Professional Fees due to Covid-19 Pandemic.	07/05/2018	NA	NA
Commission							
1	Zodiac Mediquip Limited, Promoter Company	Commission	2 years upto 31/03/2022	Commission amounting to ₹ 0.10 mn. paid during FY 2020-21	03/02/2020	NA	NA
Rent Expenses/Income							
1	Zodiac Mediquip Limited, Promoter Company	Guest House expenses	2 years upto 31/03/2022	Rent amounting to ₹ 1.71 mn. for FY 2020-21	03/02/2020	NA	NA
2	Griffin Mediquip LLP, Subsidiary	Rent Income	11 Months with auto renewal	Rendering Services amounting to ₹ 0.06 during FY 2020-21	09/01/2018	NA	NA
3	Slaney Healthcare Private Limited, Subsidiary Company	Rent Income	5 Years upto 04/12/2023	Rendering Services amounting to ₹ 0.65 mn. during FY 2020-21	09/01/2018	NA	NA
Purchase or sale of Medical, Material and Consumables							
1	Griffin Mediquip LLP, Subsidiary	Purchase of medical material and consumables	Ongoing	Purchase of medical material and consumables value is ₹ 199.50 during FY 2020-21	05/01/2016	NA	NA
2	Slaney Healthcare P. Ltd, Subsidiary Company	Purchase of medical material and consumables	Ongoing	Purchase of medical material and consumables value is ₹ Nil during FY 2020-21	09/01/2018	NA	NA
Appointent to any office or place of profit							
1	Mr. Shanay Shah, Relative of KMP	Appointment to the office/place of profit	5 years upto 04/10/2024	Appointment as President for 5 years wef October 5, 2019. Total remuneration paid during FY 2020-21 : ₹ 4.35 mn.	25/05/2019	NA	26/08/2019

For and on behalf of the Board

Dr. Vikram Shah
Chairman and Managing Director
(DIN: 00011653)

Place : Ahmedabad
Date : May 5, 2021

Annexure – C

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr.	Particulars	Details
1.	Median Remuneration of employees for FY 2020-21	₹ 1.18 lakhs (₹ 1.40 lakhs for FY 2019-20)
2.	Ratio of remuneration of each director to the median remuneration of employees of the company for FY 2020-21	
	a. Dr. Vikram Shah	N.A., since not drawing remuneration
	b. Mr. Shyamal Joshi	N.A., since not drawing remuneration
	c. Dr. Ashok Bhatia	N.A., since not drawing remuneration
	d. Dr. Umesh Menon	N.A., since not drawing remuneration
	e. Mr. Tej Malhotra	N.A., since not drawing remuneration
	f. Mrs. Sujana Shah	N.A., since not drawing remuneration
3.	Percentage increase in remuneration of each director, CFO, CEO & CS in financial year 2020-21	
	Directors	
	a. Dr. Vikram Shah	N.A.
	b. Mr. Shyamal Joshi	N.A.
	c. Dr. Ashok Bhatia	N.A.
	d. Dr. Umesh Menon	N.A.
	e. Mr. Tej Malhotra	N.A.
	f. Mrs. Sujana Shah	N.A.
	Key Managerial Personnel	
	a. Mr. Prahlad Inani, CFO	5.87%
	b. Mr. Jayesh Patel, CS (upto March 6, 2021)	Not comparable
	c. Mr. Tushar Shah, (w.e.f. March 6, 2021)	NA
4	Percentage increase in median remuneration of employees in the financial year	-15.60%
5.	Number of permanent employees on roll of the company as on 31-03-2021	2228
6.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2020-21 was 5.54%. None of the directors was in receipt of remuneration during FY 2020-21
7.	It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.	

For and on behalf of Board of Directors

Dr. Vikram Shah
Chairman and Managing Director
(DIN: 00011653)

Place : Ahmedabad
Date : May 5, 2021

Annexure D

CSR ANNUAL REPORT FOR FINANCIAL YEAR 2020-21

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   The CSR activities we pursue will be in line with our stated Vision and Mission, focused not just around units, but also in other geographies based on the needs of the communities / societies. The CSR Policy prepared in compliance with the companies Act, 2013 in available at https://www.shalby.org/wp-content/uploads/2018/01/Corporate-Social-Responsibility-CSR-Policy-v2-1.pdf

   The major focus areas where special Community Development programs would be run are:

   - Promoting Health care including Preventive Health care through awareness programs, health check-ups, free or concessional Medical Camps, provision of medicine & treatment facilities, providing pre natal & post natal healthcare facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity.
   - Healthcare we aspire to deliver facilities to communities and other sections of the society in the form of primary health care support through diagnosis and treatments, promoting preventive healthcare, building awareness about sanitation and medical camps, creating awareness through various programs, etc.
   - The company may undertake projects or programs or activities aimed at improving the health and hygiene of the socially or economically weaker sections, families in the below poverty line (BPL) by providing free or subsidized medicine, clinical laboratory facilities, free or concessional treatments at hospitals, setting up of medical and diagnostic camps, projects or programs aimed at eradicating poverty or malnutrition of women and children, pain and palliative care etc.
   - Employment enhancing vocational skill development programs and promoting education.
   - Company may undertake projects or programs or activities for the protection of elderly citizens by establishing, funding or otherwise supporting old age homes and day care facilities including medical aid.

2. **The composition of the CSR committee:**

   The composition of the members of the Corporate Social Responsibility Committee is as follows:

   1. Mrs. Sujana Shah, Chairman
   2. Mr. Shyamal Joshi, Member
   3. Dr. Umesh Menon, Member

3. **Average net profit of the company for last three financial years for the purpose of computation of CSR:** ₹ 554.26 Million

4. **Prescribed CSR Expenditure** (2% of ₹ 554.26 Million) ₹ 11.09 Million

5. **Details of CSR spent during the financial year:**

   a) Total amount to be spent for the financial year: ₹ 11.09 Million

   b) Amount unspent: Nil

   c) Manner in which the amount spent during the financial year:

(₹ in Million)

1	2	3	4	5	6	7	8
Sr. No.	**CSR Project or Activity Identified**	**Sector in which the project is covered**	**Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads**	**Cumulative expenditure upto to the reporting period.**	**Amount spent: Direct or through implementing agency**
1	Promoting Education	Education	Construction of Vocation Training & Educational Institute known as All India Institute of Management at Vill. Vataria, Tal. Valiya, Dist. Bharuch, Gujarat	7.00	7.00	37.00	Direct
2	Promoting Healthcare during Covid-19 Pandemic	Healthcare	Ex-graita payment to Doctors, Nursing staff and other paramedical staff	30.54	30.54	30.54	Direct
	Total			**37.54**	**37.54**	**67.54**	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

The Company has spent ₹ 37.54 mn. as mentioned above during the financial year 2020-21.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

For and on behalf of the CSR Committee and the Board

Sujana Shah
(DIN:08100410)
Chairperson of CSR Committee

Dr. Vikram Shah
(DIN:00011653)
Chairman and Managing Director

Place : Ahmedabad
Date : May 5, 2021

Annexure E

FORM NO. MR-3
Secretarial Audit Report
(For the financial year ended 31st March, 2021)
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
Members

SHALBY LIMITED
Opp: Karnawati Club,
Sarkhej Gandhinagar Highway,
Nr. Prahladnagar Gardern
Ahmedabad-380 015

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHALBY LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions as applicable to the Company during the period of audit:

I. The Companies Act, 2013 (the Act) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the company during the Audit Period)**;

(e) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the Audit Period)**;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the company during the Audit Period)**;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the company during the Audit Period)**

VI. Other Laws those are applicable specifically to the Company:

1. INDUSTRY SPECIFIC REGULATIONS

(i) Indian Medical Council Act, 1956 ("IMC Act").

(ii) Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 ("IMC Regulations")

(iii) Drugs and Cosmetic Act, 1940.

(iv) Narcotic Drugs and Psychotropic Substances Act, 1985

(v) Pharmacy Act, 1948

(vi) Clinical Establishments (Registration & Regulation) Act, 2010

(vii) Ethical Guidelines for Biomedical Research on Human participants, 2006

(viii) Transplantation of Human Organs Act, 1994

(ix) Atomic Energy Act, 1962

(x) Atomic Energy (Radiation Protection) Rules, 2004

(xi) Safety Code for Medical Diagnostic X-Ray Equipment and Installation, 2001

(xii) Radiation Surveillance Procedures for Medical Application of Radiation 1989

(xiii) Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994

(xiv) Medical Termination of Pregnancy Act, 1971

(xv) Consumer Protection Act, 1986

(xvi) Madhya Pradesh Upcharyagriha Tatha Rujopchar Sambandhi Sthapanaye (Registrikarantatha Anugyapan) Adhiniyam, 1973 ("MP Nursing Home Act")

(xvii) The Gujarat emergency Medical Services Act. 2007

2. FOOD SAFETY REGULATIONS

(i) Food Safety and Standards Act, 2006

3. ENVIRONMENT REGULATIONS

(i) Environment (Protection) Act, 1986

(ii) Water (Prevention and Control of Pollution) Act, 1974

(iii) Water (Prevention and Control of Pollution) Cess Act, 1977

(iv) Air (Prevention and Control of Pollution) Act, 1981

(v) Biomedical Waste Management Rules, 2016

(vi) Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016

I have also examined compliance with the applicable Clauses of the Following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India;

2. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreements entered in to by the Company with Stock exchange(s).

During the Period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following Observations;

1. The Company has not Complied with Minimum Public Shareholding under Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with chapter II, Regulation 31 of SEBI (Issue of Capital and Disclosure requirements) Regulation, 2018 for the quarter ended December 31, 2020 (from 15th December, 2020 to 31st December, 2020) and For the quarter ended 31st March, 2021. National Stock Exchange of India Limited and BSE Limited have issued notice for non-Compliance for quarter ended December 31, 2020 (from 15th December, 2020 to 31st December, 2020) and levied fine of ₹1,00,300/- (including GST), which have been paid by the company to the both the stock exchanges on 30th March, 2021

2. There was delay of 1 day in filing the Statement of Investor Complaints for quarter ended 30th June 2020 under Rule 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and fine of ₹ 1,180/-(including GST) were levied by National Stock Exchange of India Limited and BSE Limited, however, The said fine was waived off by both the Stock Exchanges considering the application made by the Company citing reasons of Covid-19 pandemic.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit period there were following Specific events/actions having a major bearing on company's affairs in pursuance of the above referred Laws, Rules, regulations, guidelines, Standards, etc. which are :

1. The Company has passed Two Special Resolutionson November 10, 2020 through Postal Ballot for seeking approval of Members for

   1. To Approve issuance of further Securities

      And

   2. To Affirm the Continuance of Mr. Shyamal Joshi as a director in the category of non-executive non-independent Director.

I have conducted online verification and examination of records, as facilitate by the company, due to Covid 19 situation for the purpose of issuing this Report.

Shambhu J. Bhikadia
ACS No.8024
C P No.:3894
UDIN: A008024C000245723

Place: Ahmadabad
Date: May 5, 2021

This Report is to be read with our letter of even date which is annexed as Appendix A and Forms an integral part of this report.

APPENDIX- A

To,
The Members

SHALBY LIMITED
Opp: Karnawati Club,
Sarkhej Gandhinagar Highway,
Nr. PrahladnagarGardern
Ahmedabad-380015

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Shambhu J. Bhikadia
ACS No.8024
C P No.:3894
UDIN: A008024C000245723

Place: Ahmadabad
Date: May 5, 2021

Corporate Governance Report

Shalby Philosophy on Corporate Governance

Corporate Governance is a set of principles, processes and system which governs the Company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Shalby Limited is committed to good corporate governance which promotes long-term interest of various stakeholders, strengthens the Board, enhances the accountability and helps to build public trust in the Company.

A good governance process provides transparency of corporate policies and decision making processes and also strengthens internal systems and helps in building a relationship with all stakeholders. We at Shalby believe in being transparent and we commit to adhere to good governance practices at all times, as it generates goodwill among our clients and shareholders and helps the Company to grow. The Board also ensures that the Company's management and employees operate with the highest degree of ethical standards through compliance with the Code of Conduct adopted by the Company.

A report on Corporate Governance, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as applicable is outlined below.

A. BOARD OF DIRECTORS

I. Composition of the Board

The Company has a balanced and diverse Board of Directors ('the Board'). The Board comprises of an appropriate mix of Executive, Non-Executive and Independent Directors as required under Companies Act, 2013 ('the Act') and Listing Regulations to maintain the independence of the Board and to maintain an optimal mix of professionalism, knowledge and experience to enable it to discharge its responsibilities.

As on March 31, 2021, the Board of Directors comprises of six directors, out of which five are Non-Executive Directors and one is Executive Director (Promoter Director). Out of five Non-Executive Directors, three are Independent Directors including one woman independent director. The Board is headed by Dr. Vikram Shah, Chairman and Managing Director, who is also promoter of the Company. The Board structure is in compliance with the provisions of Companies Act, 2013 and Regulation 17 of Listing Regulations.

All the independent directors have confirmed that they meet with the criteria as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Companies Act, 2013.

As on March 31, 2021, our Company's Non-Executive Director, Mr. Shyamal Joshi is an Independent Director in a listed Company apart from our Company. None of our other directors are Director in any other listed Companies. Further none of the Directors of the Company is acting as a Whole Time Director / Managing Director of any listed Company. None of the directors of the Company is an Independent Director in more than 7 listed companies.

None of the Directors of Company is a Member of more than 10 Committees and no Director is the Chairperson of more than 5 committees (as per Regulation 26 (1) of the Listing Regulations) across all the public companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors. For the purpose of determination of limit, Chairmanship and Membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered. The details of directorship and other details as on March 31, 2021 are set out below;

Sr.	Name & DIN	Category	Age in years	Date of Initial appointment	No. of Directorships including this listed entity^	No. of Membership and Chairmanship of committees including this listed entity*		No. of equity shares held as on 31/03/2021
						Membership	Chairmanship	
1	Dr. Vikram Shah DIN: 00011653	Executive Chairman & Managing Director (Promoter)	58	30/08/2004	4	1	0	77,35,493
2	Mr. Shyamal Joshi DIN: 00005766	Non-Executive (Non-Promoter)	71	01/06/2010	6	5	2	Nil

Sr.	Name & DIN	Category	Age in years	Date of Initial appointment	No. of Directorships including this listed entity^	No. of Membership and Chairmanship of committees including this listed entity*		No. of equity shares held as on 31/03/2021
						Membership	Chairmanship	
3	Dr. Umesh Menon DIN: 00086971	Non-Executive Independent	50	20/12/2016	3	2	1	2,000
4	Mr. Tej Malhotra DIN: 00122419	Non-Executive Independent	70	23/02/2017	1	1	0	1,755
5	Dr. Ashok Bhatia DIN: 02090239	Non-Executive (Non-Promoter)	67	23/10/2017	3	0	0	2,300
6	Mrs. Sujana Shah DIN: 08100410	Non-Executive Independent	43	07/05/2018	2	1	0	Nil

^ including private and foreign companies

* Represents Chairmanship / Membership of Audit Committee and Stakeholder Relationship Committees of public companies only

There is no inter-se relationship between the Board members. The terms of appointment of independent directors are not due for re-appointment.

The Board of Directors confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations, 2015 and are independent of the management.

Disclosure of skill-sets/ expertise / competencies as identified by the Board of Directors

The diverse skill-sets of board members are important in today's dynamic and complex world. A group of directors with varied skill-sets and experience is critical for providing comprehensive guidance and direction to the Company. In terms of Schedule V of SEBI(LODR) Regulations, 2015, the details of skill-sets or competence identified by the Board of Directors as required to run its business effectively and efficiently are set out below;

Skill-sets/competence required	Name of Directors who possess such skill-sets
Industry knowledge & experience	Dr. Vikram Shah & Dr. Ashok Bhatia
Project effective management	Mr. Tej Malhotra & Dr. Vikram Shah
Marketing, Strategy & patient satisfaction	Dr. Ashok Bhatia & Dr. Vikram Shah
Cost analysis	Dr. Umesh Menon & Dr. Vikram Shah
Account & Finance	Mr. Shyamal Joshi & Mrs. Sujana Shah
Information technology	Dr. Vikram Shah & Mr. Tej Malhotra
Talent management & Leadership	Dr. Vikram Shah & Dr. Ashok Bhatia
Compliance & risk	Mr. Shyamal Joshi & Dr. Vikram Shah

II. Meetings of Board of Directors

During the year, six meetings of the Board of Directors were held on June 15, 2020, September 5, 2020, September 28, 2020, October 12, 2020 January 8, 2021 and March 6, 2021 and the maximum gap between any two consecutive board meetings was less than one hundred and twenty days. In view of precarious situation due to outbreak of Covid-19 pandemic during the year 2020-21, the Ministry of Corporate Affairs vide its various notifications has given major relaxation with respect to holding of Board Meeting through physical presence of Directors by amending Rule 4 of Companies (Meeting of Board and its Powers) Rule, 2014 relaxed and allowed approval of unaudited/audited financial results through Video Conferencing Facility. All the meetings of Board of Directors of the Company were held through Video Conferencing Facility during the year 2020-21. The required quorum was present for each of the meetings. The agenda papers along with the notes thereon, other supporting documents and all information as required under Regulation 17(7) of Listing Regulations were circulated in advance to the Board Members, except unpublished price sensitive information which may be provided at a shorter notice.

Details of Directors' attendance in Board Meetings held during the financial year 2020-21 and last Annual General Meeting are set out below;

Name of Director	No. of Board Meeting held and attended	Status of attendance at the last AGM held on September 14, 2020
Dr. Vikram Shah	6/6	Yes
Mr. Shyamal Joshi	6/6	Yes
Dr. Umesh Menon	6/6	Yes
Mr. Tej Malhotra	6/6	Yes
Dr. Ashok Bhatia	6/6	Yes
Mrs. Sujana Shah	6/6	Yes

III. Separate Meeting of Independent Director

As required under Regulation 25(3) of the Listing Regulations read with Schedule IV of the Companies Act, 2013, all the Independent Directors of the Company, met once during the year on March 6, 2021 without the attendance of Non-Independent Directors and members of the management.

The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the performance of Chairman of the Company based on the views of Executive Directors and Non-Executive Directors. The Board of Directors also discussed about the quality, quantity and timeliness of flow of information between the Company Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

IV. Familiarization Program to Independent Directors

The Company has familiarization program for the Independent Directors with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The policy on familiarization program for independent directors and details of familiarization program imparted during FY 2020-21 are available on the Company's website at https://www.shalby.org/wp-content/uploads/2018/01/Director-Familiarization-Policy-v1.pdf and https://www.shalby.org/wp-content/uploads/2018/01/Details-of-Familiarization-Program-imparted-to-IDs-2.pdf respectively.

V. Review of Compliance Report by the Board

The Board regularly reviews the Compliance Report by the functional heads on a quarterly basis for smooth functioning and timely compliances..

VI. Selection and appointment of Directors and their Remuneration

The Company has adopted Nomination and Remuneration & Board Diversity Policy which, inter alia, deals with the manner of selection of Board of Directors, payment of remuneration to Directors, Senior Managerial personnel, KMPs and other employees.

VII. Confirmation as to directors being debarred or disqualified by statutory authority

All the Directors of the Company have confirmed that they have not been debarred or disqualified by Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs or such statutory authority from being appointed or continuing as directors of the Company and Company has obtained a certificate from Mr. Shambhu J Bhikadia, Practicing Company Secretary certifying that none of directors of our Company has been debarred or disqualified from being appointed or continuing as directors of the Company by SEBI, Ministry of Corporate Affairs or any such statutory authority as stipulated under Regulation 34(3) of the Listing Regulations.

VIII. Remuneration of Directors & Service Contract, Notice period and Severance Fees

I. Remuneration

The details of remuneration, perquisites and sitting fees paid to the Directors for the financial year 2020-21 are as under.

(₹ in million)

Name of Director	Category	Salary	Perquisites	Sitting Fees^	Total
Dr. Vikram Shah	Executive Chairman & Managing Director	Nil*	Nil	Nil	Nil
Mr. Shyamal Joshi	Non-Executive	Nil	Nil	0.17	0.17
Dr. Umesh Menon	Non-Executive & Independent Director	Nil	Nil	0.17	0.17
Mr. Tej Malhotra	Non-Executive & Independent Director	Nil	Nil	0.14	0.14
Dr. Ashok Bhatia	Non-Executive	Nil	Nil	0.12	0.12
Mrs. Sujana Shah	Non-Executive & Independent Director	Nil	Nil	0.16	0.16
Total		**Nil**	**Nil**	**0.76**	**0.76**

* Dr. Vikram Shah does not draw remuneration in his capacity as Chairman and Managing Director. However, as per consultancy agreement entered into with him by the Company, he is entitled for Professional Fees, however due to covid-19 pandemic for indefinite period, he had voluntarily waived his professional fees for financial year 2020-21 and he has not been paid any amount towards his professional fees during financial year.

^ Sitting fees includes fees for attending meetings of Board as well as Committees

II. Criteria for payment to Non-Executive / Independent Directors

The criteria of making payment to the Non-Executive Directors is based on the varied roles played by them towards the Company. It is not just restricted to corporate governance or outlook of the Company but they also bring along with them significant professional expertise and rich experience across the wide spectrum of functional areas such as technology, corporate strategy, finance and other corporate functions. The Company seeks their expert advice on various matters in general management, strategy, business planning, finance, science, technology or intellectual property. Non-Executive Director and Independent Directors are paid sitting fees for attending meetings of Board and Committees..

III. Service Contracts, notice period, severance fees

The Shareholders, at the 16th Annual General Meeting held on September 14, 2020 have approved re-appointment of Dr. Vikram Shah as Chairman and Managing Director for a period of 5 years w.e.f. March 27, 2020. He does not draw any remuneration as Managing Director.

However, the Company has executed agreement with him on February 5, 2014 for availing his professional services for a period of 10 years with lock-in period of 5 years and the professional fees payable under this agreement has been reduced effective from April 1, 2018 for a period of 3 years ending on March 31, 2021 and he will be paid thereafter as per original agreement. Due to covid-19 pandemic for indefinite period, Dr. Vikram Shah had voluntarily waived his professional fees for financial year 2020-21 and he has not been paid his professional fees during financial year.

There is no other pecuniary relationship or transaction of non-executive directors vis-à-vis the Company. The Company does not have any stock option scheme.

None of the Directors are eligible for any severance fees.

B. AUDIT & RISK MANAGEMENT COMMITTEE

I. Composition and attendance

As on March 31, 2021, the Audit and Risk Management Committee comprises of (4) four members. All the members of Audit and Risk Management Committee are Non-Executive Directors, out of whom 3 (three) are Independent Directors.

The Committee met four times during the year viz. June 15, 2020, September 5, 2020, October 12, 2020 and January 8, 2021 through video conferencing as permitted by MCA circulars. The maximum gap between any two Committee Meetings was less than one hundred twenty days. The details of Composition of the Committee as on March 31, 2021and attendance for meetings held during the year is set out below;

Name of member	Status in Committee	Dates of Committee meetings				No. of meeting held and attended
		15-06-2020	05-09-2020	12-10-2020	08-01-2021	
Dr. Umesh Menon	Chairman	Yes	Yes	Yes	Yes	4 / 4
Mr. Shyamal Joshi	Member	Yes	Yes	Yes	Yes	4 / 4
Mr. Tej Malhotra	Member	Yes	Yes	Yes	Yes	4 / 4
Mrs. Sujana Shah	Member	Yes	Yes	Yes	Yes	4 / 4

The Chairman of the Audit and Risk Management Committee has attended the last Annual General Meeting held on September 14, 2020.

II. Invitees to the Audit and Risk Management Committee

The Statutory Auditors, Internal Auditor and CFO are regular invitees to the Committee meetings. The Committee also invites other officials / executives, where it considers appropriate, to attend meetings. The Company Secretary of the Company acts as the Secretary to the Committee.

The Committee mandatorily reviews information such as internal audit reports related to internal control, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

III. Terms of Reference

The Audit and Risk Management Committee reviews the matter falling in its terms of reference and addresses larger issues that could be vital concern to the Company. The Committee constituted by the Board in terms of Section 177 of the Act, meets the requirement of provisions of Companies Act, 2013 as well as of the Listing Regulations. The powers, role and terms of reference of Committee include the matters as specified under the Act and Listing Regulations. The terms of reference of the Committee, broadly includes matters pertaining to review of financial reporting process, review of financial results and related information, approval and disclosures of related party transaction, adequacy of internal control systems, appointment and remuneration

of Auditors, adequacy of disclosures, review of changes, if any, in accounting policies & practices, compliance with listing and other legal requirements relating to financial statements, review of utilization of loans and/or advances from / investment in its subsidiaries exceeding ₹ 100 crore or 10% of the asset size of subsidiary, implementing & monitoring system and process for compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, reviewing adequacy of the functioning of system and processes for internal control w.r.t. SEBI PIT Regulations, reviewing the compliances with the provisions of SEBI PIT Regulations at least once in a financial year, Risk Management framework and other relevant matters.

C. NOMINATION AND REMUNERATION COMMITTEE

I. Composition and attendance

As on March 31, 2021, the Nomination and Remuneration Committee comprises of three Non-Executive Directors, out of whom 2 (two) are Independent Directors. The composition of the Nomination and Remuneration Committee is in compliance with the provisions of section 178 of the Companies Act, 2013, rules made thereunder and Regulation 19 of the Listing Regulations.

The Committee met two times during the year viz. on January 8, 2021 and March 6, 2021.The Composition of Committee and attendance for committee meetings held during the year is set out below. The Company Secretary of the Company acts as the Secretary to the Committee.

Name of member	Status in Committee	Dates of Committee meetings		No. of meeting held and attended
		08-01-2021	06-03-2021	
Dr. Umesh Menon	Chairman	Yes	Yes	2/2
Mr. Shyamal Joshi	Member	Yes	Yes	2/2
Mrs. Sujana Shah	Member	Yes	Yes	2/2

II. Terms of Reference

The powers, role and terms of reference of Nomination and Remuneration Committee include the matters as specified under the Act and Listing Regulations. The broad terms of reference of the Committee include formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees, formulation of criteria for evaluation of independent director, identification and assessing the person who are qualified to become directors, recommending remuneration payable to Senior Management, monitoring and reviewing various human resource and compensation matters.

III. Performance Evaluation

The Company policy provides for the manner, mode and unique questionnaires to evaluate performance of the Board, Committees, Independent Directors and Non-Independent Directors. The criteria for the performance evaluation of the Directors includes (a) Attendance of each Director (b) participation in meaningful discussion (c) Effectiveness of the decision taken based on deliberations(d) Preparedness of each Director (e) Conduct and behavior of each Director etc. The evaluation process includes review, discussion and feedback from the directors in reference to set criteria and questions.

Evaluation of Performance of the Board, its Committees, every Independent Director and Non-Independent Directors, for the Financial Year 2020-21, has been carried out in the manner and process as per the policy in this respect. The Directors are satisfied with the performance and evaluation.

D. STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee oversees various aspects of interest of security holders and inter-alia, looks into expeditious redressal of shareholders' grievance such as issues involving transfer and transmission of shares, issue of duplicate certificates, recording dematerialization/ rematerialization, non-receipt of refund, annual report etc.

I. Composition and its attendance of members

The Committee comprises of three directors as on March 31, 2021, out of which Chairman is Non-Executive Director. The composition of the Stakeholders' Relationship Committee is in compliance with the provisions of section 178 of the Companies Act, 2013, rules made thereunder and Regulation 19 of the Listing Regulations. The committee has met two times during the year viz. June 15, 2020 and January 8, 2021. The composition of the Committee as on March 31, 2021 and its attendance is set out below. The Company Secretary of the Company acts as the Secretary to the Committee.

Name of member	Status in Committee	Dates of Committee meetings		No. of meeting held and attended
		15-06-2020	08-01-2021	
Mr. Shyamal Joshi	Chairman	Yes	Yes	2/2
Dr. Umesh Menon	Member	Yes	Yes	2/2
Dr. Vikram Shah	Member	Yes	Yes	2/2

II. Particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year

M/s. Kfin Technologies Pvt. Ltd. (earlier known as Karvy Fintech Private Limited and Karvy Computershare Pvt. Ltd.), Hyderabad is acting as the Share Transfer Agent of the Company to carry out the share transfer and other related work. Mr. Tushar Shah, Company Secretary of the Company is the Compliance Officer in terms of Regulation 6 of the Listing Regulations. The Share Transfer Agent has timely resolved/attended all the complaints and no complaint or grievance remained unattended/ unresolved at the end of the year. Details of the complaints received and resolved during the year ended March 31, 2021are set out below;

Particulars	No. of complaints
Opening as on April 1, 2020	0
Received during the year	14
Resolved during the year	14
Pending as at March 31, 2021	0

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

As required under Section 135 of the Companies Act 2013, the Company has constituted CSR Committee of Directors inter-alia to formulate Corporate Social Responsibility (CSR) Policy, to recommend the amount of expenditure to be incurred on the activities in line with objectives given in CSR policy, monitor the CSR policy and other matters as may be referred by the Board of Directors.

I. Composition and its attendance

The Committee comprises of three directors as on March 31, 2021 out of which Chairman is Non-Executive and Independent Director. The composition of the Corporate Social Responsibility Committee is in compliance with the provisions of section 135 of the Companies Act, 2013, rules made thereunder. The Committee met once viz. June15, 2020 during the year under review. The composition of the committee and attendance is set out below. The Company Secretary of the Company acts as the Secretary to the Committee.

Name of member	Status in Committee	Dates of Committee meetings	No. of meeting held and attended
		15-06-2020	
Mrs. Sujana Shah	Chairman	Yes	1/1
Mr. Shyamal Joshi	Member	Yes	1/1
Dr. Umesh Menon	Member	Yes	1/1

F. OTHER COMMITTEES

In addition to the above referred committees, the Board has also constituted management committees of Directors to look into various routine business matters.

G. GENERAL BODY MEETINGS

i. Annual General Meeting

The date and time of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

Year ended	Date& time	Special resolutions passed
31/03/2020	14/09/2020 at 3:30 p.m.	None
31/03/2019	26/08/2019 at 10:00 a.m.	Variation in terms of Objects of Initial Public Offering.
31/03/2018	17/09/2018 at 9:30 a.m.	None

ii. Details of Special Resolution passed through Postal Ballot:

Following two special resolutions were passed through postal ballot during the financial year ended March 31, 2021:

1) To approve issuance of further securities and

2) To affirm continuance of Mr. Shyamal Joshi as a Director in the category of non-executive non-independent director.

One Special Resolution is proposed to be passed w.r.t. Appointment of Mr. Shyamal Joshi as an Independent Director in the ensuing Annual General Meeting.

H. DISCLOSURES

i. Management Discussion Analysis

The Annual Report contains detailed report on Management Discussion and Analysis.

ii. Related Party Transactions

All the related party transactions that were entered into during the financial year were on arm's length basis and your Company has taken approval of audit committee, Board of Directors and shareholders whenever applicable. Pursuant to Regulation 23 of the Listing Regulations, all related party transactions were placed before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for their review and approval.

During the year under review, there were no material transactions with related parties in terms of regulation 23 of SEBI Listing Regulations. The details of the related party transactions are provided in the AOC - 2 to the Directors' Report.

The Company has formulated policy for determining 'material' subsidiaries and policy on dealing with Related Party Transactions. The said policies are hosted on the Company's website at https://www.shalby.org/wp-content/uploads/2018/01/Material-Subsidiary-Policy-v2.pdf and https://www.shalby.org/wp-content/uploads/2018/01/Related-Party-Transaction-Policy-v3.pdf. The Company does not have any Material Subsidiary Company.

iii. Accounting Treatment

The Company has followed accounting treatment as prescribed in Indian Accounting Standard applicable to the Company.

iv. Compliance by the Company

The Company has complied with all the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and other SEBI Regulations wherever applicable, except for following:

1. Delay of 1 day in filing Statement of Investors' complaint report for quarter ended June 2020, for which BSE & NSE has levied fine of ₹ 1,180/- (incl. GST). This delay was due to Covid-19 pandemic and based on Company's application for waiver of fine, the same had been waived-off by both the Stock Exchanges.

2. Non-compliance of regulation 38 relating to Minimum Public Shareholding as on year ended March 31, 2021. Fine of ₹ 1,00,300/- (including GST) have been levied for period of 17 days from December 15, 2020 to December 31, 2020 by BSE and NSE and the same have been paid.

   In order to comply with requirements of Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Rule 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957, Shah Family Trust, one of the promoters of the Company has sold 58,10,000 equity shares of the Company constituting 5.38% of the paid up capital of the Company on April 26, 2021 and April 27, 2021 to the public in accordance with the "Comprehensive Guidelines on Offer for Sale (OFS) of Shares by Promoters through the Stock Exchange Mechanism" issued by SEBI and raised the Public Shareholding at 25% in compliance with said regulation.

   The Company is now in compliance of said regulation.

There was no stricture issued by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during any time in the past.

v. Whistle Blower Policy / Vigil Mechanism

The Company has a Whistle-Blower Policy for establishing a vigil mechanism to report genuine concerns regarding unethical behavior and mismanagement, if any. No employee of the Company was denied access to the Audit Committee. Details relating to vigil mechanism are also mentioned in the Board's Report. The Whistle-Blower Policy is available on the website of the Company at https://www.shalby.org/wp-content/uploads/2018/01/Vigil-Mechanism-and-Whistle-blower_policy-v2.pdf.

vi. Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to foreign exchange risk to some extent as portion of revenue of the Company is generated from international operations in Middle East and Africa.

vii. Compliance with Mandatory and Discretionary requirements

The Company has complied with all the mandatory requirements of Regulation 34 of the Listing Regulations. The Company has also followed non-mandatory requirements relating to financial statements with unmodified audit opinion on financial statements and direct reporting by internal auditor to Audit Committee etc.

viii. Details of utilization of funds raised through preferential allotment or qualified institutions placement under reg. 32(7A) of Listing Regulations.

This regulation is not applicable to the Company, as the Company has not raised any funds through preferential allotment or through qualified institutions placement.

ix. Dividend pay, Unclaimed Dividends and Unclaimed Shares

Financial Year	Date of declaration of dividend	Dividend per share ₹	Due date for transfer to IEPF	Amount not claimed as on March 31, 2021
2018-19	August 26,2019	0.50	01-Nov-2026	46,472.50
2019-20	September 14, 2020	0.50	20-Nov-2027	74,537.71

No amount of unclaimed dividend is due for transfer to the Investor Education and Protection Fund administered by the Central Government Pursuant to Section 124 and 125 of Companies Act, 2013.

The company does not have any unclaimed shares as on March 31, 2021 and hence company is not required to transfer unclaimed shares pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund), Rules, 2016 as notified from time to time.

x. CMD & CFO Certification

The CMD and CFO of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting as required under regulation 17(8) of the SEBI Listing Regulations for the financial year ended March 31, 2021. The said certificate is attached herewith.

xi. Amount of fees paid to Statutory auditors

Your Company has paid total fees of ₹ 3.32 million for all services rendered by statutory auditors of the Company. The subsidiaries of your Company have paid fees of ₹ 0.66 million to statutory auditors.

xii. Anti Sexual Harassment policy at workplace

Your Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace under the provisions of Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act 2013 and rules framed thereunder. The Company has Internal Committee in place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, 1 complaint was received during the year which was disposed off and there were no complaints pending at March 31, 2021.

xiii. Credit Ratings

Your directors are pleased to inform you that during the year under review, the long term credit rating of the Company has been reaffirmed as "ICRA A" and the outlook on the long term rating has been reaffirmed to "Stable" by ICRA Limited.

The rating of A indicates adequate degree of safety regarding timely servicing of financial obligations and low credit risk.

xiv. Legal Entity Identifier Code

The Reserve Bank of India has mandated vide its circular dated November 2, 2017 existing large corporate borrower having total exposure of ₹ 50 cr. and above to obtain Legal Entity Identifier Code (LEI). The borrower, who fails to obtain LEI code as applicable, will not be granted renewal or enhancement of credit facilities by banks. Your company has renewed the LEI code during the year in accordance with said RBI circular.

I. Means of Communication

a. **Newspapers:** The extracts of quarterly and annual financial results of the Company are generally published in leading daily newspaper in India viz. Financial Express and Economic Times (English and Gujarati editions).

b. **Disclosure to Stock Exchanges:** The Company also timely disseminate on the website of Stock Exchanges, all price sensitive matters or such other matters which in its opinion are material and have relevance to the shareholders.

c. **Website of the Company:** The Company's website www.shalby.org contains a separate dedicated section "Investors" where information for shareholders is available. Quarterly and Annual Financial results, disclosures and filing with the stock exchanges, official press releases, presentations to analysts and institutional investors and other general information about the Company are available in Investors' section on the Company's website.

d. **Annual Report:** Annual Report containing, inter alia, Board's Report, Auditors' Report, Audited Financial Statements and other important information is circulated to Members and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Business Responsibility Report form part of the Annual Report. The Annual Report of the Company and its subsidiaries are also available on the website of the Company.

J. GENERAL INFORMATION FOR SHAREHOLDERS

a) **Annual General Meeting and Book Closure:**

Date, time and venue of AGM: Monday, September 27, 2021 at 4:30 p.m. through video conferencing facility

Book Closure Period: September 21, 2021 to September 27, 2021 (both days inclusive)

b) **Financial Year:** April 1 to March 31

c) **Financial Results:**

First Quarter Results: by August 14
Half Year Results: by November 14
Third Quarter Results: by February 14
Annual Results: by May 30

} or with extended timeline

d) **Listing on Stock Exchanges:** The Company's equity shares are listed on the following Stock Exchanges.

Listed at	Scrip code
National Stock Exchange of India Limited (NSE)	SHALBY
BSE Limited (BSE)	540797
ISIN : INE597J01018	
Company Identification Number (CIN) : L85110GJ2004PLC044667	

e) **Payment of Listing Fees:** The Company has paid annual listing fee for the financial year 2021 -22 to the BSE and NSE within the stipulated time.

f) **Payment of Depository Fees:** Annual Custody / Issuer fee has been paid to both the Depositories.

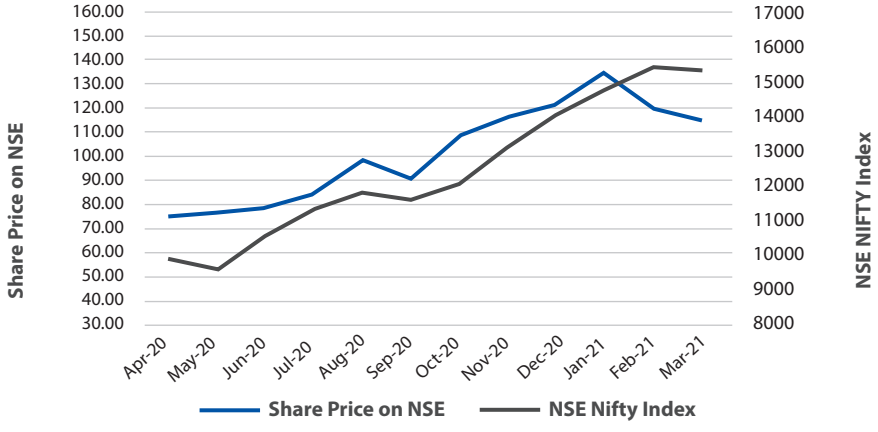
g) **Market Price data:** The monthly high and low market price of equity shares traded on NSE and BSE during FY 2020-21 is set out below;

Month	NSE				BSE			
	Share Price		Nifty Index		Share Price		BSE Sensex	
	High ₹	Low ₹	High	Low	High ₹	Low ₹	High	Low
Apr-20	75.00	42.80	9889.05	8055.80	74.55	42.70	33,887.25	27,500.79
May-20	76.90	58.55	9598.85	8806.75	77.00	58.65	32,845.48	29,968.45
Jun-20	78.50	62.80	10553.15	9544.35	78.40	63.50	35,706.55	32,348.10
Jul-20	84.30	68.80	11341.40	10299.60	84.00	67.40	38,617.03	34,927.20
Aug-20	98.80	71.80	11794.25	10882.25	98.65	71.85	40,010.17	36,911.23
Sep-20	90.65	72.00	11618.10	10790.20	90.00	72.20	39,359.51	36,495.98
Oct-20	108.80	83.35	12025.45	11347.05	109.00	83.40	41,048.05	38,410.20
Nov-20	116.65	89.05	13145.85	11557.40	116.35	89.10	44,825.37	39,334.92
Dec-20	121.70	93.95	14024.85	12962.80	121.60	94.05	47,896.97	44,118.10
Jan-21	134.60	104.60	14753.55	13596.75	134.80	104.30	50,184.01	46,160.46
Feb-21	120.00	103.00	15431.75	13661.75	120.00	102.05	52,516.76	46,433.65
Mar-21	114.60	96.10	15336.30	14264.40	114.40	96.05	51,821.84	48,236.35

source: www.nseindia.com & www.bseindia.com

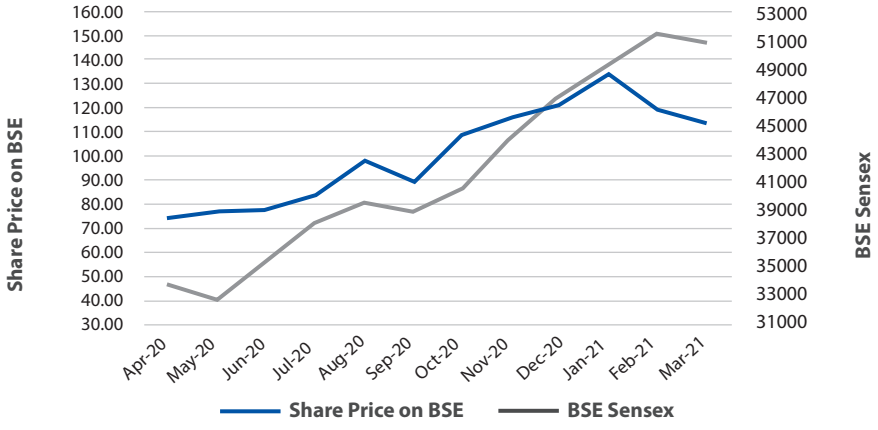
Monthly High price of Shalbyon NSE vs. Nifty Index

NSE Share Price vs. NSE Nifty Index



Monthly High price of Shalby vs. BSE Sensex

BSE Share Price vs. BSE Sensex



h) Distribution of equity holding as on March 31, 2021

No. of shares each of the face value of ₹ 10/- each	Shareholders		Equity Shares	
	Nos.	% of total shareholders	No of Shares	% of total shares
Upto 500	53,899	95.57	4,490,762	4.16
501 – 1,000	1,267	2.25	1,035,506	0.96
1,001 – 2,000	554	0.98	845,256	0.78
2,001 – 3,000	189	0.34	490,433	0.45
3,001 – 4,000	91	0.16	327,696	0.30
4,001 – 5,000	100	0.18	474,134	0.44
5,001 – 10,000	122	0.22	894,911	0.83
Above 10,000	171	0.30	99,451,072	92.08
Total	**56,393**	**100.00**	**108,009,770**	**100.00**

i) Shareholding Pattern as on March 31, 2021

Sr.	Category	No. of shares held	% of shares held
I	**Promoter and Promoter Group Shareholding**		
	Indian	85,815,654	79.45
II	**Public Shareholding**		
	Institutional		
	Foreign Portfolio Investor	908,671	0.84
	Others	22	0.00
	Non-Institutional		
	Individual and HUFs	13,511,827	12.51
	Directors&Directors Relatives	6,055	0.01
	Bodies Corporate	6,008,800	5.56
	NRIs	518,878	0.48
	Clearing Members	239,358	0.22
	Trusts	255	0.00
III	**Non-Public Non-Promoter Shareholding***	1,000,250	0.93
	Total	**108,009,770**	**100.00**

* Shares are held by Shalby Medicos Trust, through Mr. Viral Shah-Trustee, Constituted by the Company for the benefit of doctors associated / to be associated with our Company through subsisting valid contract of consultation for their services rendered in connection with our Company's business.

j) Lock-in of Equity Shares

As on March 31, 2021, no shares were under lock-in period

k) Share Transfer system: The Company has very negligible shares in physical mode. The Company has appointed M/s. Kfin Technologies Private Ltd (earlier known as Karvy Fintech Pvt. Ltd.) as its Registrar & Transfer Agent. No physical shares have been received for transfer of shares during the year. The Company has filed half yearly certificate mandated under regulation 40(9) read with SEBI Circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/59, dated April 13, 2020 with the Stock Exchanges.

a) Dematerialization of Shares & Liquidity

During the year 2020-21, no request has been received for dematerialization / rematerialization.

As on March 31, 2021, total 99.98% shares were held in dematerialized form. The shares of the Company are frequently traded on both the stock exchanges and hence the shares of the Company are liquid.

b) Reconciliation of Share Capital Audit

During the year under review, the Reconciliation of Share Capital Audit under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, were carried out by a Practicing Company Secretary for each quarter, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total paid-up, issued and listed capital.

The Reconciliation of Share Capital Audit Reports (the Audit report) confirm that the total issued, subscribed and paid-up capital is in agreement with the total number of shares in physical form and dematerialized form held with the depositories. The said Audit Reports for each quarter during financial year 2020-21 have been filed with Stock Exchanges within statutory timeline and the said reports are available in the investor section of our website under Announcement tab.

c) Secretarial Compliance Certificate

The Company has filled the Secretarial Compliance Report for the financial year ended March 31, 2021 to the Stock Exchanges, in relation to compliance of all applicable SEBI Regulations/ circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of SEBI (LODR) Regulation, 2015. The Secretarial Compliance Report does not contain any qualification, reservation or adverse remark.

d) Details of Outstanding securities or any convertible instruments:

The Company has no outstanding GDRs, ADRs, Warrants, Options or any convertible instrument as on March 31, 2021.

e) Equity shares under suspense account:

The Company has no equity shares under Suspense Account and hence disclosure relating to the same is not applicable.

f) Our Units

State	Unit	Address
Gujarat	SG Shalby	Shalby Hospitals, Opposite Karnavati Club, SG Highway, Ahmedabad-380015
	Krishna Shalby	Krishna Shalby Hospitals, 319, Green City, Ghuma, Via Bopal, Ahmedabad-380058
	Vijay Shalby	Vijay Shalby Hospital, Vijay Cross Road, Near Fire Station, Navrangpura, Ahmedabad-380009
	Shalby Naroda	Near Haridarshan Cross Road, Naroda, Ahmedabad-382325
	Shalby Vapi	Near Cinepark, Vapi Silvassa Road, Vapi, District Valsad
	Shalby Surat	TP No.12 (Adajan), FP No.29, Near Navgun College, Rander Road, Surat-395009
Madhya Pradesh	Shalby Indore	Race Course Road, RS Bhandari Marg, Zanjeerwala Square, Indore
	Shalby Jabalpur	Plot B, Scheme No.5, Ahinsa Chowk, Kanchnar City Road, Vijay Nagar Colony, Jabalpur-482002
Punjab	Shalby Mohali	Silver Oak Hospital, Phase-IX, Sector-63, SAS Nagar, Mohali
Rajasthan	Shalby Jaipur	Gandhipath Road, Sector - 3, F Block, Chitrakoot Scheme, Jaipur, Rajasthan 302021
Maharashtra	Zynova Shalby	Trimurti Arcade, Nr. Sarvodaya Trust, L.B.S. Marg, Ghatkopar(west), Mumbai-400 086

g) Address for communication

Registered Office: Mr. Tushar Shah, AVP & Company Secretary, Shalby Limited, Shalby Hospitals, Opp. Karnavati Club, S. G. Highway, Ahmedabad – 380 015. Gujarat, India. Tel. No. +91 79 40203000, Fax: +91 79 40203120, Email: companysecretary@shalby.in

Corporate Office: Mr. Tushar Shah, AVP & Company Secretary, Shalby Limited, B-301 & 302, Mondeal Heights, Opp. Karnavati Club, S. G. Highway, Ahmedabad 380015. Gujarat, India. Email : companysecretary@shalby.in

Registrar & Transfer Agent: Kfin Technologies Private Limited, Selenium, Tower B, Plot 31 –32, Financial District, Nanakramguda, Hyderabad – 500 032, Telangana, India, Tel: +91 40 6716 2222, Fax: +91 40 2343 1551, E-mail: einward.ris@kfintech.com

K. Prevention of Insider Trading

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has devised the Code of Conduct to regulate, monitor and report trading in Company's securities by persons having access to unpublished price sensitive information of the Company. The Company Secretary is the Compliance Officer for the purpose of this code.

L. CODE OF CONDUCT

The Board has laid down the code of conduct for all Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at www.shalby.org. All Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the year ended on March 31, 2021 and a declaration to this effect duly signed by Chairman and Managing Director of the Company has been obtained and is reproduced below.

Declaration

All the Board Members and Senior Management Personnel have affirmed the compliance with Code of Conduct for the year ended March 31, 2021, as laid down by the Board of Directors pursuant to Regulation 17(5) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

For **Shalby Limited**

Place : Ahmedabad
Date : May 5, 2021

Dr. Vikram Shah
Chairman & Managing Director

M. MOBILE APPLICATION FOR SHAREHOLDERS :

Members are requested to note that, our Registrar and Share Transfer Agent, Kfin Technologies Private Limited has launched a new mobile application - KPRISM and website https://kprism.karvy.com for online service to shareholders.

Members can download the mobile application, register yourself (onetime) for availing host of services viz., consolidated portfolio view serviced by Kfintech, Dividends status and send requests for change of Address, change / update Bank Mandate. Through the Mobile app, members can download Annual reports, standard forms and keep track of upcoming General Meetings, IPO allotment status and dividend disbursements. The mobile application is available for download from Android Play Store or scan the below QR code.

Logo : KPRISM QR Code : Link : https://kprism.karvy.com/app/

Alternatively visit the link https://kprism.karvy.com/app/ to download the mobile application.

N Company's Recommendations to the Shareholders

The Company has following recommendations to members to mitigate/ avoid risks while dealing with shares and related matters:

1. **Demat your shares**

   As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's R & T Agent for assistance in this regard.

2. **Register your National Electronic Clearing Service (NECS) Mandate**

   Members are encouraged to register an NECS mandate to Company or registrar and share transfer agent in case of shares held in physical form and ensure that the correct and updated particulars of their bank accounts are registered with the DPs in case of shares held in demat form. This would facilitate in receiving direct credits of dividends etc. from Company and avoiding postal delays and loss in transit.

3. **Encash your Dividends** on time Members who have not registered their bank details with Company or DP are requested to encash their dividend warrants promptly to avoid problems of revalidation/losing your right of claim due to transfer of unclaimed dividends to Investor Education and Protection Fund.

4. **Nominate your shares**

   Members can avail the nomination facility in respect of shares held by them in physical form pursuant to Section 72 of the Act read with relevant rules. Members desiring to avail this facility may send their nomination in the prescribed Form SH. 13 duly filled in, signed and send to the Company or RTA. In case of demat holding, members are requested to register their nominee with their Depository Participant.

For and on behalf of the Board of Directors

Dr. Vikram Shah
Chairman & Managing Director
DIN : 00011653

Date : May 5, 2021
Place: Ahmedabad

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, Prahlad Rai Inani, Chief Financial Officer and Dr. Vikram Shah, Chairman and Managing Director, have reviewed the Standalone and Consolidated financial statements of Shalby Limited for the year ended March 31, 2021 and pursuant to Reg. 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to the best of our knowledge and belief, we hereby certify that:

(a) (i) these statement(s) do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

(ii) these statement(s) together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) there are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended March 31, 2021 which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.

(d) We have indicated to the Auditors and Audit Committee that:

(i) There is no significant changes in internal control over financial reporting during the year ended March 31, 2021;

(ii) There is no significant changes in accounting policies during the year ended March 31, 2021; and

(iii) There are no instances of significant fraud of which we are aware and which involve management or an employee having significant role in the Company's internal control system over financial reporting.

Date : May 5, 2021
Place: Ahmedabad

Dr. Vikram Shah
Chairman and Managing Director

Prahlad Rai Inani
Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To
The Members,
SHALBY LIMITED,

I have examined the compliance of conditions of Corporate Governance by SHALBY LIMITED for the year ended 31st March, 2021, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations')

The Compliance of Conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the condition of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 Subject to following Observations;

1. The Company has not Complied with Minimum Public Shareholding under Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with chapter II, Regulation 31 of SEBI (Issue of Capital and Disclosure requirements) Regulation, 2018 for the quarter ended December 31, 2020 (from 15th December, 2020 to 31st December, 2020) and for the quarter ended 31st March 2021. National Stock Exchange of India Limited and BSE Limited have issued notice for non-Compliance for quarter ended December 31, 2020 (from 15th December, 2020 to 31st December, 2020) and levied fine of ₹ 1,00,300/- (including GST), which have been paid by the company to both the stock exchanges on 30th March, 2021.

2. There was a delay of 1 day in filing the Statement of Investor Complaints for quarter ended 30th June 2020 under Rule 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and fine of ₹ 1,180/-(including GST) were levied by National Stock Exchange of India Limited and BSE Limited, however, the said fine was waived off by both the Stock Exchanges considering the application made by the Company citing reasons of Covid-19 pandemic.

I state that such Compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

I have conducted online verification and examination of records, as facilitate by the company, due to Covid 19 situation for the purpose of issuing this Report.

Shambhu J. Bhikadia
Practicing Company Secretary
ACS No.:8024
CP No.:3894
UDIN: A008024C000246053

Place: Ahmedabad
Date : May 5, 2021

NO DISQUALIFICATION CERTIFICATE FROM PRACTICING COMPANY SECRETARY

(Pursuant to Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Board of Directors
Shalby Limited
Opp. Karnavati Club
S. G. Road
Ahmedabad 380015

Sub: Certificate with regard to directors debarred or disqualified

I, Shambhu J Bhikadia, Practicing Company Secretary, do hereby certify that none of the directors on the Board of Shalby Limited (CIN: L85110GJ2004PLC044667) have been debarred or disqualified from being appointed or continuing as director of company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

This certificate is being issued pursuant to regulation 34(3) read with Schedule V Para-C Clause 10(i) of theSEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

I have conducted online verification and examination of records, as facilitate by the company, due to Covid 19 situation for the purpose of issuing this Report.

Shambhu J. Bhikadia
Practicing Company Secretary
ACS No.:8024
CP No.:3894
UDIN: A008024C000245844

Place: Ahmedabad
Date : May 5, 2021

Business Responsibility Report

SECTION A:GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identification Number (CIN) of the Company	L85110GJ2004PLC044667
2	Name of the Company	Shalby Limited
3	Registered Address	Shalby Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380 051, Gujarat, India Phone : +91 79 40203000 Fax : +91 79 40203109
4	Website	www.shalby.org
5	Email ID	companysecretary@shalby.in
6	Financial year reported	FY 2020-21
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	The Company is in the healthcare sector running, operating, maintaining multi-specialty hospitals and OPD centers throughout India and applicable NIC Code is 8690. The Company is also running home healthcare services to deliver medicines, nurses, attendant and other products at home and also running educational and training programs to upgrade and enhance the skill in healthcare industry.
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is in the healthcare sector providing tertiary and qua-tertiary medical services including home healthcare and medics/paramedics educational and training programs.
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	The Company has five OPDs, one each in Sudan, Addis Ababa, Rwanda, Nairobi and Dares Salaam.
	(b) Number of National Locations	The Company has 9 owned hospitals, 2 hospitals on O&M basis, the details thereof are available in Corporate Governance report. The Company has 50 OPDs within India at different locations.
10	Markets served by the Company – Local/State/National/International	
	(a) National Presence:	The Company has its hospitals at Ahmedabad, Vapi, Surat, Indore, Jabalpur, Mohali, Jaipur and Mumbai and 50 OPDs at various locations in India.
	(b) International Presence:	The Company has OPD in Sudan, Addis Ababa, Rwanda, Nairobi and Dares Salaam.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital :	₹ 1,080.10 Mn
2	Total turnover :	₹ 4,186.69 Mn
3	Profit after Tax :	₹ 428.81 Mn
4	Total spending on CSR as % of PAT:	₹ 37.54 Mn spent on CSR which is 8.75% of PAT of FY 2020-21
5	List of activities in which expenditure in Sr. no 4 has been incurred :	
	Aid to educational institute to set up vocational training and Educational institute Ex-gratia payment to Doctors, Nursing and other Paramedical Staff during Covid-19 Pandemic	

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company / Companies?
	Yes, the Company has total 9 subsidiaries (including one step-down subsidiary); a. Shalby (Kenya) Limited b. Shalby International Limited c. VrundavanShalby Hospitals Limited d. Yogeshwar Healthcare Limited e. Griffin Mediquip LLP f. Slaney Healthcare Pvt. Ltd. (w.e.f. 5th September 2020) g. Mars Medical Devices Limited (incorporated on April 3, 2020) h. Shalby Hospitals Mumbai Pvt. Ltd. (incorporated on December 10, 2020) i. Shalby Advanced Technologies, Inc. at USA
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) :
	Yes, certain business responsibility initiatives in the areas of ethics, transparency and accountability etc. is being implemented in all operative subsidiaries.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] :
	No, other vendors/suppliers/contractors do not participate in Company's BR initiatives.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of Director responsible for implementation of the BR policies

Name	DIN	Designation
Dr. Vikram Shah	00011653	Chairman & Managing Director

b. Details of BR Head

Sr. No	Particulars	Details
1	DIN, if applicable	N.A.
2	Name	Dr Nishita Shukla
3	Designation	Group COO
4	Telephone No	079 40203000
5	E-mail ID	DrNishita.Shukla@shalby.org

2. Principle-wise(as per NVGs) BR policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVGs) released by the Ministry of Corporate Affairs has adopted following nine areas of Business Responsibility.

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3: Businesses should promote the wellbeing of all employees

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights

P6: Business should respect, protect, and make efforts to restore the environment

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8: Businesses should support inclusive growth and equitable development

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

a) Details of compliance (Reply in Y/N)

#	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/ policies for…	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes,has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	No	Y	Y	Y	No	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Note1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Note 9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	No	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to addressstakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	No	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1: code of conduct policy: https://www.shalby.org/wp-content/uploads/2018/01/Code-of-Conduct-for-Directors-Senior-Management.pdf

For Note No. 2 to 7 and Note No.9 : Business responsibility policy:
https://www.shalby.org/wp-content/uploads/2017/10/BRR-Policy-v1.pdf

Note 8: CSR policy: https://www.shalby.org/wp-content/uploads/2018/01/Corporate-Social-Responsibility-CSR-Policy-v2.pdf

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

#	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task				Not Applicable					
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:

The Board/committee assess the BR performance annually.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? :

The Company has started publishing ESG Report voluntarily on annual basis starting from financial year 2020-21 and the said report is available at www.shalby.org/investors/

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

   Yes, the Company has Code of conduct for Directors and Senior management and Vigil Mechanism and whistle blower policy.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   No genuine concern were received during the financial year 2020-21.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The Company is engaged in providing healthcare services and does not have any product. The Company has made inter alia, the following efforts to conserve energy:

   - Phasing out of CFL lamps to LED lights
   - Occupancy sensors installation in toilets to avoid permanent illumination and save electrical consumption
   - Proper thermal insulation to increase efficiency of HVAC system and thereby reducing energy consumption
   - use windows and doors to provide good levels of natural ventilation in some areas within a hospital, allowing mechanical ventilation to be switched off or turned down to save energy
   - Provide infrared controllers in water taps as they provide water, only when required, switch off automatically and can save between 5 to15% of water per tap per year
   - Introduction of timer based operation of air handlingunits to reduce power consumption
   - Energy optimization practices implemented intransformer operation
   - VFD installation for AHU motor in a phased manner
   - All lifts and OT AHUs are operated with VFD panels
   - For recently commissioned units, building orientation has been so designed that helps to maximize use of Day Light and to reduce heat gain in order to reduce energyconsumption.
   - For recently commissioned units, the building is being constructed by using structural steel to reduceembedded energy and also to reduce the impact of construction activities to the neighborhood andenvironment and with STP and recycled water is being used for flushing and plant watering to reduce water usage.
   - The glass used for facade in a number of facilities isdouble glazed and is energy efficient low emissivitytype which helps in reducing solar heat gain coefficient while improving the visibility.
   - Rain water harvesting system installed at our Greenfield recently completed projects to conserve naturalresources
   - HVAC temperature is being adjusted based on the seasonal temperature and particular clinical requirements, to reduce the power consumption.
   - Discipline wise SOP is being followed for routine maintenance on daily, weekly, monthly, and yearly basis, as required to keep the system installed in check and reduce consumptions of water and electricity.
   - In case of modification or renovation, we maximize the usage of existing materials to conserve the natural resources.

The Company ensure to dispose of bio-medical and other waste in accordance with the government guidelines.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   The company has achieved the reduction in generation of waste, raw material and other resources through various initiatives like environment awareness campaigns, training and monthly monitoring of hazardous & non-hazardous waste.

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   The Company follows sustainable sourcing ensuring quality and safety of material procured from vendors. The strives to improve the energy and water footprints by reduction the power and fuel consumption by adopting new techniques and alternate methods i.e. use of infrared controllers in water taps, rain water harvesting system in our greenfield projects, re-use of waste water in watering the plants and trees, use of motion sensor for lighting automation.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. Separate CPD – having detailed process for sourcing various resources

   The Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes and internal SOP, hence, we procure the products and services from empanelled vendors who are adhere to Company's quality, social and environmental standards.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors? Outsource staff, F&B, Laundry, security and give them training to increase the efficiency.

   The Company has in place policy to prefer local vendor having their presence nearby so as to avail their services very fast and generating employment indirectly in local area. The Company gives presence to the local communities in the sourcing staff, F & B, Laundry and security services in the department and give them periodical on the job training to improve their output and to increase the satisfaction level among the patients.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   a) As a part of water conservative initiatives, domestic waste water generated from the hospitals is recycled in STP plant and it is being re-used in the hospitals for suitable purposes, i.e. gardening, flushing and use in cooling tower etc.

   b) Waste water from RO plants is recycled in STP plant and the same be used for the purposes mentioned above. By above means, sufficient amount of the treated waste water is recycled in various processes.

   c) In case of modification or renovation, we maximize use the existing materials to conserve the natural resources.

   d) Recyclable waste were collected and disposed of through authorized recycler.

   e) E-waste generated at the facility were disposed of through authorized agent.

Principle 3: Businesses should promote the wellbeing of all employees

1	Please indicate the Total number of employees:	2,228
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis:	231
3	Please indicate the Number of permanent women employees:	679
4	Please indicate the Number of permanent employees with disabilities:	None
5	Do you have an employee association that is recognized by management.	No
6	What percentage of your permanent employees is members of this recognized employee association?	NA
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	

	Category	No of complaints received during FY 2020-21	No of complaints pending as on March 31, 2021
	Child labour / forced labour/ involuntary labour	0	0
	Sexual harassment	1	0
	Discriminatory employment	0	0
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?		
(a)	Permanent Employees :	96%	
(b)	Permanent Women Employees	92%	
(c)	Casual/Temporary/Contractual Employees	86%	
(d)	Employees with Disabilities	NA	

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes, the Company has mapped its internal and external stakeholders which are as under;

   a) Government and regulatory authority
   b) Employees
   c) Customers/Patients
   d) Local community
   e) Investors and shareholders
   f) Suppliers and vendors

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders**

   Company has identified the disadvantaged, vulnerable & marginalized stakeholders

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   The Company has in place corporate social responsibility policy which caters the need of vulnerable and marginalized people in the society. The Company spent ₹ 37.54 million as CSR expenditure during FY 2021.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   Applies to Company and it also extends to the employees/ workers hired from outsourced agencies.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No complaints were received during the year in this regard.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   The policy extends to Company.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   No, the Company has not undertaken initiatives to address global environmental issues such as climate change, global warming etc.

   We have policy in place to dispose of bio medical waste in accordance with the guideline of the government and to ensure minimum generation of radiation in and around the hospital. Company has also undertaken steps for minimizing usage of power and fuel such as design of new building is kept in such a way that maximize using the sunlight, hospital building has been constructed using structural steel to reduce embedded energy and also to reduce the impact of construction activities to the neighborhood and environment, recycled water through STP is being used for flushing and plant watering to reduce water usage.

3. **Does the company identify and assess potential environmental risks? Y/N**

   No

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No, Company is in the business of providing healthcare services and the Company does not have any projects related to Clean Development Mechanism (CDM).

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   No

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   The Company has not received any such notices from CPCB/SPCB

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The Company is a member of the following trade and chamber or association;

   a) Confederation of Indian Industry (CII)
   b) Federation of Indian chambers of commerce and Industry (FICCI)
   c) Gujarat Chamber of Commerce and Industry (GCCI)
   d) Service Export Promotion Council (SEPC)
   e) Ahmedabad Hospital & Nursing Home Association

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company will protect the interest of organisation and other stakeholders involved in the organisation through the said trade association, whenever it find opportunities.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company focuses on bringing quality healthcare within the reach of the common man through our growing network of multi-specialty hospitals providing world-class yet affordable services in tertiary and quaternary specialities. We are also reaching out to patients across the country through our outpatient clinics. The Company has a corporate social responsibility policy in place which is available in the investor section of website of the Company. The CSR policy spells out the Company's philosophy towards its social responsibilities and lays down the guidelines, frameworks and mechanism of CSR activities. CSR policy has been framed covering mainly the following activities

   1) Promoting healthcare including preventive healthcare through awareness programme
   2) Employment enhancing vocational skill development program and promoting education
   3) Protection of elderly citizens by establishing, funding or otherwise supporting old-age homes and day-care facilities including medical aid for them

   Apart from the above, the Company also runs Joint Express / Heart Express buses which provide consultation and diagnosis facility at remote areas free of cost or with nominal charge to provide basic facility to under privileged communities at large.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   By In-house team

3. **Have you done any impact assessment of your initiative?**

   No, the Company has not done any impact analysis to assess the impact of the initiatives.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

   The Company has spent ₹ 37.54 million towards CSR activities in terms of CSR policies during FY 2021, the details of which has been provided in CSR Annual Report. Apart from CSR spending, the Company has carried numerous Community connect programmes which includes health talks, CSR camp, Blood donation camp etc.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The Company makes attempts to ensure that CSR initiatives undertaken by the Company are successfully implemented and needs of the Community are met at large.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   Shalby Hospitals serve the patients through its network hospitals and OPDs in India and abroad. Patients' complaints are addressed on daily basis through patient co-ordinator and floor managers in every unit of Shalby Limited. In exceptional and rare instances the aggrieved seek available legal recourse, wherein Shalby represent and defend the case through legal department and often utilize the services of specific domain legal experts to stand for what we believe is correct, in the best interest of the Company and our stakeholders.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   This requirement is not applicable to the Company as being engaged in providing healthcare services.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No cases filed against the Company by any stakeholders relating to unfair trade practice, irresponsible advertising and/or anti-competitive behaviour

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   The Company has in place practise of receiving feedback from every patient being treated at Shalby Hospitals to improve its system, process and to improve patients' satisfaction.

Independent Auditor's Report

To the Members of Shalby Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Auditor's Opinion

We have audited the accompanying standalone financial statements of **Shalby Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr	Key Audit Matter	Auditor's Response
1	Reasonableness of Carrying amount of Investment in 100% subsidiary company classified as "Held for Sale" Investment in equity shares of 100% owned subsidiary company "Vrundavan Shalby Hospitals Ltd" has been classified as held for sale. The carrying value of investment in equity instruments of such subsidiary company as at March 31, 2021 amounts to ₹131.92 Million. Based on the property valuation report from an independent civil engineer, the management expects to realize the consideration higher than the carrying amount of investment. Management expects the process of sale to be completed within 12 months from March 31, 2021. Refer Notes 18 to the Standalone Financial Statements.	We have performed following audit procedure in relation to managements evaluation of the asset held for sale: • Evaluating the independent professional valuer's competence, capabilities and objectivity; • Assessing the valuation methodology used by the independent professional valuer to estimate the fair value of investment classified as held for sale. • Assessing bases and assumptions w.r.t proximity of civic amenities, surface communication, area of land & building, Circle rates, year of construction of building, quality of interior, depreciated value, recent sale deals in nearby area, etc. Based on the audit procedures performed, we found that assumptions made by the management in relation to the valuation are supported by the available evidence.

Sr	Key Audit Matter	Auditor's Response
2	Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 36 to the Standalone Financial Statements.	We evaluated the related accounting policy for provisioning for tax exposures and found it to be appropriate. We have obtained details of completed tax assessments and demands upto the year ended March 31, 2021 from management. We evaluated auditee's response / opinion taken from various tax experts by auditee to challenge the underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2021 to evaluate whether any change was required to management's position on these uncertainties. From the evidence obtained and in the context of the financial statements, taken as a whole, we consider the provisions in relation to uncertain tax positions as at March 31, 2021 to be appropriate.
3	Migration of ERP System During the year, company has migrated its ERP system from Careworks to SRIT in many of the units which is mainly used for Patient billing & Inventory management. The implementation of a new system has an inherent risk of loss of integrity of key data being migrated, and the breakdown in operation or monitoring of IT dependent controls within critical business processes such as purchasing. selling and recording of transaction, which could lead to financial errors or misstatements and inaccurate financial reporting. The Company's financial accounting and reporting systems are heavily dependent on the new system and there is a risk that automated accounting procedures and related IT dependent manual controls are not designed and operating effectively.	We have reviewed the information systems migration process and Information Technology General Procedures Controls (ITGC) with the assistance of IT audit specialists, our procedures included: Testing general IT controls around system access, change management and computer operations within specific applications pertinent to the financial statements by assessing appropriate policies are in place and adhered to by inspecting supporting evidence. Also assessed the operation of controls over changes or transactions being recorded in the systems and testing manual compensating controls, such as reconciliations between systems and other information sources, through re-performance or inspection. We reviewed the management's planning and processes around systems migration in order ascertain how controls in existing information systems are mapped into new information systems. We also independently tested completeness, validity and accuracy of transaction and master data migrated to new information system. Where general IT controls and compensating manual controls were inadequate or ineffective, we performed additional substantive testing, such as using extended sample sizes and performing data analysis routines over impacted accounts to test the integrity of the transactional level data that is flowing into the Company's financial statements. Our procedures did not identify any material exceptions.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information,

we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 & 4 of the Order to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

   (f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      III. There were no amounts which were required to be transferred to the investor's education and protection fund by the company.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Reg. No-: 006711N \ N500028

Brijesh Thakkar
(Partner)
Membership No–135556
UDIN: 21135556AAAAFY4154

Place: Ahmedabad
Date: May 5, 2021

ANNEXURE 'A' to the Independent Auditors' Report

(Referred to in Paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our Report to the members of Shalby Limited of even date)

(i) Fixed Assets

a. The Company has maintained proper records showing full particulars, including quantative details and situation of fixed assets.

b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the company provided to us, the title deeds of immovable properties are held in the name of the Company except freehold land and leasehold land aggregate net block amounting to ₹59.20 million acquired pursuant to the schemes of amalgamation in the nature of merger which is pending for registration in the name of the company. Further as per information and explanations given to us all the existing building of the company are either constructed on freehold / leasehold land or acquired pursuant to scheme of amalgamation in the nature of merger.

(ii) Inventories

According to information and explanations given to us, the management of the company has conducted physical verification of Inventory at regular intervals at all the units during the year as well as at the year end and no material discrepancies were noticed on such physical verification during the year.

(iii) Loans given

In our opinion and according to the information and explanation given to us during the course of audit, the Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence reporting under clause 3 (iii) of the orderis not applicable to the company.

(iv) Compliance of Sec. 185 & 186

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect to the loans, investments, guarantees and secirities.

(v) Public Deposit

The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

(vi) Cost Records

We have broadly reviewed the cost records maintained by the Company pursuant to rules made by the Central Government. We are of the opinion that prima facie the prescribed accounts and records have been maintained and being made. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.

(vii) Statutory Dues

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at March 31, 2021 other than stated below:

Name of the Statue	Nature of the Dues	Amount Unpaid ₹ in Million	Period to which it relates	Forum where dispute is pending
Sales Tax	Demand Notice issued by Sales Tax Department	50.49	F.Y. 2009-10	Assistant Commissioner of Sales Tax
		61.80	F.Y. 2010-11	
		73.27	F.Y. 2011-12	
		89.80	F.Y. 2012-13	
		98.86	F.Y. 2013-14	
Income Tax	Demand Notice issued by Tax Department	95.31	A.Y. 2013-14	Income Tax Appellate Tribunal
		27.42	A.Y. 2014-15	
		41.40	A.Y. 2015-16	Commissioner of Income Tax

(viii) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not defaulted in the repayment of loans and borrowings to the financial institutions and banks during the year.

(ix) In our opinion and according to the information and explanations given to us, company has not obtained any loans or borrowings from banks & financial institution. The company has not raised monies by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and acccording to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the company has not paid / provided for managerial remuneration during the year. Accordingly, the provisions of clause 3 (xi) of the order is not applicable to the company.

(xii) The company is not a Nidhi Company and hence reporting under clause 3 (xii) of the order is not applicable to the company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the company has not made any preferencial allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the order is not applicable to the company.

(xv) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transaction with directors or persons connected to its directors and hence reporting under clause 3 (xv) of the order is not applicable to the company.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Reg. No-: 006711N \ N500028

Brijesh Thakkar
(Partner)
Membership No–135556
UDIN: 21135556AAAAFY4154

Place: Ahmedabad
Date: May 5, 2021

ANNEXURE 'B' The Independent Auditor's Report of even date on the IND AS Financial Statements of Shalby Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to Financial Statements of Shalby Limited ("the Company") as of 31 March, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, based on, "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Reg. No-: 006711N \ N500028

Brijesh Thakkar
(Partner)
Membership No–135556
UDIN: 21135556AAAAFY4154

Place: Ahmedabad
Date: May 5, 2021

Standalone Balance Sheet

as at March 31, 2021

(₹ In Million)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	6,362.22	6,561.47
Capital work-in progress	5	39.94	30.23
Right of Use Assets	6	96.86	47.35
Goodwill	7	81.97	81.97
Intangible Assets	8	34.73	7.40
Intangible assets under development	8	35.25	33.69
Financial Assets			
Investments	9	117.87	106.47
Other Financial Assets	10	101.99	54.39
Income Tax Assets (Net)	11	156.63	159.08
Deferred Tax assets (Net)	12	-	-
Other non current assets	13	323.12	325.01
		7,350.58	**7,407.07**
Current assets			
Inventories	14	199.38	147.56
Financial assets			
Investments	9	203.15	321.04
Trade Receivables	15	861.37	914.93
Cash and Cash Equivalents	16	60.23	84.36
Other Bank Balances	17	769.45	202.73
Other Financial Assets	10	477.62	548.00
Other Current Assets	13	70.00	55.97
Assets held for sale	18	131.92	131.92
		2,773.11	**2,406.51**
Total Assets		**10,123.70**	**9,813.58**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,080.10	1,080.10
Other Equity	20	7,416.39	7,057.84
		8,496.49	**8,137.94**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	21	355.00	486.73
Other Financial Liabilities	22	5.02	6.10
Provisions	23	20.02	16.61
Deferred Tax Liabilities (Net)	12	229.37	179.42
Other Non-current Liabilities	24	192.93	154.33
		802.35	**843.20**
Current liabilities			
Financial Liabilities			
Trade Payables	25		
Total Outstanding dues to Micro Enterprise & Small Enterprise		-	-
Total Outstanding dues to Other than Micro Enterprise & Small Enterprise		596.04	603.35
Other Financial Liabilities	22	138.10	168.56
Other Current liabilities	24	85.29	53.38
Provisions	23	5.44	7.16
		824.87	**832.44**
Total Equity and Liabilities		**10,123.70**	**9,813.58**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(₹ In Million)

Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
INCOME			
Revenue from Operations	26	4,186.69	4,838.86
Other Income	27	96.16	177.42
Total Income		**4,282.85**	**5,016.28**
EXPENSES			
Operative expenses	28	2,330.63	2,814.59
Purchase of stock in trade	29	68.47	112.59
Changes in inventories	30	5.15	4.28
Employee benefits expense	31	557.38	652.45
Finance Cost	32	35.84	63.58
Depreciation and Amortization	33	366.66	358.61
Other Expenses	34	363.80	439.90
Total Expenses		**3,727.93**	**4,445.99**
Profit before exceptional items and tax		**554.92**	**570.29**
Exceptional Items		-	-
Profit Before Tax		**554.92**	**570.29**
Current tax		95.80	106.52
Adjustment of earlier years		(17.74)	16.39
MAT Credit Entitlement		(76.72)	(71.95)
Deferred tax		124.78	239.61
Total tax expense		**126.11**	**290.57**
Profit for the year from continuing operations		**428.81**	**279.72**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		2.48	0.26
Income tax effect on above		(0.83)	(0.09)
		1.65	**0.17**
Total comprehensive income for the year, net of tax		**430.46**	**279.89**
Earning per Equity Share	35		
Basic & Diluted (In ₹)		3.97	2.59
Face Value (In ₹)		10.00	10.00

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

Standalone Cash Flow Statement

for the Period ended March 31,2021

(₹ In Million)

	Particulars		As at March 31, 2021	As at March 31, 2020
A.	**Cash flow from Operating Activities**			
	Net Profit before Tax as per Statement of Profit & Loss		554.92	570.29
	Adjustments for			
	Depreciation and amortisation		366.66	358.61
	Finance cost		35.84	63.58
	Interest Income			-
	- on fixed deposits with Bank		(51.22)	(50.10)
	Gain on Sale of Investment		(1.70)	(10.69)
	Loss/(gain) on sale of property plant & equipment (net)		9.55	1.04
	Provision for doubtful debts		2.18	46.65
	Sundry balances written off		6.20	9.84
	Sundry balances written back		-	(50.71)
	Operating profit before working capital changes		**922.42**	**938.51**
	Adjustments for			
	(Increase) / Decrease in Inventories		(51.82)	(21.13)
	(Increase) / Decrease in Trade receivables		51.38	(158.15)
	(Increase) / Decrease in Other Non current financial assets		(1.14)	1.99
	(Increase) / Decrease in Other current financial asset		(79.31)	33.38
	(Increase) / Decrease in Other non current asset		1.89	(5.72)
	(Increase) / Decrease in Other current assets		(14.03)	(33.99)
	Increase / (Decrease) in Trade Payables		(7.31)	65.95
	Increase / (Decrease) in Provisions		4.16	2.31
	Increase / (Decrease) in Other Non current financial liabilities		(1.07)	0.14
	Increase / (Decrease) in Other Non current liabilities		38.60	35.49
	Increase / (Decrease) in Other current financial liabilities		21.21	(78.56)
	Increase / (Decrease) in Other current liabilities		31.92	(9.17)
	Cash generated from operations		**916.89**	**771.04**
	Direct taxes Refund / (Paid)		(92.43)	(200.17)
	Net Cash from / (used in) Operating Activities	**[A]**	**824.46**	**570.87**
B.	**Cash flow from Investing Activities**			
	Purchase of property, plant and equipment		(265.06)	(197.71)
	Payment for purchase of investments		(172.30)	(2,259.41)
	Proceeds from Sale of Investment		280.48	2,082.81
	Investment in Bank Deposit		(466.67)	(0.53)
	Interest received		48.19	52.07
	Net Cash from / (used in) Investing Activities	**[B]**	**(575.35)**	**(322.77)**

Standalone Cash Flow Statement

for the Period ended March 31,2021

(₹ In Million)

	Particulars	As at March 31, 2021	As at March 31, 2020
C.	**Cash flow from financing activities**		
	Repayment of Borrowing- non current	(181.84)	(93.26)
	Proceeds from borrowing	-	7.20
	Interest paid	(37.39)	(63.81)
	Dividend Paid (Including Dividend Distribution Tax)	(54.01)	(65.11)
	Net cash from / (used in) Financing Activities [C]	**(273.24)**	**(214.98)**
	Net Increase / (Decrease) in cash & cash equivalents [A+B+C]	**(24.14)**	**33.13**
	Opening balance of Cash and cash equivalents	84.36	51.24
	Closing balance of Cash and cash equivalents	**60.23**	**84.36**
	Components of Cash and cash equivalent (Refer Note no:-16)		
	Balances with scheduled banks	50.54	79.50
	Fixed Deposits with maturity less than 3 months	-	-
	Cash in hand	9.69	4.86
		60.23	**84.36**

Explanatory Notes to Cash Flow Statement

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

3 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

4 Reconciliation of borrowings as disclosed in financing activities

Particulars	April 1, 2020	Proceeds	Repayments	Exchange difference	March 31, 2021
Borrowings	622.17	-	181.84	-	440.33

Particulars	April 1, 2019	Proceeds	Repayments	Exchange difference	March 31, 2020
Borrowings	708.24	7.20	96.25	(2.99)	622.17

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

Standalone Statement of changes in Equity

for the year ended March 31, 2021

A. EQUITY SHARE CAPITAL

(₹ In Million)

As at April 1, 2019	**1,080.10**
Changes during the year 2019 - 2020	-
As at March 31, 2020	**1,080.10**
Changes during the year 2020 - 2021	-
As at March 31, 2021	**1,080.10**

B. OTHER EQUITY

(₹ In Million)

Particulars	Reserves and Surplus				Items of OCI	Total equity
	Securities Premium	Capital Redemption reserve	Retained Earnings	Share Application Money Pending allotment	Equity Instruments through OCI	
Balance as at April 1, 2019	**4,490.08**	**5.33**	**2,363.65**	**-**	**1.13**	**6,860.18**
Profit for the year	-	-	279.72	-	-	279.72
Share Issue Expenses	(17.13)	-	-	-	-	(17.13)
Dividend paid (including dividend distribution tax)			(65.11)	-		(65.11)
Other comprehensive income for the year	-	-	-	-	0.17	0.17
Balance as at March 31, 2020	**4,472.94**	**5.33**	**2,578.27**	**-**	**1.30**	**7,057.84**
Balance as at April 1, 2020	**4,472.94**	**5.33**	**2,578.27**	**-**	**1.30**	**7,057.84**
Profit for the year	-	-	428.80	-	-	428.80
Share Issue Expenses	(17.90)	-	-	-	-	(17.90)
Dividend paid (including dividend distribution tax)	-	-	(54.01)	-	-	(54.01)
Other comprehensive income for the year	-	-	-	-	1.65	1.65
Balance as at March 31, 2021	**4,455.04**	**5.33**	**2,953.07**	**-**	**2.95**	**7,416.39**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 1: CORPORATE INFORMATION

Shalby Limited (the company) is a company engaged in healthcare delivery space and listed with bourses in India. The registered office of the Company is located at Opposite Karnavati Club, Sarkhej Gandhinagar Highway, Near Prahladnagar Garden, Ahmedabad – 380 015. The company operates as a chain of multi-specialty hospitals across India. The business of the company is to offer tertiary and quaternary healthcare services to patients in various areas of specialization such as orthopedics, complex joint replacements, cardiology, neurology, oncology, renal transplantations etc.

The standalone Ind AS financial statements for the year ended March 31, 2021 were authorized for issue in accordance with resolution passed by the Board of Directors of the company on May 5, 2021.

NOTE 2: BASIS OF PREPARATION & COMPLIANCE WITH IND AS

The financial statements of the Company as at and for the year ended March 31, 2021 has been prepared in accordance with Indian Accounting standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ('Act') and the Companies (Indian Accounting Standards) Rules issued from time to time and other relevant provisions of the Companies Act, 2013 (collectively called as Ind AS).

2.1 Basis of Measurement

The Standalone Ind AS financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through Other Comprehensive Income are measured at Fair Value.

b) The defined benefit asset / liability is recognized as the present value of defined benefit obligation less fair value of plan assets.

c) Assets held for sale measured at fair value less cost to sales

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

2.2 Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupee is the functional currency of the Company.

The standalone financial statements are presented in Indian Rupees (₹) which is the company's presentation currency, and all the values are rounded to the nearest million except when otherwise stated.

Notes to the Financial Statements

for the year ended March 31, 2021

2.3 Current and non-Current classification:

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current if it satisfies any of the following criteria:

a) It is expected to be realized or intended to be sold or consumed in the Company's normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is expected to be realized within twelve months after the reporting period, or

d) It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Current liabilities include current portion of non-current financial liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

NOTE 3: CRITICAL AND SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the standalone financial statements.

3.1 Impairment of investments in subsidiaries

The Management reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

3.2 Useful lives of property, plant and equipment

The Management reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

3.3 Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

3.4 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return

Notes to the Financial Statements

for the year ended March 31, 2021

on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

3.5 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

3.6 Allowance for uncollectible trade receivables

Trade receivables, predominantly from Government schemes/insurance companies and corporates which enjoy high credit ratings are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off when management deems it not to be collectible.

The company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix considering the nature of receivables and the risk characteristics. The provision matrix takes into accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates as given in the provision matrix.

3.7 Impairment of Property, Plant & Equipment

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss which is material in nature is accounted for.

3.8 Litigations

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

NOTE 4: SIGNIFICANT ACCOUNTING POLICIES

The Company has applied the following accounting policies to all periods presented in the financial statements.

4.1 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company committed to purchase or sell the asset.

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and where contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value

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for the year ended March 31, 2021

movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

(iii) Fair Value through Profit or Loss (FVTPL):

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

(b) Financial Liabilities

Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) Financial liabilities at Amortized Cost:

The Company is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

(ii) Financial liabilities at Fair Value through Profit or Loss:

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

(d) Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Company's Operations. A Change in business occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting period following

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for the year ended March 31, 2021

the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

4.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

4.3 Property, Plant and Equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Properties in the course of construction for supply of services or administrative purpose are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable cost and for qualifying assets, borrowing cost capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of Property Plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. Leasehold land with lease term of 99 years or more and renewable with mutual consent are considered as finance leases with perpetual lease term and the same are not amortized with effect from 1st April, 2016.

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Life
Buildings*	30 years and 60 years
Plant and Machinery	15 years
Medical Equipment	13 years and 15 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years and 10 years
Servers and Computers	3 years and 6 years

(*) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which the management expects to use this asset. Hence, the useful life for this asset is different from useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised net within "other income / other expenses" in the Statement of profit and loss.

4.4 Intangible assets

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Goodwill generated on business combination is tested for impairment.

Notes to the Financial Statements

for the year ended March 31, 2021

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in statement of profit and loss when the asset is de-recognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Type of Asset	Useful Life
Computer software and data processing software	3 years

4.5 Inventories

Inventories of all medicines, medicare items traded and dealt with by the Company are measured at the lower of weighted average cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for VAT/ GST wherever applicable.

Materials and consumables and general stores are charged to the Statement of Profit and Loss as and when they are procured and stock of such items at the end of the year is valued at cost.

4.6 Impairment

(a) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(b) Non-financial assets

Tangible and Intangible assets

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

4.7 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific

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to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

4.8 Revenue Recognition

(a) Rendering of Services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the amounts due from patients and/or medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

Other Services

Income from Clinical trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(b) Sale of Goods

Pharmacy Sales are recognised when the significant risks and rewards of ownership and control is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates granted upon purchase and are stated net of returns and discounts wherever applicable. Sales are adjusted for Value Added Tax/ GST wherever applicable.

(c) Dividend and Interest Income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.9 Leases

Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e.

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The higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and finance cost portion of lease payments have been classified as financing cash flows.

Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognizes lease payments received under operating leases as income over the lease term on a straight-line basis.

4.10 Foreign Currency Translation

The functional currency of the Company is the Indian Rupee (₹)

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

(ii) exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Company for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2016), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

4.11 Borrowing Costs

Borrowing costs include

a) interest expense calculated using the effective interest rate method,

b) finance charges in respect of finance leases, and

c) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

4.12 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the

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underlying asset. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in statement of profit and loss in the period in which they become receivable.

4.13 Employee benefits

(a) Short-term obligations

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Post-employment obligations

The Company operates the following post-employment schemes: a) defined contribution plans - provident fund b) defined benefit plans - gratuity plans

(i) Defined contribution plans

The Company has defined contribution plan for the post-employment benefits namely Provident Fund, Employees Death Linked Insurance and Employee State Insurance and the contributions towards such funds and schemes are recognised as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Company does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

(ii) Defined benefit plans

The Company has defined benefit plan, namely gratuity for eligible employees in accordance with the Payment of Gratuity Act, 1972 the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit method) at the end of each year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the tenor of the related obligation. The liability or asset recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'.

Remeasurement's of the net defined liability, comprising of actuarial gains and losses, return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and any change in the effect of asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

(c) Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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4.14 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

No DTA is recognized for goodwill arising on business combination.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4.15 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the:

a) fair values of the assets transferred;

b) liabilities incurred to the former owners of the acquired business;

c) equity interests issued by the Company; and

d) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The company recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

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The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

4.16 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

4.17 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

4.18 Fair Value Measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or a liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

4.19 Cash and cash equivalent

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

4.20 Segment Reporting

Identification of segments: Segments are identified in line with Ind AS - 108 "Operating Segments", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure

Notes to the Financial Statements

for the year ended March 31, 2021

requirements under the Ind AS 108 "Operating Segments" are not applicable.

Segment Policies: The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

4.21 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

4.22 Investment in Subsidiaries

(i) Initial recognition

The acquired investment in subsidiaries are measured at fair value as on the date of acquisition

(ii) Subsequent measurement

Investments in equity shares of subsidiaries are accounted either;

(a) at cost, or

(b) in accordance with IND AS 109, financial instruments

The Company has elected to account its subsidiaries at cost less accumulated impairment losses, if any.

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 5 : PROPERTY, PLANT AND EQUIPMENT

Note 5.1 : As at March 31, 2021

(₹ In Million)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net carrying Amount
	As at April 1, 2020	Additions	Deduction / Adjustments	As at March 31, 2021	As at April 1, 2020	For the year	Deduction / Adjustments	As at March 31, 2021	As at March 31, 2021
Owned Assets									
Free hold land	399.29	-	-	399.29	-	-	-	-	399.29
Buildings	2,893.24	24.44	-	2,917.68	221.03	69.23	-	290.26	2,627.42
Medical Equipments and Surgical Instruments	2,152.43	104.99	(12.44)	2,244.99	460.79	154.91	(6.55)	609.15	1,635.84
Plant & Machinery	485.10	4.68	(7.27)	482.51	95.08	32.44	(1.96)	125.55	356.96
Electrical Installation	203.32	3.89	-	207.21	49.65	19.46	-	69.10	138.11
Office Equipments	75.82	6.54	-	82.35	43.39	10.66	-	54.05	28.30
Computers and Printers	60.44	9.76	-	70.20	39.19	6.52	-	45.70	24.49
Furniture and Fixtures	420.26	3.91	-	424.17	96.81	40.21	-	137.01	287.16
Vehicles	80.37	2.07	(0.92)	81.51	28.94	9.79	(0.88)	37.86	43.66
Leasehold Assets									
Land	864.44	0.11	-	864.55	38.37	5.20	-	43.56	820.99
Total	**7,634.70**	**160.39**	**(20.63)**	**7,774.46**	**1,073.23**	**348.40**	**(9.38)**	**1,412.25**	**6,362.22**
CWIP									**39.94**

Certain property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note :- 21.

Note 5.2 : As at March 31, 2020

(₹ In Million)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net carrying Amount
	As at April 1, 2019	Additions	Deduction / Adjustments	As at March 31, 2020	As at April 1, 2019	For the year	Deduction / Adjustments	As at March 31, 2020	As at March 31, 2020
Owned Assets									
Free hold land	399.29	0.00	0.00	399.29	0.00	0.00	0.00	0.00	399.29
Buildings	2,903.09	2.90	(12.76)	2,893.24	151.75	69.27	0.00	221.03	2,672.21
Medical Equipments and Surgical Instruments	2,097.19	60.02	(4.78)	2,152.43	312.99	151.40	(3.60)	460.79	1,691.64
Plant & Machinery	480.83	4.58	(0.31)	485.10	62.72	32.47	(0.11)	95.08	390.02
Electrical Installation	202.30	1.12	(0.10)	203.32	30.52	19.22	(0.09)	49.65	153.67
Office Equipments	74.72	1.59	(0.49)	75.82	31.39	12.47	(0.47)	43.39	32.43
Computers and Printers	45.46	14.98	0.00	60.44	30.06	9.13	0.00	39.19	21.25
Furniture and Fixtures	418.27	2.05	(0.05)	420.26	56.65	40.21	(0.05)	96.81	323.46
Vehicles	73.76	9.04	(2.44)	80.37	21.56	9.65	(2.27)	28.94	51.42
Leasehold Assets									
Land	840.61	23.83	0.00	864.44	32.69	5.67	0.00	38.37	826.08
Total	**7,535.51**	**120.12**	**(20.92)**	**7,634.70**	**730.32**	**349.49**	**(6.59)**	**1,073.23**	**6,561.47**
CWIP									**30.23**

Note 5.3:- Capital Work-in-progress Includes

i) ₹ 37.34 Million (PY ₹ 30.23 Million) on account of Cost of Construction of Hospital at Mumbai.

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 6 : RIGHT OF USE ASSETS

Note 6.1 : As at March 31, 2021

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Adjustments / Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Adjustments / Deletions	As at March 31, 2021	As at March 31, 2021
Building	52.77	57.03	-	109.80	5.42	7.53	-	12.94	96.86
Total	**52.77**	**57.03**	**-**	**109.80**	**5.42**	**7.53**	**-**	**12.94**	**96.86**

Note 6.2 : As at March 31, 2020

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2019	Additions*	Adjustments / Deletions	As at March 31, 2020	As at April 1, 2019	For the year	Adjustments / Deletions	As at March 31, 2020	As at March 31, 2020
Building	-	52.77	-	52.77	-	5.42	-	5.42	47.35
Total	**-**	**52.77**	**-**	**52.77**	**-**	**5.42**	**-**	**5.42**	**47.35**

*Transitional impact on adoption of Ind AS 116 (Refer Note:-43).

NOTE 7 : GOODWILL

Particulars	As at March 31, 2021	As at March 31, 2020
Cost	81.97	81.97
Accumulated impairment losses	-	-
Total	**81.97**	**81.97**

At cash generating unit (CGUs) level, the goodwill is tested for impairment annually at the year-end or more frequently if there are indications that goodwill might be impaired. The entire goodwill balance is allocated to Shalby Hospitals Mohali Unit.

The Company made an assessment of recoverable amount of the CGUs based on value-in-use calculations which uses cash flow projections based on financial budgets approved by management. Cash flow projections were developed covering a ten-year period as at March 31, 2021 and March 31, 2020 which reflects a more appropriate indication/trend of future track of business of the Company.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Key Assumptions used for value in use calculations are as follows:

Key Assumptions	As at March 31, 2021	As at March 31, 2020
Discount Rate	6.72%	7.76%
Growth Rate	25-30%	20-25%

Management believes that any reasonable possible change in any of these assumptions would not cause the carrying amount to exceed its recoverable amount.

Notes to the Financial Statements

for the year ended March 31, 2021

Discount rates - Management estimates discount rates using pre-tax rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risk of the underlying asset that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of the capital (WACC).

Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations of market development. The weighted average growth rates used were consistent with industry reports.

NOTE 8 : INTANGIBLE ASSETS

Note 8.1 : As at March 31, 2021

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Adjustments / Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Adjustments / Deletions	As at March 31, 2021	As at March 31, 2021
Softwares	17.26	38.06	-	55.32	9.87	10.73	-	20.59	34.73
Trademark	0.06	-	-	0.06	0.06	0.00	-	0.06	0.00
	17.32	**38.06**	**-**	**55.38**	**9.92**	**10.73**	**-**	**20.65**	**34.73**
Intangible assets under development									**35.25**

Note 8.2 : As at March 31, 2020

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2019	Additions	Adjustments / Deletions	As at March 31, 2020	Upto March 31, 2019	For the year	Adjustments / Deletions	Upto March 31, 2020	As at March 31, 2020
Softwares	9.57	7.69	-	17.26	6.18	3.69	-	9.87	7.39
Trademark	0.06	-	-	0.06	0.04	0.02	-	0.06	0.01
	9.63	**7.69**	**-**	**17.32**	**6.21**	**3.71**	**-**	**9.92**	**7.40**
Intangible assets under development									**33.69**

Note 8.3:- Intangible Assets under Development Includes

i) ₹ 35.25 Million (PY ₹ 33.69 Million) on account of ongoing implementation of SAP software.

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 9 : INVESTMENTS

(₹ In Million)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
Non current			
Investment in equity instruments			
Financial instruments at Cost			
Investment in Subsidiaries (Unquoted)	9.10	19.33	7.52
Investment in Limited Liability Partnership	9.10	0.48	0.48
Financial instruments at FVTPL			
Club Membership		1.10	1.10
Other Equity Investment			
Loan to Vrundavan Shalby Hospitals Ltd	9.20	96.97	97.38
Total (A)		**117.87**	**106.47**
Current			
Financial instruments at Cost			
Investment in Limited Liability Partnership- Griffin		47.93	42.26
Financial instruments at FVTPL			
Investment in Equity instrument (Quoted)	9.30	-	3.77
Investment in Mutual fund (Quoted)	9.40	155.22	275.01
Total (B)		**203.15**	**321.04**
Total (A) + (B)		**321.03**	**427.51**
Aggregate book value of Quoted Investments		155.22	278.78
Aggregate market value of Quoted Investments		155.22	278.78
Aggregate carrying value of Unquoted Investments		165.81	148.73

Note 9.1 : Details of investment in unquoted equity instruments of subsidiaries (fully paid up)

(₹ In Million)

Name of the subsidiary	Currency	Face Value (₹)	Number of Units as at		As at March 31, 2021	As at March 31, 2020
			As at March 31, 2021	As at March 31, 2020		
Equity Instruments						
Shalby (Kenya) Ltd.	KES	1,000	100	100	0.06	0.06
Shalby International Limited	INR	10	50,000	50,000	0.50	0.50
Yogeshwar Healthcare Ltd.	INR	10	6,96,251	6,96,251	6.96	6.96
Mars Medical Devises Limited	INR	10	50,000	-	0.50	-
Slaney Healthcare Pvt Ltd	INR	10	9,910	-	11.21	-
Shalby Hospitals Mumbai Private Limited	INR	10	10,000	-	0.10	-
Total (A)					**19.33**	**7.52**
In Capital of Limited Liability Partnership						
Griffin Mediquip LLP*					0.48	0.48
Total (B)					**0.48**	**0.48**
Total (A+B):					**19.80**	**7.99**

* Details of Partner & Capital contribution in Limited Liability Partnership

Name of the Partners	Sharing Ratio	Fixed capital contribution	Current capital contribution
Shalby Limited	95%	0.48	47.93
Shalby International Limited	5%	0.03	(0.04)
Total	**100%**	**0.50**	**47.89**

Notes to the Financial Statements

for the year ended March 31, 2021

Note 9.2 : Details of Other Equity Investment

In pursuance of agreement executed between the company and Vrundavan Shalby Hospitals Ltd., the outstanding balance as on December, 2017 on account of loans granted to such subsidiary has been classified as convertible loan since the same is convertible into equity at the option of the subsidiary company's management.

Note 9.3 : Details of investment in Quoted equity instruments of other companies (fully paid up)

(₹ In Million)

Name of the company	Currency	Face Value (₹)	Number of Units as at		As at March 31, 2021	As at March 31, 2020
			As at March 31, 2021	As at March 31, 2020		
SBI Cards and Payment Services Limited	INR	10		6,100	-	3.77
Total					**-**	**3.77**

Note 9.4 : Details of Investment in Mutual Fund

(₹ In Million)

Name of Body Corporate	No. of Unit		Quoted/ Unquoted	Amount	
	As at March 31, 2021	As at March 31, 2020		As at March 31, 2021	As at March 31, 2020
HDFC Liquid DP Growth Option	7,424	-	Quoted	30.04	-
SBI Liquid Fund Direct Growth	38,858	-	Quoted	125.18	-
Franklin India Savings Plus Fund Retail Option-Direct	-	64,54,554	Quoted	-	244.71
PGIM India Insta Cash Fund -Direct Plan-Growth	-	30,204	Quoted	-	30.30

NOTE 10 : OTHER FINANCIAL ASSETS

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- current		
Security deposits	25.92	20.72
Fixed Deposit with Maturity of more than 12 months*	56.16	4.18
Notice period recovery receivable (Doctors)	9.18	19.44
Other Recoverables	9.72	9.72
Interest accrued but not due on fixed deposit	1.00	0.33
Total (A):	**101.99**	**54.39**
Current		
Government Grant Receivable	92.09	69.50
Fixed Deposit with Maturity of less than 12 months*	302.36	454.39
Receivable from Subsidiaries	7.35	5.90
Interest accrued but not due on fixed deposit	7.25	4.89
Unbilled revenue (Net)	68.57	13.32
Total (B):	**477.62**	**548.00**
Total (A) + (B):	**579.61**	**602.39**

*The above fixed deposits is under lien with Bank against Bank Guarantee & Borrowings.

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 11 : INCOME TAX ASSETS (NET)

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax	853.93	761.50
Less: Provision for taxation	697.31	602.42
Total	**156.63**	**159.08**

NOTE 12 : DEFERRED TAX

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Opening balance	(179.42)	18.55
Adjustment for the current year		
(Charged)/Credited through P/L / OCI	(32.05)	(180.84)
	(211.47)	**(162.29)**
DTA related to Share Issue Expenses	(17.90)	(17.13)
Total	**(229.37)**	**(179.42)**

Note 12.1 : Significant components of deferred tax assets are shown in the following table:

(₹ In Million)

Particulars	As at March 31, 2021	(Charged)/ Credited to profit or loss / OCI	As at March 31, 2020	(Charged)/ Credited to profit or loss / OCI
Deferred tax liabilities				
Routed through profit or loss				
Difference of book depreciation and tax depreciation	1,345.39	(68.43)	1,413.82	(70.72)
Total deferred tax liabilities	**1,345.39**	**(68.43)**	**1,413.82**	**(70.72)**
Set-off of deferred tax assets pursuant to set-off provisions :-				
Routed through P/L				
Provision for leave obligation and gratuity	8.50	(0.49)	8.99	1.40
Unabsorbed business loss and depreciation	432.06	(194.13)	626.19	(333.00)
Re-measurement of defined benefit plan		0.00	-	0.39
ECL	21.36	0.58	20.78	20.78
Total deferred tax assets	**461.92**	**(194.04)**	**655.96**	**(310.42)**
DTA related to Share Issue Expenses	16.37	0.00	34.27	0.00
MAT Credit entitlement	637.72	93.55	544.17	58.86
Net deferred tax assets	**(229.37)**	**(32.05)**	**(179.42)**	**(180.84)**

Notes to the Financial Statements

for the year ended March 31, 2021

Note 12.2: The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(₹ In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before taxes from continuing operations	554.92	570.29
	17.47%	17.47%
Current tax expense calculated using MAT tax rate at 17.472% (Previous year - 21.5488%)	96.96	99.64
Tax effect of amounts which are not deductible / (taxable) in calculating taxable book profit:		
Add: Tax impact on		
Income tax paid / payable	0.00	0.00
Expenses not allowable under MAT	0.23	9.09
1/5 th of opening Ind AS adjustments transferred to retained earnings	(1.82)	(1.82)
Other comprehensive income/(expense)	0.43	0.05
Less:		
Tax exempt income		0.44
Income Tax as per normal provisions	**95.80**	**106.52**

Note 12.3 : Income tax expense has been allocated as follows:

(₹ In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income tax expense recognised in the Statement of Profit and loss		
Current tax on profits for the year	95.80	106.52
Current tax expense of earlier year (Net of MAT Impact)	(0.91)	3.30
	94.89	**109.82**
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	100.48	251.56
(Decrease) / increase in deferred tax liabilities	(68.43)	(70.72)
Deferred Tax recognised in OCI	(0.83)	(0.09)
	31.22	**180.75**
Income tax expense / (income) attributable to continuing operations	**126.11**	**290.57**
Income tax expense recognised in other comprehensive income		
Income tax included in other comprehensive income on:		
Defined benefit plan actuarial gains/(losses)	(0.83)	(0.09)
Income tax expense / (income) recognised in other comprehensive income	**(0.83)**	**(0.09)**

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 13 : OTHER NON - CURRENT / CURRENT ASSETS

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non - Current		
Capital advances*	299.27	301.66
Taxes Paid under protest	23.86	23.36
Total:	**323.12**	**325.01**
Current		
Pre-paid expenses	7.03	7.63
Advance to suppliers, staff and doctors	37.88	25.20
Payment under Protest**	20.98	20.98
Others	4.10	2.16
Total:	**70.00**	**55.97**

* Out of Total Capital Advances of ₹ 299.27 Million, ₹ 287.15 Million (PY ₹ 287.15 Million) has been given to The Santacruz Residential Association for Construction of Hospital at Mumbai which is a part of Capital Work in Progress.

**Out of Other current assets of ₹ 25.08 Million, ₹ 20.98 Million (PY ₹ 20.98 Million) has been deposited as per order of Gujarat High court wrt. Litigation going on with Dr. Sunil Thanvi, which is a part of contingent liability as mentioned in note no 36.

NOTE 14 : INVENTORIES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Medicines and Medicare Items	17.14	22.29
Materials and Consumables	171.24	111.24
General Stores	7.82	7.43
Stock in transit	3.17	6.60
Total:	**199.38**	**147.56**

NOTE 15 : TRADE RECEIVABLES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
(a) Considered good	921.57	973.39
(b) Considered doubtful	3.79	3.79
Total	**925.36**	**977.18**
Less: Allowance for doubtful debts (including ECL)	(63.99)	(62.25)
	(63.99)	(62.25)
Total	**861.37**	**914.93**
Included in the financial statement as follows:		
Non-current	-	-
Current	861.37	914.92
Total:	**861.37**	**914.93**

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 16 : CASH AND CASH EQUIVALENTS

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Bank		
In Current accounts	40.71	41.12
In Overdraft accounts	9.71	38.33
In Unclaimed Dividend account*	0.12	0.05
Cash on hand	9.69	4.86
Total cash and cash equivalents	**60.23**	**84.36**

*If the dividend has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account". The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

NOTE 17 : OTHER BANK BALANCES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months*	769.45	202.73
Total	**769.45**	**202.73**

*The above fixed deposits is under lien with Bank against Bank Guarantee & Borrowings.

NOTE 18 : ASSETS HELD FOR SALE

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Assets held for sale (Refer note below)	131.92	131.92
Total	**131.92**	**131.92**

Note:

Further, upon resolution passed by the Board of Directors of such subsidiary company in its meeting held on 09th January, 2018, to suspend the entire operations with immediate effect and consider such subsidiary company as non- going entity, the Board of Directors of the Company in its meeting held on 09th January, 2018 had decided to sale its investments in equity instruments of such subsidiary company. Therefore, investments in equity instruments of such subsidiary company has been classified as assets held for sale. The carrying value of investment in equity instruments of such subsidiary company as at March 31, 2021 amounts to ₹ 131.92 Million . Based on the circle rates prevailing currently, the management expects to realise the consideration higher than the carrying amount of investments in equity instruments of such subsidiary company. Management expects the process of sale to be completed within 12 months from 31st March, 2021.

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 19 : EQUITY SHARE CAPITAL

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
117,750,000 (March 31, 2020: 117,750,000) Equity Shares of ₹10/ each	1,177.50	1,177.50
	1,177.50	**1,177.50**
Issued share capital		
108,009,770 (March 31, 2020: 108,009,770) Equity Shares of ₹10/ each	1,080.10	1,080.10
Subscribed and fully paid up		
108,009,770 (March 31, 2020: 108,009,770) Equity Shares of ₹10/ each fully paid up	1,080.10	1,080.10
Total	**1,080.10**	**1,080.10**

Note 19.1 Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

(In nos.)

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	108,009,770	108,009,770
Add:		
Shares issued for Cash or Right Issue	-	-
	108,009,770	**108,009,770**
Less:		
Shares bought back / Redemption	-	-
At the end of the year	**108,009,770**	**108,009,770**

Note 19.2 Rights, Preferences and Restrictions

The Authorised Share Capital of the Company consists of Equity Shares having nominal value of ₹10/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:

(i) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;

(ii) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

Note 19.3 Details of shareholders holding more than 5% Shares in the company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Shah Family Trust	43,327,132	40.11	43,327,132	40.11
Dr. Vikram I. Shah	7,735,493	7.16	7,735,493	7.16
Zodiac Mediquip Ltd.	31,545,448	29.21	31,545,448	29.21

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 20 : OTHER EQUITY

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium	4,455.04	4,472.94
Capital redemption reserve	5.33	5.33
Retained Earnings	2,956.01	2,579.56
	7,416.39	**7,057.84**

Note 20.1 : Reconciliation of Other Equity

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium		
Balance as per previous financial statements	4,472.94	4,490.08
Add : Additions during the year	-	
Less: Share Issue Expenses (Net of Taxes)	17.90	17.13
Balance at the end of the year	**4,455.04**	**4,472.94**
Capital redemption reserve		
Balance as per previous financial statements	5.33	5.33
Add : Additions during the year	-	
Balance at the end of the year	**5.33**	**5.33**
Surplus / (Deficit) in Statement of Profit & Loss		
Balance as per previous financial statements	2,579.56	2,364.78
Add : Profit for the year	428.80	279.72
Add / (Less): OCI for the year	1.65	0.17
Less : Dividend on equity share	54.01	54.00
Less : Dividend distribution tax	-	11.10
Balance available for appropriation	**2,956.01**	**2,579.56**
Less: Appropriation		
Transfer to Capital Redemption Reserve	-	-
	-	-
Net Surplus / (Deficit)	**2,956.01**	**2,579.56**
Total	**7,416.39**	**7,057.84**

Nature and Purpose of other reserves

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

Capital Redemption Reserve: In terms of provisions contained in Section 55 of the Companies Act 2013, the Company has, upon redemption of Preference Shares pursuant to resolution passed at the meeting held on 20th December 2016, transferred the amount equivalent to the face value of Preference Shares from the accumulated profits to Capital Redemption Reserve. This fund can be utilized only for issuing fully paid bonus shares. No dividends can be distributed out of this fund.

Retained Earnings: Retained Earnings represents surplus/accumulated earnings of the Corporation and are available for distribution to shareholders.

Other comprehensive income (OCI): OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. The components of OCI include: re-measurements of defined benefit plans, gains and losses arising from translating the financial statements of a foreign operation etc.

Notes to the Financial Statements

for the year ended March 31, 2021

Distributions Proposed

(₹ In Million)

Particulars	2020-21	2019-20
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2021: ₹ 1.00 per share (31 March 2020: ₹ 0.50 per share)	108.01	54.00
Total Proposed Dividend	**108.01**	**54.00**

NOTE 21 : BORROWINGS

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- current		
Secured loans		
HDFC Bank Limited		
In Foreign Currency	-	34.96
In Indian Currency	219.26	303.78
IDFC Bank	134.00	143.79
Vehicle loans		
Daimler Financial services India Private Limited	1.74	4.20
Total:	**355.00**	**486.73**
Current maturities of long term debts		
Secured loans		
Term loans from bank		
HDFC Bank Limited		
In Foreign Currency	-	46.62
In Indian Currency	73.09	46.63
IDFC Bank	9.79	39.73
Vehicle loans		
Daimler Financial services India Private Limited	2.46	2.46
Total:	**85.33**	**135.44**

Notes to the Financial Statements

for the year ended March 31, 2021

21 Principal Terms and Conditions of borrowings as at March 31,2021

(a) Secured

(i) Term loans

(₹ In Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31,2021	Amount Outstanding as at March 31,2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	HDFC Bank Limited	Jabalpur, S.G. Highway	0.00	103.11	-	Loans are repayable in 20 equal quarterly installments commencing from February, 2017.	Within 30 days of interest reset date, the Company has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by the borrower from fresh equity or internal accruals, no prepayment penalty shall be payable. Should the Company choose to exercise the prepayment option, the lender(s) must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility. Penalty: Default interest of 2% p.a. over and above the applicable Interest Rate till such time such default / noncompliance is cured to the Lender₹s satisfaction.	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway, Ahmedabad - 380005 with total land area admeasuring 6880 sq. mtrs. and total constructed building area of 12053.56 sqmtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second pari-passu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First pari-passu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur. (vi) Additional Security : Fixed deposit of ₹ 451.47 Million under lien with HDFC bank.	HDFC Bank Limited (on behalf of SBICAP Trustee)

Notes to the Financial Statements

for the year ended March 31, 2021

(₹ In Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31,2021	Amount Outstanding as at March 31,2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
2	HDFC Bank Limited	Naroda	292.34	328.89	4.50%	Loans are repayable in 24 equal quarterly installments commencing from June,2019 & ending on March 18, 2025.	Within 45 days of interest reset date, the borrower has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. Penalty: Default interest of 2%p.a. over and above the applicable interest Rate till such time such default / non-compliances cured to the Lender's satisfaction.	(i) First pari-passu charge by way of equitable mortgage over land & building pertaining to hospital at Jaipur and Indore. (ii) First pari-passu charge by way of equitable mortgage over land and building pertaining to hospital at Naroda. (iii) First ranking Security by way of hypothecation of all the present and future tangible movable assets including plant and machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at Jaipur, Indore and Naroda. (iv) Personal guarantee of Director Dr. Vikram Shah to the extent of 50 % of Naroda Land offered under security. (v) Second ranking security by way of hypothecation on the entire current asset, operating cash flows, receivables, commissions, revenues of what so ever nature and wherever arising, present and future uncalled capital (if any) present and future, of the company. (vi) Additional Security : Fixed deposit of ₹ 300.37 Million under lien with HDFC bank.	SBICAP Trustee
3	IDFC Bank	Surat	143.79	183.52	4.60%	The loan is repayable in 28 structured quarterly installments starting from June 30, 2019 & ending on March 31, 2026.	Except as given in (i) and (ii) below, any prepayment of the loan made by the borrower shall be with a prepayment premium of 2% of the principal amount being prepaid. i) The borrower shall have a right to prepay the loan in full but not in part within 30 days of the reset date without any prepayment premium ii) The borrower shall have to mandatory prepay the loan to the extent of at least 30% of the outstanding amount from IPO proceeds without any prepayment premium.	i) Hypothecation of Surat facility current assets (including cash flows) and all movable assets including plant and machinery, medical equipment etc. present and future and exclusive mortgage of leasehold rights (of land) together with building. ii) First pari-passu hypothecation of SG highway unit receivable and cash flows. Pari-passu charge to be shared with HDFC bank term loan sanction amount of ₹. 150 crore. Additional Security : Fixed deposit of ₹ 20 Crores under lien with IDFC bank.	IDFC Bank

Notes to the Financial Statements

for the year ended March 31, 2021

(ii) Vehicle loans

(₹ In Million)

Sr. No.	Name of Lender	Vehicle	Amount Outstanding as at March 31,2021	Amount Outstanding as at March 31,2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	Daimler Financial Services India Private Limited	Mercedes Benz	4.20	6.66	7.14%	Loans are repayable in 36 equal monthly installments commencing from December, 2019.	Prepayment Charges: NA Penalty: 5% per annum plus applicable taxes or statutory levies, if any	First and exclusive charge of the Vehicle	Daimler Financial Services India Private Limited

(iii) Overdraft Facility

(₹ In Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31,2021	Amount Outstanding as at March 31,2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	Kotak Mahindra Bank Limited	Corporate	(0.56)	(14.58)	6M MCLR +0.70%=8.05%	12 Months	N.A	(1) First pari-passu hypothecation charge to be shared with HDFC bank on all existing and future current assets of Krishna Shalby Hospital belonging to the Company. (2) First and exclusive mortgage charge on immovable properties being land and building of Krishna Shalby Hospital situated at 319 – Green City, Ghuma, Bopal, Ahmedabad belonging to the Company.	SBICAP Trustee

Notes to the Financial Statements

for the year ended March 31, 2021

(₹ In Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31,2021	Amount Outstanding as at March 31,2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
2	HDFC Bank	Corporate	(9.15)	(23.75)	5.65%	12 Months	N.A	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway, Ahmedabad - 380005 with total land area admeasuring 6880 sq. mtrs. and total constructed building area of 12053.56 sq. mtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second pari-passu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First pari-passu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur.	HDFC Bank Limited (on behalf of SBICAP Trustee)

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 22 : OTHER FINANCIAL LIABILITIES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- Current		
Deposits	4.81	5.57
Retention money	0.22	0.53
Total (A):	**5.02**	**6.10**
Current		
Current Maturities of Long Term Borrowings	85.33	135.44
Interest Accrued but not due on Borrowings	1.20	2.75
Creditors for capital goods	28.33	10.35
Retention money	0.06	1.18
Unclaimed Dividend*	0.12	0.05
Employees	23.06	18.79
Total (B):	**138.10**	**168.56**
Total (A+B):	**143.12**	**174.65**

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 23 : PROVISIONS

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- Current		
Provision for employee benefits		
Gratuity	-	-
Leave obligation	20.02	16.61
Total:	**20.02**	**16.61**
Current		
Provision for employee benefits		
Gratuity (Refer Note:-37)	2.22	4.22
Leave obligation	3.22	2.93
Total:	**5.44**	**7.16**

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 24 : OTHER NON-CURRENT / CURRENT LIABILITIES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- Current		
Government grant (Refer Note below)	118.86	128.11
Less: Released in the statement of Profit and loss	(9.26)	(9.26)
Less Disclosed under current	(9.26)	(9.26)
Lease Liability	92.59	44.74
Total (A):	**192.93**	**154.33**
Current		
Government Grants	9.26	9.26
Advance from customers	35.12	6.40
Statutory Liabilities	32.57	33.54
Branch & Division	-	-
Lease Liability	8.34	4.17
Total (B):	**85.29**	**53.38**
Total (A+B):	**278.22**	**207.71**

The Company, having established Super Specialty Hospitals at Indore and Jabalpur both in the State of Madhya Pradesh and at Naroda (Ahmedabad) and Surat both in the State of Gujarat, becomes eligible for one time incentive towards development of Healthcare sector in terms of policies of respective State Government in this regard. The incentive is based on capital investment and therefore is recognised in the form of capital subsidy. The same, being available against the entire capital investment, has been recognised and classified in accordance with Significant Accounting Policy referred at note 4.12 to the financial statements.

NOTE 25 : TRADE PAYABLES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
A) Total Outstanding dues of micro enterprises and small enterprises (Refer note no:- 44)	-	-
B) Total Outstanding dues to creditors other than Micro Enterprise & Small Enterprise	596.04	603.35
Total	**596.04**	**603.35**

NOTE 26 : REVENUE FROM OPERATIONS

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Revenue from Contracts with Customers (Refer Note 46)	4,186.26	4,828.10
Other Operating Revenue	0.43	10.76
Total	**4,186.69**	**4,838.86**

Break up of other operating revenue

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Share from Limited Liability Partnership	(1.31)	2.53
Project Consultancy	1.73	0.99
Sale of License	0.00	7.24
Total	**0.43**	**10.76**

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 27 : OTHER INCOME

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Interest Income		
From Banks	51.22	50.10
From Others		
On Partner's capital	5.49	4.10
Others	1.02	1.34
Total (A)	**57.73**	**55.53**
Capital Subsidy	9.25	9.26
Interest Subsidy	19.26	42.09
Rent	6.21	6.51
Net Gain on disposal of financial assets	1.70	10.69
Profit on sale of assets		
Vendor Registration fees	0.04	0.07
Foreign Exchange Fluctuation Gain (net)	0.07	0.85
Other Non-Operating Income		
Sundry balances written back (Net)	-	50.71
Miscellaneous Income	1.89	1.70
Total (B)	**38.42**	**121.89**
Total (A+B)	**96.16**	**177.42**

* Total Net gain on fair value change include ₹ 0.21 Million as Net Gain on disposal of financial assets

NOTE 28 : OPERATIVE EXPENSES

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Materials and Consumables	870.99	1,111.78
Diagnostic Expenses	101.86	89.17
Fees to Doctors and Consultants	1,007.95	1,250.69
Power, Fuel and Water Charges	123.06	129.46
Housekeeping and Catering	91.75	93.74
Attendants and Securities	83.70	102.17
Linen & Uniform	7.52	4.95
Other Operative Expenses	43.81	32.63
Total	**2,330.63**	**2,814.59**

NOTE 29 : PURCHASE OF STOCK-IN-TRADE

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Medicines and Medicare Items	68.47	112.59
Total	**68.47**	**112.59**

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 30 : CHANGES IN INVENTORIES

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Inventory at the end of the year		
Medicine and Medical Items	17.14	22.29
Inventory at the beginning of the year		
Medicine and Medical Items	22.29	26.57
(Increase) / Decrease in stocks	**5.15**	**4.28**

NOTE 31 : EMPLOYEE BENEFITS EXPENSE

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Salary, Allowances & Bonus	523.21	617.42
Contribution to Provident & other funds	29.62	34.66
Staff Welfare expenses	4.55	0.38
Total	**557.38**	**652.45**

During the FY 2020-21, Project team & IT team salary cost amounting to ₹ 19.73 Million (Previous Year ₹ 24.33 Million) has been capitalised through capital work-In Progress and intangible assets under development as it is related with upcoming unit at Mumbai and implementation of SRIT & SAP which is under development.

NOTE 32 : FINANCE COST

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Interest on Term Loan from Banks	29.11	52.19
Exchange differences regarded as an adjustment to borrowing costs	1.47	6.83
Other ancillary Cost	5.26	4.56
Total	**35.84**	**63.58**

NOTE 33 : DEPRECIATION AND AMORTIZATION

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Depreciation expense on property, plant and equipment	348.40	349.49
Amortisation on Intangible assets	10.73	3.71
Amortisation on Right of Use Assets	7.53	5.42
Total	**366.66**	**358.61**

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 34 : OTHER EXPENSES

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Advertising and Publicity	37.92	85.56
Orthotrend Expense	0.17	12.13
Auditors' Remuneration	3.32	2.06
Communication	7.18	8.15
Rent, Rates and Taxes	35.36	33.42
Fees and Legal	23.00	14.60
Insurance	3.41	1.21
Stationery and Printing	12.16	15.62
Repairs and Maintenance		
Hospital Equipments	98.60	76.90
Building	3.62	6.29
Others	47.95	32.26
Travelling and Conveyance	9.49	35.53
Loss on sale of assets	9.55	1.04
Provision for Bad & Doubtful Debts	2.18	46.65
Sundry Debit Balance Written off	6.20	9.84
Bank charges	9.16	10.48
Corporate Social Responsibility	37.54	30.00
Miscellaneous Expenses	17.00	18.16
Total	**363.80**	**439.90**

34.1 Payment to Auditor

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
For Statutory Audit	1.29	1.22
For Limited Review	0.51	0.48
For Taxation Matter	0.37	0.24
For Certification	1.13	0.05
For Reimbursement of Expenses	0.03	0.07
Total	**3.32**	**2.06**

NOTE 35 : EARNING PER SHARE

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Net Profit attributable to Equity shareholders (₹)	428.81	279.72
Number of equity shares	108,009,770	108,009,770
Weighted Average number of Equity Shares	108,009,770	108,009,770
Basic & Diluted earning per Share (₹)	3.97	2.59
Face value per Share (₹)	10.00	10.00

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 36 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ In Million)

	Particulars	As at March 31, 2021	As at March 31, 2020
A	**Contingent Liabilities not provided for in respect of**		
(i)	Claim against the company not acknowledged as debt	135.08	109.80
(ii)	Income tax Demand for Assessment Years		
	2010-11	-	24.61
	2011-12	-	13.43
	2012-13	2.06	2.06
	2013-14	110.85	110.85
	2014-15	27.45	27.45
	2015-16	41.42	41.42
	2018-19	15.93	15.93
(iii)	Bank Guarantee	32.50	16.19
(iv)	Sales Tax Demand including Interest & Penalty for years (Based on expert advice received by client)		
	2009-10	52.61	52.61
	2010-11	63.13	63.13
	2011-12	74.91	74.91
	2012-13	91.90	91.90
	2013-14	101.26	101.26
(v)	Export Obligation under EPCG Scheme	30.91	30.91
B	**Capital Commitments**		
	Estimated amount of contract remaining to the executed on capital accounts	8.58	32.28

NOTE 37: EMPLOYEE BENEFITS

Note 37.1 Defined contribution plan

The Company has defined contribution plan in form of Provident Fund & Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

(₹ In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds	17.81	23.32
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	2.81	4.24

Note 37.2 Defined benefit plan

(a) Gratuity

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Notes to the Financial Statements

for the year ended March 31, 2021

(b) Defined Benefit Plan

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Gratuity

(₹ In Million)

Particulars	Valuation	
	As at March 31, 2021	As at March 31, 2020
Discount rate	6.35%	6.55%
Expected rate(s) of salary increase	6.00%	6.00%
Rate of return on plan assets	6.35%	6.55%

The following table sets out the status of the amounts recognised in the balance sheet & movements in the net defined benefit obligation as at 31st March, 2020

(₹ In Million)

	Particulars	As at March 31, 2021 Gratuity (Funded)	As at March 31, 2020 Gratuity (Funded)
	Changes in the present value of obligation		
1.	Present value of obligation (Opening)	24.05	18.66
2.	Interest cost	1.53	1.38
3.	Past service cost adjustments/Prior year Charges		
4.	Current service cost	8.10	6.42
5.	Curtailment Cost / (Gain)		
6.	Settlement Cost / (Gain)		
7.	Benefits paid	(3.10)	(1.21)
8.	Actuarial (Gain) / Loss arising from change in financial assumptions	0.47	2.04
9.	Actuarial (Gain) / Loss arising from change in demographic assumptions	0.00	(0.01)
10.	Actuarial (Gain) / Loss arising from change on account of experience changes	(3.68)	(3.21)
11.	**Present value of obligation (Closing)**	**27.37**	**24.05**
	Changes in the fair value of plan assets		
1.	Present value of plan assets (Opening)	19.83	15.00
2.	Past contribution / Adjustment to Opening Fund		
3.	Expected return on plan assets	(0.74)	(0.93)
4.	Interest Income	1.53	1.38
5.	Actuarial Gain / (Loss)		
6.	Employers Contributions	7.60	5.59
7.	Employees Contributions		
8.	Benefits paid	(3.12)	(1.21)
9.	Expense deducted from the fund		0.00
10.	Fair Value of Plan Assets (Closing)	**25.10**	**19.83**
	Percentage of each category of plan assets to total fair value of plan assets at the year end		
1.	Bank Deposits	-	-
2.	Debt Instruments	-	-
3.	Administered by Life Insurance Corporation of India	100%	100%
4.	Others	-	-

Notes to the Financial Statements

for the year ended March 31, 2021

Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
	Gratuity	Gratuity
Present Value of funded obligation at the end of the year	27.37	24.05
Fair Value of Plan Assets as at the end of the period	25.10	19.83
Amount not recognised due to asset limit		
Deficit of funded plan	2.27	4.22
Deficit of unfunded plan	-	-
- Current	2.22	4.22
- Non-Current	-	-

Amount recognized in standalone statement of profit and loss in respect of defined benefit plan are as follows:

(₹ In Million)

Expense recognised in the Statement of Profit and Loss	March 31, 2021	March 31, 2020
	Gratuity	Gratuity
Current Service Cost	8.10	6.42
Past Service Cost	-	-
Adjustment to opening fund	-	-
Net interest Cost	(0.00)	(0.01)
Net value of remeasurements on the obligation and plan assets	-	-
Adjustment to Opening Fund	-	-
(Gains)/Loss on Settlement	-	-
Total Expenses recognized in the Statement of Profit and Loss #	**8.09**	**6.41**

(₹ In Million)

Amount recorded in Other comprehensive Income (OCI)	March 31, 2021	March 31, 2020
	Gratuity	Gratuity
Re-measurements during the year due to		
Changes in financial assumptions	0.47	2.04
Changes in demographic assumptions	0.00	(0.01)
Experience adjustments	(3.68)	(3.21)
Return on plan assets excluding amounts included in interest income	0.74	0.93
Amount recognised in OCI during the year	**(2.48)**	**(0.26)**

(c) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Gratuity

Impact on defined benefit obligation

Particulars	Change in Assumption			Increase in Assumptions			Decrease in Assumptions	
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
Discount rate	0.50%	0.50%	Decrease by	4.17%	4.19%	Increase by	4.49%	4.51%
Salary growth rate	0.50%	0.50%	Increase by	4.19%	4.18%	Decrease by	4.24%	3.97%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with

Notes to the Financial Statements

for the year ended March 31, 2021

the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

(d) Major Category of Plan Asset as a % of total Plan Assets

Category of Assets (% Allocation)	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	%		(₹ In Million)	
Insurer managed funds	100.00%	100.00%	25.10	19.83
Total	**100.00%**	**100.00%**	**25.10**	**19.83**

(e) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

The gratuity fund is administered through Life Insurance Corporation of India (insurer) under its group gratuity scheme. Accordingly almost the entire plan asset investment is maintained by the insurer. These are subject to interest rate risk which is managed by the insurer.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets maintained by the insurer.

(f) Defined benefit liability and employer contribution

The Company generally eliminates the deficit in the defined benefit gratuity plan with in next one year.

Expected contribution to the post -employment benefit plan (Gratuity) for the year ending March 31, 2021 is ₹ 2.21 Million.

The weighted average duration of the defined benefit obligation is 8.67 years (2020 - 8.43 years).

The expected maturity analysis of undiscounted post -employment benefit plan (gratuity) is as follows:

Gratuity

(₹ In Million)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Cash Flow (₹)	(%)	Cash Flow (₹)	(%)
1st following year	1.74	3.30%	1.47	3.10%
2nd following year	1.95	3.70%	1.74	3.60%
3rd following year	2.15	4.00%	1.89	4.00%
4th following year	3.25	6.10%	2.05	4.30%
5th following year	2.26	4.20%	2.85	6.00%
Sum of year 6 to 10th	12.79	24.10%	11.46	23.90%

NOTE 38 SEGMENT INFORMATION

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 39:

1. Related Party Disclosures for the year ended March 31, 2021

(a) Details of Related Parties

Description of Relationship	Names of Related Parties
Subsidiary companies & LLPs	Shalby (Kenya) Limited
	Vrundavan Shalby Hospitals Limited
	Yogeshwar Healthcare Limited
	Slaney Healthcare Private Limited (w.e.f. 5th September 2020)
	Mars Medical Devices Limited (w.e.f. 3rd April 2020)
	Shalby Hospitals Mumbai Pvt Ltd (w.e.f. 10th December 2020)
	Shalby International Limited (Earlier known as Shalby Pune Limited)
	Shalby Advanced Technology Inc. (w.e.f. 23rd March 2021)
	Griffin Mediquip LLP (Earlier known as Shalby Orthopedic LLP)
Promoter Entities	Shah Family Trust
	Zodiac Mediquip Limited
Key Management Personnel (KMP)	Dr. Vikram Shah
	Mr. Prahlad Inani
	Mr. Jayesh Patel (Up to 06/03/2021)
	Mr. Tushar Shah (w.e.f. 06/03/2021)
	Dr. Nishita Shukla
Relatives of KMP	Dr. Darshini V. Shah
	Mr. Shanay V. Shah
Enterprise over which KMP / Relatives of KMP exercise significant influence through controlling interest (Other Related Party)	Uranus Medical Devices Limited
	Shalby Orthopedic Hospital and Research Centre
	Friends of Shalby Foundation
	Slaney Healthcare Private Limited (Up to 5th September 2020)

(b) Key management personnel compensation

(₹ In Million)

Particulars	2020-21	2019-20
Short-term employee benefits	13.29	12.91
Termination benefits	-	-
Total Compensation	**13.29**	**12.91**

Notes to the Financial Statements

for the year ended March 31, 2021

(c) Details of transactions with related parties for the year ended March 31, 2021 in the ordinary course of business:

(₹ In Million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	**Professional Fees**										
	Dr. Vikram Shah	-	-	-	-	-	19.39	-	-	-	19.39
	Dr. Darshini V. Shah	-	-	-	-	-	14.04	-	-	-	14.04
2	**Advance received back**	-	-	-	-	-	-	-	-		
	Yogeshwar Healthcare Limited	1.63	-	-	-	-	-	-	-	1.63	-
	Shalby International Limited	0.14	0.11	-	-	-	-	-	-	0.14	0.11
3	**Advances received back towards Reimbursement of Expenditure**	-	-	-	-	-	-	-	-		
	Vrundavan Shalby Hospitals Limited	1.35	1.24	-	-	-	-	-	-	1.35	1.24
4	**Advances given**	-	-	-	-	-	-	-	-		
	Vrundavan Shalby Hospitals Limited	0.94	0.79	-	-	-	-	-	-	0.94	0.79
	Yogeshwar Healthcare Limited	1.03	0.09	-	-	-	-	-	-	1.03	0.09
	Shalby International Limited	0.12	0.11	-	-	-	-	-	-	0.12	0.11
	Shalby Hospitals Mumbai Private Limited	0.10	-	-	-	-	-	-	-	0.10	-
	Shalby Kenya Limited	1.30	1.78	-	-	-	-	-	-	1.30	1.78
5	**Capital Introduced**	-	-	-	-	-	-	-	-		
	Griffin Mediquip LLP	-	-	-	-	-	-	-	-		
	Current Contribution	1.49	9.31	-	-	-	-	-	-	1.49	9.31
6	**Share of Profit/(Loss)**	-	-	-	-	-	-	-	-		
	Griffin Mediquip LLP	(1.31)	2.53	-	-	-	-	-	-	(1.31)	2.53
7	**Purchase of medicines, materials and consumables**	-	-	-	-	-	-	-	-		
	Griffin Mediquip LLP	199.50	451.68	-	-	-	-	-	-	199.50	451.68
8	**Rent Expenses**	-	-	-	-	-	-	-	-		
	Dr. Vikram Shah	-	-	-	-	12.88	11.38	-	-	12.88	11.38
	Shalby Orthopedic Hospital and Research Centre	-	-	-	-	-	-	0.60	0.60	0.60	0.60
	Yogeshwar Healthcare Limited	0.42	1.00	-	-	-	-	-	-	0.42	1.00
9	**Rent Income**	-	-	-	-	-	-	-	-		
	Griffin Mediquip LLP	0.06	0.08	-	-	-	-	-	-	0.06	0.08
	Slaney Healthcare Private Limited	0.32	-	-	-	-	-	0.32	0.76	0.65	0.76

Notes to the Financial Statements

for the year ended March 31, 2021

(₹ In Million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
10	**Salary**	-	-	-	-	-	-	-	-		
	Prahlad Inani	-	-	-	-	5.51	5.21	-	-	5.51	5.21
	Mr. Shanay V. Shah	-	-	-	-	4.35	5.04	-	-	4.35	5.04
	Mr. Jayesh Patel	-	-	-	-	1.75	1.94	-	-	1.75	1.94
	Mr. Tushar Shah	-	-	-	-	0.24	-	-	-	0.24	-
	Dr. Nishita Shukla	-	-	-	-	5.78	5.75	-	-	5.78	5.75
11	**Commission Expense**	-	-	-	-	-	-	-	-		
	Zodiac Mediquip Limited	-	-	0.10	0.20	-	-	-	-	0.10	0.20
12	**Guest House Expenses**	-	-	-	-	-	-	-	-		
	Zodiac Mediquip Limited	-	-	1.71	3.50	-	-	-	-	1.71	3.50
13	**Purchase return of medicines, materials and consumables**	-	-	-	-	-	-	-	-		
	Slaney Healthcare Private Limited	-	-	-	-	-	-	-	0.00	-	0.00
14	**Acquisition of Equity Shares of Slaney Healthcare Private Limited**	-	-	-	-	-	-	-	-		
	Zodiac Mediquip Limited	-	-	11.21	-	-	-	-	-	11.21	-
15	**Investment in Equity Share of**	-	-	-	-	-	-	-	-		
	Shalby Hospitals Mumbai Private Limited	0.10	-	-	-	-	-	-	-	0.10	-
	Mars Medical Devices Limited	0.50	-	-	-	-	-	-	-	0.50	-
16	**Interest on Capital**	-	-	-	-	-	-	-	-		
	Griffin Mediquip LLP	5.49	4.10	-	-	-	-	-	-	5.49	4.10

Notes to the Financial Statements

for the year ended March 31, 2021

(d) Amount due to / from related parties as at March 31, 2021

(₹ In Million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	**Trade Payable**	-	-	-	-	-	-	-	-		
	Dr. Vikram Shah	-	-	-	-	-	3.23	-	-	-	3.23
	Dr. Darshini V. Shah	-	-	-	-	-	3.91	-	-	-	3.91
	Friends of Shalby Foundation	-	-	-	-	-	-	0.01	0.01	0.01	0.01
	Griffin Mediquip LLP	123.61	162.56	-	-	-	-	-	-	123.61	162.56
	Zodiac Mediquip Limited	-	-	-	0.71	-	-	-	-	-	0.71
2	**Investment**	-	-	-	-	-	-	-	-		
	Yogeshwar Healthcare Limited	6.96	6.96	-	-	-	-	-	-	6.96	6.96
	Shalby Kenya Limited	0.06	0.06	-	-	-	-	-	-	0.06	0.06
	Vrundavan Shalby Hospitals Limited	131.92	131.92	-	-	-	-	-	-	131.92	131.92
	Shalby Hospitals Mumbai Private Limited	0.10	-	-	-	-	-	-	-	0.10	-
	Slaney Healthcare Private Limited	11.21	-	-	-	-	-	-	-	11.21	-
	Mars Medical Devices Limited	0.50	-	-	-	-	-	-	-	0.50	-
	Shalby International Limited	0.50	0.50	-	-	-	-	-	-	0.50	0.50
3	**Loans and Advances**	-	-	-	-	-	-	-	-		
	Shalby International Limited	-	0.02	-	-	-	-	-	-	-	0.02
	Shalby Kenya Limited	7.25	5.95	-	-	-	-	-	-	7.25	5.95
	Shalby Hospitals Mumbai Private Limited	0.10	-	-	-	-	-	-	-	0.10	-
	Vrundavan Shalby Hospitals Limited	96.97	97.38	-	-	-	-	-	-	96.97	97.38
4	**Rent Payable**	-	-	-	-	-	-	-	-		
	Dr. Vikram Shah	-	-	-	-	1.10	0.97	-	-	1.10	0.97
	Shalby Orthopedic Hospital and Research Centre	-	-	-	-	-	-	-	1.61	-	1.61
5	**Other Receivables**	-	-	-	-	-	-	-	-		
	Slaney Healthcare Private Limited	-	-	-	-	-	-	0.61	0.64	0.61	0.64
6	**Other Payable**	-	-	-	-	-	-	-	-		
	Vrundavan Shalby Hospitals Limited	0.78	0.78	-	-	-	-	-	-	0.78	0.78
	Yogeshwar Healthcare Limited	-	0.07	-	-	-	-	-	-	-	0.07
7	**Capital contribution**	-	-	-	-	-	-	-	-		
	Griffin Mediquip LLP	-	-	-	-	-	-	-	-		
	Fixed	0.48	0.48	-	-	-	-	-	-	0.48	0.48
	Current	47.93	42.26	-	-	-	-	-	-	47.93	42.26

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 40: CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Total equity attributable to the equity share holders of the company	8,496.49	8,137.94
As percentage of total capital	**109.65%**	**101.54%**
Current loans and borrowings	85.33	135.44
Non-current loans and borrowings	355.00	486.73
Total loans and borrowings	**440.33**	**622.17**
Cash and Bank balances including Fixed Deposit	1,188.20	745.67
Net loans & borrowings	**(747.87)**	**(123.49)**
As a percentage of total capital	-9.65%	-1.54%
Total capital (loans and borrowings and equity)	**7,748.61**	**8,014.44**

NOTE 41: FAIR VALUE MEASUREMENTS

A. Financial instruments by category

(₹ In Million)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Assets						
Investments	164.70	156.32	-	147.63	279.88	-
Trade and other receivables	861.37	-	-	914.93	-	-
Cash and cash Equivalents	60.23	-	-	84.36	-	-
Other bank balances	769.45	-	-	202.73	-	-
Other financial assets	579.61	-	-	602.39	-	-
Total Financial Assets	**2,435.37**	**156.32**	**-**	**1,952.05**	**279.88**	**-**
Financial Liabilities						
Borrowings	355.00	-	-	486.73	-	-
Trade payables	596.04	-	-	603.35	-	-
Other financial liabilities	143.12	-	-	174.65	-	-
Total Financial Liabilities	**1,094.16**	**-**	**-**	**1,264.74**	**-**	**-**

Fair value hierarchy

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes to the Financial Statements

for the year ended March 31, 2021

B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2021

(₹ In Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	155.22	-	-	155.22
- Equity Instrument	-	-	-	-
- Membership fees	-	-	1.10	1.10
Total	**155.22**	**-**	**1.10**	**156.32**

Financial assets measured at fair value at March 31, 2020

(₹ In Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	275.01	-	-	275.01
- Equity Instrument	3.77	-	-	3.77
- Membership fees	-	-	1.10	1.10
Total	**278.78**	**-**	**1.10**	**279.88**

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

(i) The use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 1

D. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short-term nature. Difference between carrying amount of Bank deposits, other financial assets , borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 42: FINANCIAL RISK MANAGEMENT

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availabilityofsurpluscash,committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with option of taking Forward Foreign exchange contracts if deemed necessary.
Price Risk	Investments in mutual funds & Equity Instrument	Credit ratings	Portfolio diversification and regular monitoring

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured; the company does not hold any collateral or a guarantee as security. The provision details of the trade receivable are provided in Note 15 of the financial statements.

Notes to the Financial Statements

for the year ended March 31, 2021

The provision matrix of ECL at the end of the reporting period is as follows.

Particulars	Expected Credit Loss %
Within 90 days due	0.98%
90 to 180 days due	1.72%
180 to 270 days	2.74%
270 to 360 days	3.87%
360 to 450 days	5.41%
450 to 540 days	6.73%
540 to 630 days	8.01%
630 to 720 days	9.11%
720 to 810 days	12.07%
810 to 900 days	18.94%
900 to 990 days	29.22%
990 to 1080 days	54.77%
(> 1080 days)	100.00%

Reconciliation of loss allowance provision

Trade receivables

Particulars	(₹ In Million)
Loss allowance as on March 31, 2020	62.25
Changes in loss allowance	1.74
Loss allowance as on March 31, 2021	**63.99**

Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The working capital position of the Company is given below:

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Cash and cash equivalents	60.23	84.36

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for the year ended March 31, 2021

Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2021

(₹ In Million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	85.33	355.00	-
Other Financial Liabilities	-	5.02	-
	85.33	**360.02**	**-**
Current financial liabilities			
Borrowings from Banks	-	-	-
Trade payables	596.04	-	-
Other Financial Liabilities	52.77	-	-
	648.81	**-**	**-**
Total financial liabilities	**734.14**	**360.02**	**-**

^ Borrowings are disclosed net of processing charges.

As at March 31, 2020

(₹ In Million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	135.44	449.04	37.70
Other Financial Liabilities	-	6.10	-
	135.44	**455.13**	**37.70**
Current financial liabilities			
Borrowings from Banks	-	-	-
Trade payables	603.35	-	-
Other Financial Liabilities	33.12	-	-
	636.47	**-**	**-**
Total financial liabilities	**771.91**	**455.13**	**37.70**

^ Borrowings are disclosed net of processing charges.

(c) Market Risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk,

Notes to the Financial Statements

for the year ended March 31, 2021

interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

(i) Currency Risk

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency (₹), primarily in respect of US$, and Euro. The Company ensures that the net exposure is kept to an acceptable level and is remain a net foreign exchange earner.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are given below:

(₹ In Million)

Financial Assets	As at March 31, 2021		As at March 31, 2020	
	Amount	Amount	Amount	Amount
Trade receivables	-	-	-	-
Total-Financial assets	-	-	-	-
Financial liabilities				
Borrowings	-	-	USD 1.08	81.58
Total financial liabilities	-	-	**USD 1.08**	**81.58**

Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2021 and March 31, 2020 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

(₹ In Million)

Particulars	Profit or Loss			
	March 31, 2021		March 31, 2020	
	Strengthening	Weakening	Strengthening	Weakening
USD (Increase/decrease by 1%)	-	-	0.82	(0.82)
Euro (Increase/decrease by 5%)	-	-	-	0.00
Total	-	-	**0.82**	**(0.82)**

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

The exposures of the Company's financial assets / liabilities at the end of the reporting period are as follows:

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings	4.20	88.24
Floating rate borrowings	436.13	533.93
Total	**440.33**	**622.17**

Notes to the Financial Statements

for the year ended March 31, 2021

INTEREST RATE RISK SENSITIVITY:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Impact on profit – increase in 50 basis points	2.18	2.67
Impact on profit – decrease in 50 basis points	(2.18)	(2.67)

(iii) Price Risk

Exposure

The Company's exposure to securities price risk arises from investments held in mutual funds & Equity Instrument classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/ decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

NOTE 43: LEASES

43.1 As Lessee

(A) Right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Right-of-use assets, except for investment property	96.86	47.35

(B) Carrying value of right of use assets at the end of the reporting period by class

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Balance at beginning of the year	47.35	-
Addition during the year	57.03	52.77
Depreciation charge for the year	7.53	5.42
Balance at closing of the year	96.86	47.35

C) Maturity analysis of lease liabilities

(₹ In Million)

Maturity analysis – Contractual undiscounted cash flows	As at March 31, 2021	As at March 31, 2020
Less than one year	15.30	7.80
One to five years	63.83	31.20
More than five years	66.96	39.25
Total undiscounted lease liabilities at 31 March 2020	**146.08**	**78.25**
Lease liabilities included in the statement of financial position at 31 March 2021	**100.94**	**49.24**
Current	8.34	4.14
Non-Current	92.59	45.10

Notes to the Financial Statements

for the year ended March 31, 2021

(D) Amounts recognised in profit or loss

(₹ In Million)

Particulars	2020-21	2019-20
Interest on lease liabilities	4.90	3.94
Variable lease payments not included in the measurement of lease liabilities	13.58	7.40
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	7.32	7.68

(E) Amounts recognised in the statement of cash flows

(₹ In Million)

Particulars	2020-21	2019-20
Total cash outflow for leases	28.69	22.88

NOTE 44: DUE TO MICRO, SMALL AND MEDIUM ENTERPRISE AND CONFIRMATIONS

(a) Due to Micro, Small and Medium Enterprise

(₹ In Million)

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

(b) Confirmations

The company has circulated letters of Balance Confirmation to Sundry Debtors, Sundry Creditors and the parties to whom loans and advances have been granted. Confirmations were received in some cases.

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 45: CORPORATE SOCIAL RESPONSIBILITY

(a) Gross amount required to spend by the company:

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Opening unspent Amount	24.41	43.50
Amount required to be spent for the year	11.09	10.90
Amount spent during the year	37.54	30.00
Closing Unspent/(Excess spent) amount	**(2.05)**	**24.41**

(b) The amount spent during the period / year on:

Particulars	In cash / cheque	Yet to be paid in cash / cheque	Total (₹)
Construction / acquisition of any assets	7.00	-	7.00
On purposes other than above	30.54	-	30.54

NOTE 46: REVENUE FROM CONTRACT WITH CUSTOMERS

The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Revenue from Sale of Products	109.48	167.60
Revenue from Sale of Services	4,076.79	4,660.50
Total Revenue	**4,186.26**	**4,828.10**

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segment wise

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Revenue from Sale of Services		
In Patient Discharge		
Domestic	3,500.49	3,821.80
Overseas	13.08	81.93
Out Patient Discharge	462.61	570.18
Clinical Trials	3.95	5.49
Orthotrend Event	2.19	21.20
Allied Services	23.29	14.11
Other operative Income	71.17	145.80
Total Revenue from Sale of services	**4,076.79**	**4,660.50**
Revenue from Sale of Products		
Revenue from Medicines & Medicare Items	109.48	167.60
Total Revenue from Contract with Customers	**4,186.26**	**4,828.10**

Notes to the Financial Statements

for the year ended March 31, 2021

Contract Asset

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Opening Balance of Contract Asset	13.32	52.84
Revenue Recognised from the opening balance of contract liability	13.32	52.84
Current year Contract asset - Carried Forward	68.57	13.32
Closing Balance of Contract Asset	**68.57**	**13.32**

Contract Liability

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Opening Balance of Contract Liability	6.40	18.38
Revenue Recognised from the opening balance of Contract Liability	6.40	18.38
Current year Contract liability - Carried Forward	35.12	6.40
Closing Balance of Contract Liability	**35.12**	**6.40**

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 4.8 of Note No. 4.

Contract Assets in the balance sheet constitutes unbilled amounts to customers representing the Company's right to consideration for the services transferred to date. Any amount previously recognised as Contract Assets is reclassified to trade receivables at the time it is invoiced to the customer.

Contract Liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the next financial year.

There were no significant changes in contract assets and contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.

Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

The Company generates revenue from knee replacement surgeries, other indoor and outdoor patient discharges, diagnostic services. clinical trials, trainings and other sales of medicines and medicare items.

The revenue from rendering Healthcare services and Pharmaceutical products satisfies 'at a point in time' recognition criteria as prescribed by IND AS 115.

Notes to the Financial Statements

for the year ended March 31, 2021

NOTE 47: UN-HEDGED FOREIGN CURRENCY EXPOSURE

The company does not enter into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The foreign currency exposure not hedged as at 31st March, 2021 are as under:

(Amount in Million)

Currency	Payable (In Foreign Currency)		Receivable (In Foreign Currency)		Payable (In Indian Rupee)		Receivable (In Indian Rupee)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	-	1.08	-	-	-	81.58	-	-

NOTE 48: STATEMENT OF MANAGEMENT

(a) The non current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.

(b) Balance Sheet, Statement of Profit and Loss, cash flow statement and change in equity read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and financial performance of the Company for the year under review.

NOTE 49:

The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year. Figures are rounded off to nearest million.

NOTE 50:

Balances of Sundry Creditors, Sundry debtors, Loans & advances, etc. are subject to confirmation and reconciliation, if any.

NOTE 51:

The Company has made detailed assessment of its liquidity position and recoverability of carrying amount of financial and non-financial assets and concluded that there is no material adjustments required in the financial results for the quarter & year ended March 31, 2021. Management believes that it has considered all the possible impact of known events arising from COVID -19 pandemic in the preparation of financial results for the quarter & year ended March 31, 2021. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

Independent Auditor's Report

To The Members of Shalby Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Auditor's Opinion

We have audited the accompanying consolidated financial statements of **Shalby Limited** (hereinafter referred to as "the Parent") and its subsidiary companies (the Parent and its subsidiaries together referred as "the Group"), comprising the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matters

a. We draw your attention to Note 18 with regard to preparation of the Ind AS financial statements of one of the Subsidiary company, i.e. Vrundavan Shalby Hospitals Limited ("Such subsidiary company")on the assumption that the Such subsidiary company is no long era going concern in view of the resolution passed by the Board of Directors of such subsidiary company on January 9, 2018 resolving to cease the business operations with immediate effect at both the hospitals located at Mapusa and Panjim since the same is financially not viable.

Our opinion is not modified in respect of the said matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our

opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.	Key Audit Matter	Auditor's Response
1	**Reasonableness of Carrying amount of Investment in 100% subsidiary company classified as "Held for Sale"** Investment in equity shares of 100% owned subsidiary company "Vrundavan Shalby Hospitals Ltd" has been classified as held for sale. The carrying value of investment in equity instruments of such subsidiary company as at March 31, 2021 amounts to ₹ 131.92 Million. Based on the property valuation report from an independent civil engineer, the management expects to realize the consideration higher than the carrying amount of investment. Management expects the process of sale to be completed within 12 months from March 31, 2021. Refer Notes 18 to the Consolidated Financial Statements.	We have performed following audit procedure in relation to managements evaluation of the asset held for sale: • Evaluating the independent professional valuer's competence, capabilities and objectivity; • Assessing the valuation methodology used by the independent professional valuer to estimate the fair value of investment classified as held for sale. • Assessing bases and assumptions w.r.t proximity of civic amenities, surface communication, area of land & building, Circle rates, year of construction of building, quality of interior, depreciated value, recent sale deals in nearby area, etc. Based on the audit procedures performed, we found that assumptions made by the management in relation to the valuation were supported by the available evidence.
2	**Evaluation of uncertain tax positions** The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 36 to the Consolidated Financial Statements.	We evaluated the related accounting policy for provisioning for tax exposures and found it to be appropriate. We have obtained details of completed tax assessments and demands upto the year ended March 31, 2021 from management. We evaluated auditee's response / opinion taken from various tax experts by auditee to challenge the underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at March 31, 2021 to evaluate whether any change was required to management's position on these uncertainties. From the evidence obtained and in the context of the financial statements, taken as a whole, we consider the provisions in relation to uncertain tax positions as at March 31, 2021 to be appropriate.
3	**Migration of ERP System** During the year, parent company has migrated its ERP system from Careworks to SRIT in majority of the units which is mainly used for Patient billing & Inventory management. The implementation of a new system has an inherent risk of loss of integrity of key data being migrated, and the breakdown in operation or monitoring of IT dependent controls within critical business processes such as purchasing. selling and recording of transaction, which could lead to financial errors or misstatements and inaccurate financial reporting. The Company's financial accounting and reporting systems are heavily dependent on the new system and there is a risk that automated accounting procedures and related IT dependent manual controls are not designed and operating effectively.	We have reviewed the information systems migration process and Information Technology General Procedures Controls (ITGC) with the assistance of IT audit specialists, our procedures included: Testing general IT controls around system access, change management and computer operations within specific applications pertinent to the financial statements by assessing appropriate policies are in place and adhered to by inspecting supporting evidence. Also assessed the operation of controls over changes or transactions being recorded in the systems and testing manual compensating controls, such as reconciliations between systems and other information sources, through re-performance or inspection. We reviewed the management's planning and processes around systems migration in order ascertain how controls in existing information systems are mapped into new information systems. We also independently tested completeness, validity and accuracy of transaction and master data migrated to new information system. Where general IT controls and compensating manual controls were inadequate or ineffective, we performed additional substantive testing, such as using extended sample sizes and performing data analysis routines over impacted accounts to test the integrity of the transactional level data that is flowing into the Company's financial statements. Our procedures did not identify any material exceptions.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its subsidiary companies which are incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

a. The accompanying Statement includes financial results / statements and other information of 7 subsidiaries whose financial results / information reflects total assets of ₹250.07 Million as at March 31, 2021, total revenues of ₹ 85.53 Million and ₹ 376.40 Million, total net Profit \ (Loss) after tax of ₹ (12.88) Million and ₹ (5.77) Million, total comprehensive income ₹ (12.90) Million and ₹ (5.79) Million for the quarter and year ended on March 31, 2021 respectively, and net cash outflows of ₹ 2.35 Million for the year ended March 31, 2021 as considered in the statement which have been audited by us.

b. We did not audit the financial results / statements and other financial information, in respect of 1 subsidiary, whose financial information reflects total assets of ₹ 0.67 Million as at March 31, 2021, and total revenues of ₹ 0.00 Million and ₹ 0.00 Million, total net Profit \ (Loss) after tax of ₹ (0.48) Million and ₹ (1.29) Million, total comprehensive income ₹ (0.48) Million and ₹ (1.29) for the quarter and year ended March 31, 2021 respectively and net cash outflows of ₹ 0.07 Million for the year ended March 31, 2021 considered in the financial statement.

These financial results / statements and other financial information have been audited / reviewed by the other auditor whose report has been furnished to us by the Management and our opinion and conclusion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's responsibilities section above.

Our opinion on the consolidated financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Company as on 31st March, 2021 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statement and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

I. The consolidated financial statements disclose impact of pending litigations on consolidated financial position of the Group.

II. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

III. There were no amounts which were required to be transferred to the investor's education and protection fund by the company and its subsidiary companies incorporated in India.

For **T R Chadha & Co LLP**
Firm's Reg. No-: 006711N \ N500028
Chartered Accountants

Brijesh Thakkar
(Partner)
Membership No - 135556
UDIN:21135556AAAAFX1354

Place: Ahmedabad
Date: May 5, 2021

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Shalby Limited of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2021, we have audited the internal financial controls with reference to financial statements of **SHALBY LIMITED** (hereinafter referred to as "Company") and its subsidiary companies (the Holding Company and its subsidiary together referred to as "the group") which are incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Company & its Subsidiary Company incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement criteria established by these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its Subsidiary company incorporated in India, internal financial controls system with reference to financial statement.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENT

A company's internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENT

Because of the inherent limitations of internal financial controls with reference to financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in the Other Matters paragraph, the Company & its subsidiary Company which is incorporated in India, has, in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2021, based on the internal control with reference to financial statement criteria established by the these entities, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **T R Chadha & Co LLP**
Firm's Reg. No-: 006711N \ N500028
Chartered Accountants

Brijesh Thakkar
(Partner)
Membership No - 135556
UDIN:21135556AAAAFX1354

Place: Ahmedabad
Date: May 5, 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ In Million)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	6	6,362.42	6,568.48
Capital work-in progress	6	39.94	30.24
Right of Use Assets	7	96.86	47.35
Goodwill		101.55	101.55
Intangible Assets	8	34.73	7.40
Intangible assets under development	8	35.25	33.69
Financial Assets			
Investments	9	1.10	1.10
Other Financial Assets	10	101.99	54.39
Income Tax Assets (Net)	11	156.26	159.83
Other non current assets	13	324.30	325.02
		7,254.40	**7,329.05**
Current assets			
Inventories	14	230.47	152.24
Financial assets			
Investments	9	155.22	278.78
Trade Receivables	15	878.30	948.55
Cash and Cash Equivalents	16	64.81	84.60
Other Bank Balances	17	770.92	202.73
Other Financial Assets	10	470.27	542.10
Other Current Assets	13	75.74	60.76
		2,645.73	**2,269.76**
Assets classified as held for sale	18	66.08	67.50
		2,711.81	**2,337.26**
Total Assets		**9,966.21**	**9,666.32**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,080.00	1,080.00
Other Equity	20	7,266.49	6,911.58
		8,346.49	7,991.58
Non-Controlling Interest		0.16	0.50
		8,346.65	**7,992.08**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	21	355.00	486.73
Other Financial Liabilities	22	5.02	6.10
Provisions	23	21.24	16.61
Deferred Tax Liabilities (Net)	12	227.85	177.90
Other Non-current Liabilities	24	192.93	154.33
		802.04	**841.67**
Current liabilities			
Financial Liabilities			
Trade Payables	25		
Total Outstanding dues to Micro Enterprise & Small Enterprise		-	-
Total Outstanding dues to Other than Micro Enterprise & Small Enterprise		575.65	601.65
Other Financial Liabilities	22	138.71	168.68
Provisions	23	5.70	7.25
Other Current liabilities	24	97.02	54.30
		817.10	**831.88**
Liabilities directly associated with assets classified as held for sale	18	0.41	0.69
		817.51	**832.57**
Total Equity and Liabilities		**9,966.21**	**9,666.32**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ In Million)

Particulars	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
INCOME			
Revenue from Operations	26	4,308.96	4,868.50
Other Income	27	90.62	173.71
Total Income		**4,399.58**	**5,042.21**
EXPENSES			
Operative Expenses	28	2,149.22	2,424.03
Purchase of Traded Goods	29	342.97	528.00
Changes in Inventories	30	4.03	1.27
Employee Benefits Expenses	31	569.57	654.96
Finance Cost	32	36.19	63.58
Depreciation and Amortization	33	367.95	360.20
Other Expenses	34	379.10	442.91
Total Expenses		**3,849.03**	**4,474.95**
Profit before exceptional items and tax		**550.55**	**567.27**
Exceptional Items		-	-
Profit Before Tax		**550.55**	**567.27**
Tax Expense	12		
Current tax		96.87	107.82
Tax Adjustment of earlier years		(17.51)	16.41
MAT Credit Entitlement		(76.72)	(71.95)
Deferred tax		124.29	239.13
Total tax expense		**126.93**	**291.41**
Profit for the year from continuing operations		**423.62**	**275.86**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans		2.45	0.26
Income tax effect on above		(0.82)	(0.09)
		1.63	**0.17**
Total comprehensive income for the year, net of tax		**425.25**	**276.03**
Profit for the year attributable to			
Shareholders of the Company		423.96	275.87
Non-Controlling Interest		(0.34)	(0.01)
		423.62	**275.86**
Other comprehensive income attributable to			
Shareholders of the Company		1.63	0.17
Non-Controlling Interest		-	-
		1.63	**0.17**
Total comprehensive income for the year attributable to			
Shareholders of the Company		425.59	276.04
Non-Controlling Interest		(0.34)	(0.01)
		425.25	**276.03**
Earning per Equity Share			
Basic & Diluted (In ₹)		3.92	2.55
Face Value (In ₹)		10.00	10.00

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

Consolidated Statement of Cash Flow Statement

for the Year ended March 31, 2021

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Cash flow from Operating Activities		
Profit/(Loss) for the year before taxation	550.55	567.27
Adjustments for		
Depreciation and amortisation	367.95	360.20
Finance cost	36.19	63.58
Interest Income	(52.30)	(51.52)
Net Gain on Mutual Fund \ Shares	(1.70)	(10.69)
Provision for Bad & Doubtful Debts	2.74	46.65
Loss/(gain) on sale of property plant & equipment (net)	15.73	1.02
Sundry balances written off	7.20	10.13
Sundry balances written back (Net)	(0.12)	(50.73)
Operating profit before working capital changes	**926.24**	**935.91**
Adjustments for		
Decrease / (Increase) in Inventories	(52.93)	(24.14)
Decrease / (Increase) in Trade receivables	83.89	(190.58)
Decrease / (Increase) in Other Non current financial assets	(2.15)	1.96
Decrease / (Increase) in Other current financial asset	(76.41)	36.04
Decrease / (Increase) in Other non current asset	0.72	(5.73)
Decrease / (Increase) in Other current assets	(10.19)	(38.46)
Increase / (Decrease) in Trade payables	(33.37)	89.53
Increase / (Decrease) in Provisions	4.76	2.35
Increase / (Decrease) in Other Non current financial liabilities	(1.08)	0.15
Increase / (Decrease) in Other current financial liabilities	14.91	(78.48)
Increase / (Decrease) in Other Non current liabilities	38.60	35.49
Increase / (Decrease) in Other current liabilities	41.49	(8.70)
Cash generated from operations	**934.48**	**755.34**
Direct taxes Refund / (Paid)	(91.00)	(201.60)
Net Cash from operating activities [A]	**843.49**	**553.74**
B. Cash flow from investing activities		
Purchase of property, plant and equipment / Intangible assets	(265.60)	(197.69)
Proceeds from Sale of Investments	280.48	2,082.81
Payment for purchase of investments	(155.22)	(2,243.15)
Acquisition of Subsidiary	(10.49)	-
Investment in Bank Deposit	(468.14)	(0.17)
Interest received	49.27	51.52
Net Cash from / (used in) investing activities [B]	**(569.70)**	**(306.68)**

Consolidated Statement of Cash Flow Statement

for the Year ended March 31, 2021

(₹ In Million)

Particulars		As at March 31, 2021	As at March 31, 2020
C. Cash flow from financing activities			
Repayment of Borrowing- non current		(201.83)	(93.27)
Proceeds from borrowing		-	7.20
Interest paid		(37.74)	(63.82)
Dividend Paid (Including Dividend Distribution Tax)		(54.00)	(65.10)
Net cash flow from financial activities	**[C]**	**(293.57)**	**(214.99)**
Net Increase/(Decrease) in cash & cash equivalents	**[A+B+C]**	**(19.78)**	**32.08**
Opening balance of Cash and cash equivalents		84.63	52.56
Closing balance of Cash and cash equivalents		**64.85**	**84.63**
Components of Cash and cash equivalent (Refer Note no:-16)			
Balances with scheduled banks		55.06	79.69
Cash in hand		9.75	4.91
Cash and cash equivalents classified as held for sale		0.04	0.03
		64.85	**84.63**

Explanatory Notes to Cash Flow Statement

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.

2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

3 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

4 Reconciliation of borrowings as disclosed in financing activities

Particulars	April 1, 2020	Proceeds	Repayments	Exchange difference	March 31,2021
Borrowings	622.17	-	181.83	-	440.34

Particulars	April 1, 2019	Proceeds	Repayments	Exchange difference	March 31,2020
Borrowings	708.24	7.20	96.26	(2.99)	622.17

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

Consolidated Statement of changes in Equity

for the Year ended March 31, 2021

A. EQUITY SHARE CAPITAL

(₹ In Million)

As at April 1, 2019	**1,080.10**
Changes during the year 2019 - 2020	-
As at March 31, 2020	**1,080.10**
Changes during the year 2020 - 2021	-
As at March 31, 2021	**1,080.10**

B. OTHER EQUITY

(₹ In Million)

Particulars	Reserves and Surplus					Equity attributable to the shareholders of Company	Non-Controlling Interest	Total Equity
	Securities Premium	Capital Redemption Reserve	Retained Earnings	Capital Reserve on Consolidation	Other comprehensive Income			
Balance as at April 1, 2019	**4,490.08**	**5.33**	**2,212.03**	**9.18**	**1.15**	**6,717.77**	**0.51**	**6,718.28**
Profit for the year	-	-	275.87	-	-	275.87	(0.01)	275.86
Share Issue Expenses	(17.13)		-	-	-	(17.13)		(17.13)
Dividend paid (including dividend distribution tax)			(65.10)	-		(65.10)		(65.10)
Other comprehensive income for the year	-	-		-	0.17	0.17	-	0.17
Balance as at March 31, 2020	**4,472.95**	**5.33**	**2,422.80**	**9.18**	**1.32**	**6,911.58**	**0.50**	**6,912.08**
Profit for the year	-	-	423.97	-	-	423.97	(0.34)	423.63
Share Issue Expenses	(17.90)	-	-	-	-	(17.90)	-	(17.90)
Dividend paid (including dividend distribution tax)	-	-	(54.00)	-	-	(54.00)	-	(54.00)
Other comprehensive income for the year	-	-		-	1.63	1.63	-	1.63
Addition during the year	-	-	-	1.21	-	1.21	-	1.21
Balance as at March 31, 2021	**4,455.05**	**5.33**	**2,792.77**	**10.39**	**2.95**	**7,266.49**	**0.16**	**7,266.65**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 1: CORPORATE INFORMATION

Shalby Limited (the Parent Company) is a company engaged in healthcare delivery space and listed with bourses in India. The registered office of the Company is located at Opposite Karnavati Club, Sarkhej Gandhinagar Highway, Near Prahladnagar Garden, Ahmedabad – 380 015. The company operates as a chain of multi-specialty hospitals across India. The business of the company is to offer tertiary and quaternary healthcare services to patients in various areas of specialization such as orthopedics, complex joint replacements, cardiology, neurology, oncology, renal transplantations etc.

Following subsidiary entities have been considered in the preparations of the consolidated financial statements.

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
Shalby Kenya Limited	Kenya	100.00%
Shalby International Limited	India	100.00%
Vrundavan Shalby Hospitals Limited	India	100.00%
Yogeshwar Healthcare Limited	India	94.68%
Griffin Mediquip LLP	India	95.00%
Slaney Healthcare Private Limited	India	100%
Shalby Hospital Mumbai Private Limited	India	100%
Mars Medical Devices Limited	India	100%
Shalby Advanced Technologies, Inc.	USA	100%

The Consolidated Ind AS financial statements for the year ended March 31, 2021 were authorized for issue in accordance with resolution passed by the Board of Directors of the company on May 05, 2021.

NOTE 2: BASIS OF PREPARATION & COMPLIANCE WITH IND AS

These consolidated financial statements of the Parent Company as at and for the year ended March 31, 2021 has been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ('Act') and the Companies (Indian Accounting Standards) Rules issue from time to time and other relevant provisions of the Companies Act, 2013 (collectively called as Ind AS).

2.1 Basis of Measurement

The Consolidated Ind AS financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through Other Comprehensive Income are measured at Fair Value.

b) The defined benefit asset/liability is recognized as the present value of defined benefit obligation less fair value of plan assets.

c) Assets held for sale measured at fair value less cost to sales

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Parent Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

2.2 Functional and Presentation Currency

Items included in the consolidated financial statements of the Parent Company are measured using the currency of the primary economic environment in which the Parent Company operates ("the functional currency"). Indian Rupee is the functional currency of the Parent Company.

The consolidated financial statements are presented in Indian Rupees (₹) which is the Parent company's presentation currency, and all values are rounded to the nearest million, except when otherwise stated.

2.3 Current and non-Current classification:

The Parent Company presents assets and liabilities in the Balance Sheet based on current / non-current classification.

An asset is classified as current if it satisfies any of the following criteria:

a) It is expected to be realized or intended to be sold or consumed in the Company's normal operating cycle,

b) It is held primarily for the purpose of trading,

c) It is expected to be realized within twelve months after the reporting period, or

d) It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if it satisfies any of the following criteria:

a) it is expected to be settled in the Company's normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Parent Company classifies all other liabilities as non-current. Current liabilities include current portion of non-current financial liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Parent Company has identified twelve months as its operating cycle.

NOTE 3: CONSOLIDATION OF FINANCIAL STATEMENTS

3.1: Principle of Consolidation

a) The consolidated financial statements relate to Shalby Limited and its subsidiary entities. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.

b) The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transaction between group companies are eliminated. Ind AS -12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

c) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on 31st March.

d) Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

e) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Parent Company.

f) Consolidated financial statements includes Limited Liability partnership in which Shalby Limited holds pertinent interest are also consolidated with same effects and treatments as given to the corporate subsidiaries in compliance with Indian Accounting Standard 110.

3.2: Consolidation Procedure

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

(a) Derecognises the assets (including goodwill) and liabilities of the subsidiary;

(b) Derecognises the carrying amount of any non-controlling interests;

(c) Derecognises the cumulative translation differences recorded in equity;

(d) Recognises the fair value of any investment retained;

(e) Recognises any surplus or deficit in profit or loss, and

(f) Reclassifies the parent's share of components, previously recognized in OCI, to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e) The notes and the significant accounting policies to the consolidated financial statements are intended to serve as a guide for better understanding of the group's position. In this respect, the company has disclosed such notes and policies, which represent the needed disclosures.

f) In case of foreign subsidiaries, revenue and expenses items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve through Other Comprehensive Income.

NOTE 4: CRITICAL AND SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of standalone financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

In the process of applying the Group's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements.

4.1 Impairment of investments in subsidiaries

The Management reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

4.2 Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

4.3 Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4.4 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

4.5 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

4.6 Allowance for uncollectible trade receivables

Trade receivables, predominantly from Government schemes/insurance companies and corporates which enjoy high credit ratings are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off when management deems it not to be collectible.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix considering the nature of receivables and the risk characteristics. The provision matrix takes into accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates as given in the provision matrix.

4.7 Impairment of Property, Plant & Equipment

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss which is material in nature is accounted for.

4.8 Litigations

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 5: SIGNIFICANT ACCOUNTING POLICIES

5.1 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group committed to purchase or sell the asset.

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and where contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the Group classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

(iii) Fair Value through Profit or Loss (FVTPL):

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

(b) Financial Liabilities

Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) Financial liabilities at Amortized Cost:

The Group is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

(ii) Financial liabilities at Fair Value through Profit or Loss:

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Group has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

(d) Reclassification of Financial Assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Group's Operations. A Change in business occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

5.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

5.3 Property, Plant and Equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Properties in the course of construction for supply of services or administrative purpose are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable cost and for qualifying assets, borrowing cost capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of Property Plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/ sold during a period is proportionately charged for the period of use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. Leasehold land with lease term of 99 years or more and renewable with mutual consent are considered as finance

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

leases with perpetual lease term and the same are not amortised with effect from 1st April, 2016.

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Life
Buildings*	30 years and 60 years
Plant and Machinery	15 years
Medical Equipment	13 years and 15 years
Electrical Installations	10 years
Furniture and fixtures	10 years
Office equipment	5 years
Vehicles	8 years and 10 years
Servers and Computers	3 years and 6 years

(*) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which the management expects to use these assets. Hence, the useful life for this asset is different from useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

In case of oversea subsidiary company i.e. Shalby Kenya Limited Depreciation is calculated using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life using the following rates.

Office Equipment	: 12.50%
Furniture and Fittings	: 12.50%
Computer	: 30.00%

However, the carrying values of fixed assets of aforesaid subsidiary and depreciation thereon being non-significant, the depreciation is not recomputed to fall in line with the method of Depreciation adopted by the Parent Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised net within "other income / other expenses" in the Statement of profit and loss.

5.4 Intangible assets

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Goodwill generated on business combination is tested for impairment.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is de-recognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Type of Asset	Useful Life
Computer software and data processing software	3 years

5.5 Inventories

Inventories of all medicines, medicare items traded and dealt with by the Group are measured at the lower of weighted average cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business.

Notes forming part of Consolidated Financial Statements

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Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location, after adjusting for GST wherever applicable.

Materials and consumables and general stores are charged to the Statement of Profit and Loss as and when they are procured and stock of such items at the end of the year is valued at cost.

5.6 Impairment

(a) Financial assets (other than at fair value)

The Group assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured though a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(b) Non-financial assets

Tangible and Intangible assets

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to it's recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

5.7 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

5.8 Revenue Recognition

(a) Rendering of Services

Healthcare Services

Revenue primarily comprises fees charged for inpatient and outpatient hospital services. Services include charges for accommodation, medical professional services, equipment, radiology, laboratory and pharmaceutical goods used in treatments given to Patients. Revenue is recorded and recognised during the period in which the hospital service is provided, based upon the amounts due from patients and/or

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for the year ended March 31, 2021

medical funding entities. Unbilled revenue is recorded for the service where the patients are not discharged and invoice is not raised for the service.

Other Services

Income from Clinical trials on behalf of Pharmaceutical Companies is recognized on completion of the service, based on the terms and conditions specified to each contract.

Other services fee is recognized on basis of the services rendered and as per the terms of the agreement.

(b) Sale of Goods

Pharmacy Sales are recognised when the significant risks and rewards of ownership is transferred to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for rebates granted upon purchase and are stated net of returns and discounts wherever applicable. Sales are adjusted for Value Added Tax/GST wherever applicable.

(c) Dividend and Interest Income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

5.9 Leases

Company as a lessee

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. The higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and finance cost portion of lease payments have been classified as financing cash flows.

Company as a lessor

At the inception of the lease, the group classifies each of its leases as either an operating lease or a finance lease. The group recognizes lease payments received under operating leases as income over the lease term on a straight-line basis.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

5.10 Foreign Currency Translation

The functional currency of the Group is the Indian Rupee (₹)

Exchange differences on monetary items are recognised in the Consolidated Statement of profit and loss in the period in which they arise except for:

(i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

(ii) exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Group for the period immediately before the beginning of the first Ind AS financial reporting period (prior to April 1, 2016), as per the previous GAAP, pursuant to the Group's choice of availing the exemption as permitted by Ind AS 101.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

5.11 Borrowing Costs

Borrowing costs include

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

5.12 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in statement of profit and loss in the period in which they become receivable.

5.13 Employee benefits

(a) Short-term obligations

Liabilities for salaries, including other monetary and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Post-employment obligations

The Parent Company operates the following post-employment schemes: a) defined contribution plans - provident fund b) defined benefit plans - gratuity plans

(i) Defined contribution plans

The Parent Company has defined contribution plan for the post-employment benefits namely Provident Fund, Employees Death Linked Insurance and Employee State Insurance and the

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

contributions towards such funds and schemes are recognised as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Company does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

(ii) Defined benefit plans

The Parent Company has defined benefit plan, namely gratuity for eligible employees in accordance with the Payment of Gratuity Act, 1972 the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit method) at the end of each year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the tenor of the related obligation. The liability or asset recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'.

Remeasurements of the net defined liability, comprising of actuarial gains and losses, return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and any change in the effect of asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

(c) Compensated Absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

5.14 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

No Deferred tax asset is recognized for goodwill arising on business combination.

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5.15 Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the:

(a) fair values of the assets transferred;

(b) liabilities incurred to the former owners of the acquired business;

(c) equity interests issued by the Company; and

(d) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

5.16 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

5.17 Earnings per share

The Parent Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

5.18 Fair Value Measurement

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or a liability acting in their best economic interest. The Parent Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

5.19 Cash and cash equivalent

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

5.20 Segment Reporting

Identification of segments: Segments are identified in line with Ind AS - 108 "Operating Segments", taking into consideration the internal organization and management structure as well as the differential risk and returns of the segment.

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

Segment Policies: The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

5.21 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 6 : PROPERTY, PLANT AND EQUIPMENT

Note 6.1 : As at March 31, 2021

(₹ In Million)

Particulars	Gross Block				Accumulated Depreciation and Impairment				Net carrying Amount
	As at April 1, 2020	Additions	Deductions / Others (*)	As at March 31, 2021	As at April 1, 2020	For the year	Deductions / Others (*)	As at March 31, 2021	As at March 31, 2021
Owned Assets									
Free hold land	399.29	-	-	399.29	-	-	-	-	399.29
Buildings	2,893.23	24.44	-	2,917.67	221.02	69.23	-	290.25	2,627.42
Medical Equipments and Surgical Instruments	2,166.11	104.99	(26.13)	2,244.97	467.67	156.13	(14.66)	609.14	1,635.83
Plant & Machinery	485.10	4.68	(7.27)	482.51	95.08	32.44	(1.96)	125.56	356.95
Electrical Installation	203.32	3.89	-	207.21	49.65	19.46	-	69.11	138.10
Office Equipments	75.91	6.90	(0.26)	82.55	43.44	10.86	(0.17)	54.13	28.42
Computers and Printers	60.45	10.58	(0.79)	70.24	39.20	7.27	(0.75)	45.73	24.51
Furniture and Fixtures	420.95	3.91	(0.53)	424.33	97.32	40.22	(0.46)	137.08	287.25
Vehicles	80.36	2.07	(0.92)	81.51	28.94	9.79	(0.88)	37.85	43.66
Leasehold Assets									
Land	864.44	0.11	-	864.55	38.36	5.20	-	43.56	820.99
Total	**7,649.16**	**161.57**	**(35.90)**	**7,774.83**	**1,080.68**	**350.61**	**(18.88)**	**1,412.41**	**6,362.42**
CWIP									**39.94**

Note 6.2 : As at March 31, 2020

(₹ In Million)

Particulars	Gross Block				Accumulated Depreciation and Impairment				Net carrying Amount
	As at April 1, 2019	Additions	Deductions / Others (*)	As at March 31, 2020	As at April 1, 2019	For the year	Deductions / Others (*)	As at March 31, 2020	As at March 31, 2020
Owned Assets									
Free hold land	399.29	-	-	399.29	-	-	-	-	399.29
Buildings	2,903.09	2.90	(12.76)	2,893.23	151.75	69.27	-	221.02	2,672.21
Medical Equipments and Surgical Instruments	2,110.87	60.02	(4.78)	2,166.11	318.32	152.95	(3.60)	467.67	1,698.44
Plant & Machinery	480.83	4.58	(0.31)	485.10	62.72	32.47	(0.11)	95.08	390.02
Electrical Installation	202.30	1.12	(0.10)	203.32	30.52	19.22	(0.09)	49.65	153.67
Office Equipments	74.81	1.59	(0.49)	75.91	31.43	12.48	(0.47)	43.44	32.47
Computers and Printers	45.47	14.98	-	60.45	30.07	9.13	-	39.20	21.25
Furniture and Fixtures	418.95	2.05	(0.05)	420.95	57.15	40.22	(0.05)	97.32	323.63
Vehicles	73.76	9.04	(2.44)	80.36	21.56	9.65	(2.27)	28.94	51.42
Leasehold Assets									
Land	840.61	23.83	-	864.44	32.69	5.67	-	38.36	826.08
Total	**7,549.98**	**120.11**	**(20.93)**	**7,649.16**	**736.21**	**351.06**	**(6.59)**	**1,080.68**	**6,568.48**
CWIP									**30.24**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 7 : RIGHT OF USE ASSETS

Note 7.1 : As at March 31, 2021

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Adjustments / Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Adjustments / Deletions	As at March 31, 2021	As at March 31, 2021
Building	52.77	57.03	-	109.80	5.42	7.53	-	12.94	96.86
Total	**52.77**	**57.03**	**-**	**109.80**	**5.42**	**7.53**	**-**	**12.94**	**96.86**

Note 7.2 : As at March 31, 2020

(₹ In Million)

Particulars	Gross carrying amount				Accumulated Depreciation				Net carrying amount
	As at April 1, 2019	Additions*	Adjustments / Deletions	As at March 31, 2020	As at April 1, 2019	For the year	Adjustments / Deletions	As at March 31, 2020	As at March 31, 2020
Building	-	52.77	-	52.77	-	5.42	-	5.42	47.35
Total	**-**	**52.77**	**-**	**52.77**	**-**	**5.42**	**-**	**5.42**	**47.35**

*Transitional impact on adoption of Ind AS 116 (Refer Note:-.43)

NOTE 8 : OTHER INTANGIBLE ASSETS

Note 8.1 : As at March 31, 2021

(₹ In Million)

Particulars	Gross Block				Accumulated Depreciation				Net carrying amount
	As at April 1, 2020	Additions	Adjustments / Deletions(*)	As at March 31, 2021	As at April 1, 2020	For the year	Adjustments / Deletions	As at March 31, 2021	As at March 31, 2021
Owned Assets									
Softwares	17.31	38.06	-	55.37	9.91	10.73	-	20.64	34.73
Trademark	0.06	-	-	0.06	0.06	-	-	0.06	-
	17.37	**38.06**	**-**	**55.43**	**9.97**	**10.73**	**-**	**20.70**	**34.73**
Intangible assets under development									35.25

Note 8.2 : As at March 31, 2020

(₹ In Million)

Particulars	Gross Block				Accumulated Depreciation				Net carrying amount
	As at April 1, 2019	Additions	Adjustments / Deletions(*)	As at March 31, 2020	Upto March 31, 2019	For the year	Adjustments / Deletions	Upto March 31, 2020	As at March 31, 2020
Owned Assets									
Softwares	9.62	7.69	-	17.31	6.21	3.70	-	9.91	7.40
Trademark	0.06	-	-	0.06	0.04	0.02	-	0.06	-
	9.68	**7.69**	**-**	**17.37**	**6.25**	**3.72**	**-**	**9.97**	**7.40**
Intangible assets under development									**33.69**

Note 8.3:- Intangible Assets under Development Includes

i) ₹ 35.25 Million (PY ₹ 33.69 Million) on account of ongoing implementation of SAP software.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 9 : INVESTMENTS

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non current		
Financial instruments at FVTPL		
Investment in Club Membership at FVTPL	1.10	1.10
Total (A)	**1.10**	**1.10**
Current		
Investment In Mutual fund (Quoted) at FVTPL		
Nil (31st March, 2020 : 64,54,554) Units of Franklin India Savings Plus Fund Retail Option-Direct	-	244.71
Nil (31st March, 2020 : 30,204) Units of PGIM India Insta Cash Fund -Direct Plan-Growth	-	30.30
7,424 (31st March, 2020 : Nil) Units of HDFC Liquid Direct Plan-Growth	30.04	-
38,858 (31st March, 2020 : Nil) Units of SBI Liquid Fund-Direct	125.18	-
Investment in Equity instrument (Quoted) at FVTPL		
Nil (31st March, 2020 : 6,100) Equity Shares of ₹ 10 each of SBI Cards and Payment Services Limited	-	3.77
Total (B)	**155.22**	**278.78**
Total (A) + (B)	**156.32**	**279.88**
Aggregate book value of Quoted Investments	155.22	278.78
Aggregate market value of Quoted Investments	155.22	278.78
Aggregate carrying value of Unquoted Investments	1.10	1.10

NOTE 10 : OTHER FINANCIAL ASSETS

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- current		
Security deposits	25.92	20.72
Fixed Deposit with Maturity of more than 12 months (*)	56.16	4.18
Interest accrued but not due on fixed deposit	1.00	0.33
Other Recoverables	9.72	9.72
Notice period recovery receivable (Doctors)	9.19	19.44
Total (A)	**101.99**	**54.39**
Current		
Government Grant Receivable	92.09	69.50
Fixed Deposit with Maturity of less than 12 months*	302.36	454.39
Interest accrued but not due on fixed deposit	7.25	4.89
Unbilled revenue (Net)	68.57	13.32
Total (B)	**470.27**	**542.10**
Total (A) + (B)	**572.26**	**596.49**

**The above fixed deposits is under lien with Bank against Bank Guarantee & Borrowings.*

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 11 : INCOME TAX ASSETS (NET)

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Advance tax	854.63	762.25
Less: Provision for taxation	698.37	602.42
Total	**156.26**	**159.83**

NOTE 12 : DEFERRED TAX

Deferred tax liabilities (Net)

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Opening balance	(177.90)	20.30
Adjustment for the current year		
(Charged)/Credited through P/L / OCI	(32.05)	(181.07)
	(209.95)	**(160.77)**
DTA related to Share Issue Expenses		
	(17.90)	(17.13)
	(227.85)	**(177.90)**

Significant components of deferred tax assets are shown in the following table:

(₹ In Million)

Particulars	As at March 31, 2021	(Charged)/ Credited to profit or loss / OCI	As at March 31, 2020	(Charged)/ Credited to profit or loss / OCI
Deferred tax liabilities				
Routed through profit or loss				
Difference of book depreciation and tax depreciation	1,343.87	(68.52)	1,412.39	(72.15)
Total deferred tax liabilities	**1,343.87**	**(68.52)**	**1,412.39**	**(72.15)**
Set-off of deferred tax assets pursuant to set-off provisions :-				
Routed through P/L				
Provision for leave obligation and gratuity	8.50	(0.58)	9.08	1.46
Unabsorbed business loss and depreciation	432.06	(194.13)	626.19	(334.71)
MAT Credit entitlement				
Re-measurement of defined benefit plan		-		0.39
ECL	21.36	0.58	20.78	20.78
Total deferred tax assets	**461.92**	**(194.13)**	**656.05**	**(312.07)**
	(881.95)	**(125.61)**	**(756.34)**	**(239.92)**
DTA related to Share Issue Expenses	16.37	-	34.27	-
MAT Credit entitlement	637.72	93.55	544.17	58.86
Net deferred tax assets / (liability)	**(227.85)**	**(32.05)**	**(177.90)**	**(181.06)**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

Note 12.2: The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

(₹ In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before taxes from continuing operations	550.55	567.27
	17.47%	17.47%
Current tax expense calculated using MAT tax rate at 17.472% (Previous year - 17.472%)	96.19	99.11
Tax effect of amounts which are not deductible / (taxable) in calculating taxable book profit:		
Add: Tax impact on		
Expenses not allowable under MAT	2.07	10.04
1/5 the of opening Ind AS adjustments transferred to retained earnings	(1.82)	(1.82)
Other comprehensive income/(expense)	0.43	0.05
Less:		
Tax exempt income	-	0.44
Income Tax as per normal provisions	**96.87**	**107.82**

Note 12.3 : Income tax expense has been allocated as follows:

(₹ In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income tax expense recognised in the Statement of Profit and loss		
Current tax on profits for the year	96.87	107.82
Current tax expense of earlier year (Net of MAT Impact)	(1.17)	2.62
	95.70	**110.44**
Deferred tax (other than disclosed under OCI)		
Decrease / (increase) in deferred tax assets	100.57	253.21
(Decrease) / increase in deferred tax liabilities	(68.52)	(72.15)
Deferred Tax recognised in OCI	(0.83)	(0.09)
	31.23	**180.97**
Income tax expense / (income) attributable to continuing operations	**126.93**	**291.41**
Income tax expense recognised in other comprehensive income		
Income tax included in other comprehensive income on:		
Defined benefit plan actuarial gains/(losses)	(0.82)	(0.09)
Income tax expense / (income) recognised in other comprehensive income	**(0.82)**	**(0.09)**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 13 : OTHER NON-CURRENT / CURRENT ASSETS

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non - Current		
Capital advances *	299.27	301.66
Taxes Paid under protest	23.86	23.36
Balance with Government Authorities	1.17	-
	324.30	**325.02**
Current		
Balance with excise, customs and other authorities	0.62	0.05
Pre-paid expenses	7.25	7.63
Advance to suppliers, staff & doctors	42.63	29.94
Payment under Protest**	20.98	20.98
Others	4.26	2.16
	75.74	**60.76**
Total	**400.04**	**385.78**

* Out of Total Capital Advances of ₹ 299.27 Million, ₹ 287.15 Million (PY ₹ 287.15 Million) has been given to The Santacruz Residential Association against acquisition of Hospital at Mumbai which is a part of Capital Work in Progress.

**Out of Other current assets of ₹ 25.24 Million, ₹ 20.98 Million (₹ 20.98 Million) has been deposited as per order of Gujarat High court wrt. Litigation going on with Dr. Sunil Thanvi, which is a part of contingent liability as mentioned in note no 36.

NOTE 14 : INVENTORIES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Medicines and Medicare Items	48.20	23.91
Materials and Consumables	171.28	111.24
General Stores	7.82	7.43
Stock in transit	3.17	9.66
Total	**230.47**	**152.24**

NOTE 15 : TRADE RECEIVABLES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered good	938.51	1,007.01
Considered doubtful	7.49	3.79
Total	**946.00**	**1,010.80**
Less: Allowance for expected credit loss / Provision for excepted credit losses and doubtful debts (Refer Note:-42)	(67.70)	(62.25)
Total	**878.30**	**948.55**
Included in the consolidated financial statements as follows:		
Non-current	-	-
Current	878.30	948.55
Total	**878.30**	**948.55**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 16 : CASH AND CASH EQUIVALENTS

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with Bank		
In Current accounts	45.23	41.31
Unclaimed Dividend account*	0.12	0.05
Overdraft accounts	9.71	38.33
Cash on hand	9.75	4.91
Total	**64.81**	**84.60**

*If the dividend has not been claimed within 30 days from the date of its declaration, the Company is required to transfer the total amount of the dividend which remains unpaid or unclaimed, to a special account to be opened by the Company in a scheduled bank to be called "Unpaid Dividend Account". The unclaimed dividend lying in such account is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government after a period of seven years from the date of declaration.

NOTE 17 : OTHER BANK BALANCES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits with Original Maturity for more than 3 months but less than 12 months (*)	770.92	202.73

*The above fixed deposits is under lien with Bank against Bank Guarantee & Borrowings.

NOTE 18 : ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

Note 18.1 : Assets classified as held for sale

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Current assets		
Cash and cash equivalents	0.04	0.03
Other Bank Balances	0.15	0.14
Trade receivable		
Considered Doubtful	17.44	17.45
Less: Allowance for expected credit loss / Provision for excepted credit losses and doubtful debts	(17.44)	(17.45)
	-	-
Other Financial Assets	0.03	0.03
Balances with Government authorities	0.23	-
Current tax assets (Net)	-	-
Other Current Assets	65.63	67.29
	66.08	**67.50**
Total	**66.08**	**67.50**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

Note 18.2 : Liabilities directly associated with assets classified as held for sale

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Liabilities		
Trade Payables	0.39	0.45
Advance from Customers	-	0.20
Other Current Liabilities	0.02	0.04
Total	**0.41**	**0.69**
Net Carrying Value	**65.67**	**66.81**

Note:

1 Pursuant to settlement referred above note 18.2, the Such subsidiary company, in an attempt to resume the operations at hospitals, could not find it financial viable and therefore the Board of Directors of the company, vide circular resolution deemed to be passed on 09th January, 2018, consented to cease the entire operations with immediate effect. Consequent to such resolution, the Ind AS financial statements of the company for the current financial year have been prepared on assumption that the such subsidiary company henceforth is non-going concern.

Further, The Board of Directors of the Parent company in its meeting held on 09th January, 2018 had decided to sale its Investment of such subsidiary company. Therefore, assets and liabilities of such subsidiary company has been classified as assets held for sale. The Net carrying value of assets and liabilities of such subsidiary company as at March 31, 2021 amounts to ₹ 65.67 million. Based on the circle rates prevailing currently, the management expects to realise the consideration higher than the Investment of such subsidiary company. Management expects the process of sale to be completed within 12 months from 31st March, 2021.

NOTE 19 : EQUITY SHARE CAPITAL

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
117,750,000 (March 31, 2020: 117,750,000) Equity Shares of ₹10/ each	1,177.50	1,177.50
	1,177.50	**1,177.50**
Issued share capital		
108,009,770 (March 31, 2020: 108,009,770) Equity Shares of ₹10/ each	1,080.00	1,080.00
Subscribed and fully paid up		
108,009,770 (March 31, 2020: 108,009,770) Equity Shares of ₹10/ each fully paid up	**1,080.00**	**1,080.00**

19.1 Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

(In nos.)

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	108,009,770	108, 009,770
Add:		
Shares issued for Cash or Right Issue	-	-
	108,009,770	**108,009,770**
Less:		
Shares bought back / Redemption	-	-
At the end of the year	**108,009,770**	**108,009,770**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

19.2 Rights, Preferences and Restrictions

The Authorised Share Capital of the Company consists of Equity Shares having nominal value of ₹ 10/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:

(i) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;

(ii) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

19.3 Details of shareholders holding more than 5% Shares in the company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Shah Family Trust	43,327,132	40.11	43,327,132	40.11
Dr. Vikram I. Shah	7,735,493	7.16	7,735,493	7.16
Zodiac Mediquip Limited	31,545,448	29.21	31,545,448	29.21

NOTE 20 : OTHER EQUITY

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium	4,455.05	4,472.95
Capital Redemption Reserve	5.33	5.33
Retained Earnings	2,795.72	2,424.13
Capital Reserve on Consolidation	10.39	9.18
Total	**7,266.49**	**6,911.59**

Note 20.1 : Reconciliation of Other Equity

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium		
Balance as per previous financial statements	4,472.95	4,490.08
Add : Additions during the year	-	-
Less: Share Issue Expenses (Net of Taxes)	17.90	17.13
Balance at the end of the year	**4,455.05**	**4,472.95**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Redemption Reserve		
Balance as per previous financial statements	5.33	5.33
Add : Additions during the year *(Refer Note Below)*	-	-
Balance at the end of the year	**5.33**	**5.33**
Retained Earnings		
Balance as per previous financial statements	2,424.13	2,213.19
Add : Profit for the year	423.97	275.87
Add / (Less): OCI for the year	1.63	0.17
Less : Dividend on equity share	(54.00)	(54.00)
Less : Dividend distribution tax	-	(11.10)
Balance available for appropriation	**2,795.73**	**2,424.13**
Less: Appropriation		
Transfer to Capital Redemption Reserve *(Refer Note Below)*	-	-
	2,795.73	**2,424.13**
Capital Reserve on Consolidation	**10.39**	**9.18**
Total	**7,266.50**	**6,911.59**

Nature and Purpose of other reserves

Securities Premium: The amount received in excess of face value of the equity shares is recognised in Share Premium Reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

Capital Redemption Reserve: In terms of provisions contained in Section 55 of the Companies Act 2013, the Company has, upon redemption of Preference Shares pursuant to resolution passed at the meeting held on 20th December 2016, transferred the amount equivalent to the face value of Preference Shares from the accumulated profits to Capital Redemption Reserve. This fund can be utilized only for issuing fully paid bonus shares. No dividends can be distributed out of this fund.

Retained Earnings: Retained Earnings represents surplus/accumulated earnings of the Corporation and are available for distribution to shareholders.

Other comprehensive income (OCI): OCI comprises items of income and expenses (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by Indian Accounting Standards. The components of OCI include: re-measurements of defined benefit plans, gains and losses arising from translating the financial statements of a foreign operation etc.

Capital Reserve on Consolidation: This is not available for distribution of dividend.

Distributions Proposed

(₹ In Million)

Particulars	2020-21	2019-20
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2021: ₹ 1 per share (31 March 2020: ₹ 0.50 per share)	108.01	54.00
Total Proposed Dividend	**108.01**	**54.00**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 21 : BORROWINGS

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Secured		
Term loans from bank		
HDFC Bank Limited		
In Foreign Currency	-	34.96
In Indian Currency	219.26	303.78
IDFC Bank	134.00	143.79
Vehicle loans		
Daimler Financial services India Private Limited	1.74	4.20
Total	**355.00**	**486.73**
Current maturities of long term debts		
Secured		
Term loans from bank		
HDFC Bank Limited		
In Foreign Currency	-	46.62
In Indian Currency	73.09	46.63
IDFC	9.79	39.73
Vehicle loans		
HDFC Bank Limited	-	-
Daimler Financial services India Private Limited	2.46	2.46
Total	**85.34**	**135.44**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

21 Principal Terms and Conditions of borrowings as at March 31,2021

(a) Secured

(i) Term loans

(₹ In Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31,2021	Amount Outstanding as at March 31,2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	HDFC Bank Limited	Jabalpur, S.G. Highway	-	103.11	-	Loans are repayable in 20 equal quarterly installments commencing from February, 2017.	Within 30 days of interest reset date, the Company has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by the borrower from fresh equity or internal accruals, no prepayment penalty shall be payable. Should the Company choose to exercise the prepayment option, the lender(s) must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility. Penalty: Default interest of 2% p.a. over and above the applicable Interest Rate till such time such default / noncompliance is cured to the Lender's satisfaction.	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway,Ahmedabad - 380005 with total land area admeasuring 6880 sqmtr and total constructed building area of 12053.56 sqmtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second paripassu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First paripassu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur. (vi) Additional Security : Fixed deposit of ₹ 451.47 Million under lien with HDFC bank.	HDFC Bank Limited (on behalf of SBICAP Trustee)

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

(₹ In Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31,2021	Amount Outstanding as at March 31,2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
2	HDFC Bank Limited	Naroda	292.35	328.89	4.50%	Loans are repayable in 24 equal quarterly installments commencing from June,2019.	Within 45 days of interest reset date, the borrower has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. Penalty: Default interest of 2%p.a. over and above the applicable interest Rate till such time such default / non-compliancies cured to the Lender's satisfaction.	(i) First paripassu charge by way of equitable mortgage over land & building pertaining to hospital at Jaipur and Indore. (ii) First paripassu charge by way of equitable mortgage over land and building pertaining to hospital at Naroda. (iii) First ranking Security by way of hypothecation of all the present and future tangible movable assets including plant and machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at Jaipur, Indore and Naroda. (iv) Personal guarantee of Director Dr. Vikram Shah to the extent of 50 % of Naroda Land offered under security. (v) Second ranking security by way of hypothecation on the entire current asset, operating cash flows, receivables, commissions, revenues of what so ever nature and wherever arising, present and future uncalled capital (if any) present and future, of the company. (vi) Additional Security : Fixed deposit of ₹ 451.47 Million under lien with HDFC bank.	SBICAP Trustee
3	IDFC Bank	Surat	143.79	183.52	4.60%	The loan is repayable in 28 structured quarterly installments starting from June 30, 2019 & ending on March 31, 2026.	Except as given in (i) and (ii) below, any prepayment of the loan made by the borrower shall be with a prepayment premium of 2% of the principal amount being prepaid. i) The borrower shall have a right to prepay the loan in full but not in part within 30 days of the reset date without any prepayment premium ii) The borrower shall have to mandatory prepay the loan to the extent of atleast 30% of the outstanding amount from IPO proceeds without any prepayment premium.	i) Hypothecation of Surat facility current assets (including cashflows) and all movable assets including plant and machinery, medical equipment etc. present and future and exclusive mortgage of leasehold rights (of land) together with building. ii) First paripassu hypothecation of SG highway unit receivable and cash flows. Paripassu charge to be shared with HDFC bank term loan sanction amount of ₹ 150 crore. Additional Security : Fixed deposit of ₹ 20 Crores under lien with IDFC bank.	IDFC Bank

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

(ii) Vehicle loans

(₹ In Million)

Sr. No.	Name of Lender	Vehicle	Amount Outstanding as at March 31,2021	Amount Outstanding as at March 31,2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	Daimler Financial Services India Private Limited	Mercedes Benz	4.20	6.66	7.14%	Loans are repayable in 36 equal monthly installments commencing from December, 2019.	Prepayment Charges: NA Penalty: 5% per annum plus applicable taxes or statutory levies, if any	First and exclusive charge of the Vehicle	Daimler Financial Services India Private Limited

(iii) Overdraft Facility

(₹ In Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31,2021	Amount Outstanding as at March 31,2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
1	Kotak Mahindra Bank Limited	Corporate	(0.56)	(14.58)	6M MCLR + 0.70%=8.05%	12 Months	N.A	(1) First pari-passu hypothecation charge to be shared with HDFC bank on all existing and future current assets of Krishna Shalby Hospital belonging to the Company. (2) First and exclusive mortgage charge on immovable properties being land and building of Krishna Shalby Hospital situated at 319 – Green City, Ghuma, Bopal, Ahmedabad belonging to the Company.	SBICAP Trustee

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

(₹ In Million)

Sr. No.	Name of Lender	Units	Amount Outstanding as at March 31,2021	Amount Outstanding as at March 31,2020	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favour of
2	HDFC Bank	Corporate	(9.15)	(23.75)	5.65%	12 Months	N.A	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway,Ahmedabad - 380005 with total land area admeasuring 6880 sqmtr and total constructed building area of 12053.56 sqmtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second paripassu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First paripassu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur. (vi) Additional Security : Fixed deposit of ₹ 451.47 Million under lien with HDFC bank."	HDFC Bank Limited (on behalf of SBICAP Trustee)

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 22 : OTHER FINANCIAL LIABILITIES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- Current		
Deposit	4.81	5.57
Retention money	0.21	0.53
	5.02	**6.10**
Current		
Current Maturities of Long Term Borrowings	85.34	135.44
Interest Accrued but not due on Borrowings	1.20	2.75
Creditors for capital goods	28.33	10.35
Retention money	0.06	1.18
Unclaimed Dividend*	0.12	0.05
Other Payables		
Employees	23.66	18.91
	138.71	**168.68**
Total	**143.73**	**174.78**

* These figures do not include any amounts due and outstanding to be credited to Investor Education and Protection Fund.

NOTE 23 : PROVISIONS

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- Current		
Provision for employee benefits		
Gratuity (Net of Plan asset)	-	-
Gratuity (Unfunded)	0.60	-
Leave obligation	20.64	16.61
	21.24	**16.61**
Current		
Provision for employee benefits		
Gratuity (Net of Plan asset) (Refer Note:-37)	2.22	4.22
Gratuity (Unfunded)	0.05	-
Leave obligation	3.43	3.03
	5.70	**7.25**
Total	**26.94**	**23.86**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 24 : OTHER NON-CURRENT / CURRENT LIABILITIES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- Current		
Government Grant (Refer Note Below)	118.86	128.11
Less: Released in the statement of Profit and loss	(9.26)	(9.26)
Less: Amount Disclosed under Current Liabilities	(9.26)	(9.26)
Lease Liability	92.59	44.74
Total	**192.93**	**154.33**
Current		
Government Grants	9.26	9.26
Advance from Customers	46.57	6.40
Statutory Liabilities	32.85	34.44
Lease liability	8.34	4.17
Other Payable	-	0.03
	97.02	**54.30**
Total	**289.95**	**208.63**

Note:

The Company, having established Super Specialty Hospitals at Indore and Jabalpur both in the State of Madhya Pradesh and at Naroda (Ahmedabad) and Surat both in the State of Gujarat, becomes eligible for one time incentive towards development of Healthcare sector in terms of policies of respective State Government in this regard. The incentive is based on capital investment and therefore is recognised in the form of capital subsidy. The same, being available against the entire capital investment, has been recognised and classified in accordance with Significant Accounting Policy referred at note 5.12 to the financial statements.

NOTE 25 : TRADE PAYABLES

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
A) Total Outstanding dues of micro enterprises and small enterprises (Refer note no:- 44)	-	-
B) Total Outstanding dues to creditors other than Micro Enterprise & Small Enterprise	575.65	601.65
Total	**575.65**	**601.65**

Trade payables are not-interest bearing and are normally settled within 30-45 days.

NOTE 26 : REVENUE FROM OPERATIONS

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Revenue from Contracts with Customers (Refer Note 46)	4,307.23	4,860.27
Other Operating Revenue	1.73	8.23
Total	**4,308.96**	**4,868.50**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

Break up of other operating revenue

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Project Consultancy	1.73	0.99
Sale of Licence	-	7.24
Total	**1.73**	**8.23**

NOTE 27 : OTHER INCOME

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Interest Income		
From Banks	51.26	50.12
On IT refund	0.02	0.06
Others	1.02	1.34
Rent	5.82	6.45
Capital Subsidy	9.25	9.26
Interest Subsidy	19.26	42.09
Net Gain on Mutual Fund \ Shares	1.70	10.69
Vendor registration fees	0.04	0.07
Foreign Exchange Fluctuation Gain (Net)	0.12	0.85
Other Non-Operating Income		
Sundry balances written back (Net)	0.12	50.73
Miscellaneous	2.01	2.05
	2.13	**52.78**
Total	**90.62**	**173.71**

NOTE 28 : OPERATIVE EXPENSES

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Materials and Consumables	689.47	720.77
Diagnostic Expenses	101.86	89.16
Fees to Doctors and Consultants	1,008.04	1,250.78
Power, Fuel and Water Charges	123.08	129.82
Housekeeping and Catering	91.75	93.74
Attendants and Securities	83.70	102.17
Linen & Uniform	7.52	4.96
Other Operative Expenses	43.80	32.63
Total	**2,149.22**	**2,424.03**

NOTE 29 : PURCHASE OF TRADED GOODS

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Medicines and Medicare Items	342.97	528.00

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 30 : CHANGES IN INVENTORIES

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Inventory at the end of the year		
Medicine and Medical Items	22.93	26.96
Inventory at the beginning of the year		
Medicine and Medical Items	26.96	28.23
(Increase) / Decrease in stocks	**4.03**	**1.27**

NOTE 31 : EMPLOYEE BENEFITS EXPENSE

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Salary, Allowances & Bonus	535.00	619.89
Contribution to Provident & other funds	30.01	34.66
Staff Welfare expenses	4.56	0.41
Total	**569.57**	**654.96**

During the FY 2020-21, Project team & IT team salary cost amounting to ₹ 19.73 Million (Previous Year ₹ 24.33 Million) has been capitalised through capital work-In Progress and intangible assets under development as it is related with upcoming unit at Mumbai and implementation of SRIT & SAP which is under development.

NOTE 32 : FINANCE COST

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Interest on Term Loan from Banks	29.11	52.19
Exchange differences regarded as an adjustment to borrowing costs	1.47	6.83
On Unsecured Borrowing	0.35	-
	30.93	**59.02**
Other Borrowing Cost		
Other ancillary Cost	5.26	4.56
Total	**36.19**	**63.58**

NOTE 33 : DEPRECIATION AND AMORTISATION

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Depreciation on property, plant and equipment	349.69	351.06
Amortization on intangible assets	10.73	3.72
Amortisation on Right of Use Assets	7.53	5.42
Total	**367.95**	**360.20**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 34 : OTHER EXPENSES

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Advertising and Publicity	37.92	85.63
Orthotrend Expense	0.17	12.13
Auditors' Remuneration	3.98	2.51
Communication	7.19	8.15
Rent, Rates and Taxes	36.14	34.10
Fees and Legal	23.93	15.05
Insurance	3.48	1.21
Stationery and Printing	12.16	15.71
Repairs and Maintenance-Hospital Equipments	98.60	76.90
Repairs and Maintenance - Building	3.62	6.29
Repairs and Maintenance - Others	47.95	32.36
Travelling and Conveyance	11.16	35.57
Security expenses	0.34	0.33
Loss on Sale of Assets	15.09	1.02
Foreign exchange fluctuations (Net)	0.45	-
Provision for Bad and Doubtful Debts	2.74	46.65
Sundry Debtors Balance Written off	7.20	10.13
Bank charges	9.19	10.51
Corporate Social Responsibility	37.54	30.00
Fixed Assets written off	0.64	-
Others Expenses	19.61	18.66
Total	**379.10**	**442.91**

34.1 Payment to Auditor

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
For Statutory Audit	1.70	1.42
For Limited Review	0.51	0.48
For Taxation Matter	0.59	0.49
For Certification	1.13	0.05
For Reimbursement of Expenses	0.05	0.07
Total	**3.98**	**2.51**

NOTE 35 : EARNING PER SHARE

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Net Profit attributable to Equity shareholders (₹ in Million)	423.96	275.87
Number of equity shares (In Million)	108.01	108.01
Weighted Average number of Equity Shares (In Million)	108.01	108.01
Basic & Diluted earning per Share (₹)	3.93	2.55
Face Value per Share (₹)	10.00	10.00

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 36 : CONTINGENT LIABILITIES AND COMMITMENTS

(₹ In Million)

Particulars		As at March 31, 2021	As at March 31, 2020
A	**Contingent Liabilities not provided for in respect of**		
(i)	Claim against the company not acknowledged as debt	135.08	109.80
(ii)	Income tax Demand for Assessment Years		
	2010-11	-	24.61
	2011-12	-	14.52
	2012-13	2.06	2.06
	2013-14	110.85	113.10
	2014-15	27.45	27.45
	2015-16	41.42	41.42
	2018-19	15.93	15.93
(iii)	Bank Guarantee	32.50	15.19
(iv)	Sales Tax Demand including Interest & Penalty for years (Based on expert advice received by client)		
	2009-10	52.61	52.61
	2010-11	63.13	63.13
	2011-12	76.00	74.91
	2012-13	91.90	91.90
	2013-14	103.52	101.26
	2016-17	0.61	-
(v)	Export Obligation under EPCG Scheme	30.91	30.91
(vi)	TDS demand for F.Y.2007-08 to F.Y.2015-16	0.52	0.52
(vii)	TDS default demand	2.16	2.16
B	**Capital Commitments**		
	Estimated amount of contract remaining to the executed on capital accounts	8.58	32.28

NOTE 37: EMPLOYEE BENEFITS

Note 37.1 Defined contribution plan

The Company has defined contribution plan in form of Provident Fund & Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognised in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

(₹ In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds	17.81	23.32
Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds	2.81	4.24

Note 37.2 Defined benefit plan

(a) Gratuity

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

(b) Defined Benefit Plan

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Gratuity

(₹ In Million)

Particulars	Valuation	
	As at March 31, 2021	As at March 31, 2020
Discount rate	6.35%	6.55%
Expected rate(s) of salary increase	6.00%	6.00%
Rate of return on plan assets	6.35%	6.55%

The following table sets out the status of the amounts recognised in the balance sheet & movements in the net defined benefit obligation as at 31st March, 2020.

(₹ In Million)

	Particulars	As at March 31, 2021 Gratuity (Funded)	As at March 31, 2020 Gratuity (Funded)
	Changes in the present value of obligation		
1.	Present value of obligation (Opening)	24.05	18.66
2.	Interest cost	1.53	1.38
3.	Past service cost adjustments/Prior year Charges	-	-
4.	Current service cost	8.10	6.42
5.	Curtailment Cost / (Gain)	-	-
6.	Settlement Cost / (Gain)	-	-
7.	Benefits paid	(3.10)	(1.21)
8.	Actuarial (Gain) / Loss arising from change in financial assumptions	0.47	2.04
9.	Actuarial (Gain) / Loss arising from change in demographic assumptions	(0.01)	(0.01)
10.	Actuarial (Gain) / Loss arising from change on account of experience changes	(3.68)	(3.21)
11.	Present value of obligation (Closing)	**27.37**	**24.05**
	Changes in the fair value of plan assets		
1.	Present value of plan assets (Opening)	19.83	15.00
2.	Past contribution / Adjustment to Opening Fund	-	-
3.	Expected return on plan assets	(0.74)	(0.93)
4.	Interest Income	1.53	1.38
5.	Actuarial Gain / (Loss)	-	-
6.	Employers Contributions	7.63	5.59
7.	Employees Contributions	-	-
8.	Benefits paid	(3.10)	(1.21)
9.	Expense deducted from the fund	-	-
10.	Fair Value of Plan Assets (Closing)	**25.15**	**19.83**
	Percentage of each category of plan assets to total fair value of plan assets at the year end		
1.	Bank Deposits	-	-
2.	Debt Instruments	-	-
3.	Administered by Life Insurance Corporation of India	100%	100%
4.	Others	-	-

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
	Gratuity	Gratuity
Present Value of funded obligation at the end of the year	27.37	24.05
Fair Value of Plan Assets as at the end of the period	25.15	19.83
Amount not recognised due to asset limit	-	-
Deficit of funded plan	2.22	4.22
Deficit of unfunded plan	-	-
- Current	2.22	4.22
- Non-Current	-	-

Amount recognized in standalone statement of profit and loss in respect of defined benefit plan are as follows:

(₹ In Million)

Expense recognised in the Statement of Profit and Loss	March 31, 2021	March 31, 2020
	Gratuity	Gratuity
Current Service Cost	8.10	6.42
Past Service Cost	-	-
Adjustment to opening fund	-	-
Net interest Cost	(0.01)	(0.01)
Net value of remeasurements on the obligation and plan assets	-	-
Adjustment to Opening Fund	-	-
(Gains)/Loss on Settlement	-	-
Total Expenses recognized in the Statement of Profit and Loss #	**8.09**	**6.41**

(₹ In Million)

Amount recorded in Other comprehensive Income (OCI)	March 31, 2021	March 31, 2020
	Gratuity	Gratuity
Re-measurements during the year due to		
Changes in financial assumptions	0.46	2.04
Changes in demographic assumptions	-	(0.01)
Experience adjustments	(3.66)	(3.21)
Return on plan assets excluding amounts included in interest income	0.75	0.93
Amount recognised in OCI during the year	**(2.45)**	**(0.26)**

(c) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Gratuity

Impact on defined benefit obligation

Particulars	Change in Assumption			Increase in Assumptions			Decrease in Assumptions	
	March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
Discount rate	0.50%	0.50%	Decrease by	4.17%	4.19%	Increase by	4.49%	4.51%
Salary growth rate	0.50%	0.50%	Increase by	4.19%	4.18%	Decrease by	4.24%	3.97%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined obligation calculated with

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

(d) Major Category of Plan Asset as a % of total Plan Assets

Category of Assets (% Allocation)	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	%		Amount in ₹	
Insurer managed funds	100.00%	100.00%	25.15	19.83
Total	**100.00%**	**100.00%**	**25.15**	**19.83**

(e) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

The gratuity fund is administered through Life Insurance Corporation of India (insurer) under its group gratuity scheme. Accordingly almost the entire plan asset investment is maintained by the insurer. These are subject to interest rate risk which is managed by the insurer.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets maintained by the insurer.

(f) Defined benefit liability and employer contribution

The Company generally eliminates the deficit in the defined benefit gratuity plan with in next one year.

Expected contribution to the post -employment benefit plan (Gratuity) for the year ending March 31, 2021 is ₹ 2.22 Million .

The weighted average duration of the defined benefit obligation is 8.67 years (2020 - 8.43 years).

The expected maturity analysis of undiscounted post -employment benefit plan (gratuity) is as follows:

Gratuity

(₹ In Million)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Cash Flow (₹)	(%)	Cash Flow (₹)	(%)
1st following year	1.74	3.30%	1.47	3.10%
2nd following year	1.95	3.70%	1.74	3.60%
3rd following year	2.15	4.00%	1.89	4.00%
4th following year	3.25	6.10%	2.05	4.30%
5th following year	2.26	4.20%	2.85	6.00%
Sum of year 6 to 10th	12.79	24.10%	11.46	23.90%

NOTE 38 SEGMENT INFORMATION

The Company is mainly engaged in the business of setting up and managing hospitals and medical diagnostic services which constitute a single business segment. These activities are mainly conducted only in one geographical segment viz, India. Therefore, the disclosure requirements under the Ind AS 108 "Operating Segments" are not applicable.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 39:

1. Related Party Disclosures for the year ended March 31, 2021

(a) Details of Related Parties

Description of Relationship	Names of Related Parties
Promoter Entities	Shah Family Trust
	Zodiac Mediquip Limited
Key Management Personnel (KMP)	Dr. Vikram Shah
	Mr. Prahlad Inani
	Mr. Jayesh Patel (Up to 06/03/2021)
	Mr. Tushar Shah (w.e.f. 06/03/2021)
	Dr. Nishita Shukla
Relatives of KMP	Dr. Darshini V. Shah
	Mr. Shanay V. Shah
Enterprise over which KMP / Relatives of KMP exercise significant influence through controlling interest (Other Related Party)	Uranus Medical Devices Limited
	Shalby Orthopaedic Hospital and Research Centre
	Friends of Shalby Foundation
	Slaney Healthcare Private Limited (Up to 05/09/2020)

(b) Key management personnel compensation

(₹ In Million)

Particulars	2020-21	2019-20
Short-term employee benefits	13.29	12.91
Termination benefits	-	
Total Compensation	**13.29**	**12.91**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

(c) Details of transactions with related parties for the year ended March 31, 2021 in the ordinary course of business:

(₹ In Million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	**Professional Fees**										
	Dr. Vikram Shah	-	-	-	-	-	19.39	-	-	-	19.39
	Dr. Darshini V. Shah	-	-	-	-	-	14.04	-	-	-	14.04
2	**Rent Expenses**										
	Dr. Vikram Shah	-	-	-	-	12.88	11.38	-	-	12.88	11.38
	Shalby Orthopaedic Hospital and Research Centre	-	-	-	-	-	-	0.60	0.60	0.60	0.60
3	**Rent Income**										
	Slaney Healthcare Private Limited	-	-	-	-	-	-	0.32	0.76	0.32	0.76
4	**Salary**										
	Prahlad Inani	-	-	-	-	5.51	5.21	-	-	5.51	5.21
	Mr. Shanay V. Shah	-	-	-	-	4.35	5.04	-	-	4.35	5.04
	Mr. Tushar Shah					0.24	-				
	Mr. Jayesh Patel	-	-	-	-	1.75	1.94	-	-	1.75	1.94
	Dr. Nishita Shukla	-	-	-	-	5.78	5.75	-	-	0.24	-
5	**Commission Expense**										
	Zodiac Mediquip Limited	-	-	5.78	5.75	-	-	-	-	5.78	5.75
6	**Guest House Expenses**										
	Zodiac Mediquip Limited	-	-	0.10	0.20	-	-	-	-	0.10	0.20
7	**Purchase return of medicines, materials and consumables**										
	Slaney Healthcare Private Limited	-	-	1.71	3.50	-	-	-	-	1.71	3.50
8	**Repayment of Borrowing**										
	Zodiac Mediquip Limited	-	-	25.50	-	-	-	-	-	25.50	-

(d) Amount due to / from related parties as at March 31, 2021

(₹ In Million)

Sr. No.	Nature of Relationship / Transaction	Subsidiary Companies		Promoter Company		KMP & Relatives		Enterprise over which KMP and Relatives have significant influence		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	**Trade Payable**										
	Dr. Vikram Shah	-	-	-	-	-	3.23	-	-	-	3.23
	Dr. Darshini V. Shah	-	-	-	-	-	3.91	-	-	-	3.91
	Friends of Shalby Foundation	-	-	-	-	-	-	0.01	0.01	0.01	0.01
	Zodiac Mediquip Limited	-	-	-	0.71	-	-	-	-	-	0.71
2	**Rent Payable**										
	Dr. Vikram Shah	-	-	-	-	1.10	0.97	-	-	1.10	0.97
	Shalby Orthopaedic Hospital and Research Centre	-	-	-	-	-	-	-	1.61	-	1.61

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 40 : CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Total equity attributable to the equity share holders of the company	8,346.49	7,991.59
As percentage of total capital	**109.93%**	**101.57%**
Current loans and borrowings	85.34	135.44
Non-current loans and borrowings	355.00	486.73
Total loans and borrowings	**440.34**	**622.17**
Cash and Bank balances including Fixed Deposit	1,194.25	745.90
Net loans & borrowings	**(753.91)**	**(123.73)**
As a percentage of total capital	-9.93%	-1.57%
Total capital (loans and borrowings and equity)	**7,592.58**	**7,867.86**

NOTE 41: FAIR VALUE MEASUREMENTS

A. Financial instruments by category

(₹ In Million)

Particulars	March 31, 2021			March 31, 2020		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Assets						
Investments	-	156.32	-	-	279.88	-
Trade and other receivables	878.30	-	-	948.55	-	-
Cash and cash Equivalents	64.81	-	-	84.60	-	-
Other bank balances	770.92	-	-	202.73	-	-
Other financial assets	572.26	-	-	596.49	-	-
Total Financial Assets	**2,286.29**	**156.32**	**-**	**1,832.37**	**279.88**	**-**
Financial Liabilities						
Borrowings	355.00	-	-	486.73	-	-
Trade payables	575.65	-	-	601.65	-	-
Other financial liabilities	143.73	-	-	174.78	-	-
Total Financial Liabilities	**1,074.38**	**-**	**-**	**1,263.16**	**-**	**-**

Fair value hierarchy

The following section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value through profit or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes forming part of Consolidated Financial Statements

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B. Fair value hierarchy for assets

Financial assets measured at fair value at March 31, 2021

(₹ In Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	155.22	-	-	155.22
- Equity Instrument	-	-	-	-
- Membership fees	-	-	1.10	1.10
Total	**155.22**	**-**	**1.10**	**156.32**

Financial assets measured at fair value at March 31, 2020

(₹ In Million)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- Mutual Fund	275.01	-	-	275.01
- Equity Instrument	3.77			3.77
- Membership fees	-	-	1.10	1.10
Total	**278.78**	**-**	**1.10**	**279.88**

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

(i) The use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 1

D. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short-term nature. Difference between carrying amount of Bank deposits, other financial assets , borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 42: FINANCIAL RISK MANAGEMENT

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost	Aging analysis	Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of surplus cash, committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting Sensitivity analysis	Regular monitoring to keep the net exposure at an acceptable level, with option of taking Forward Foreign exchange contracts if deemed necessary.
Price Risk	Investments in mutual funds & Equity Instrument	Credit ratings	Portfolio diversification and regular monitoring

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit Guarantees insurance is not purchased. The receivables are mainly unsecured; the company does not hold any collateral or a guarantee as security. The provision details of the trade receivable are provided in Note 15 of the financial statements.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

The provision matrix of ECL at the end of the reporting period is as follows.

Particulars	Expected Credit Loss %
Within 90 days due	0.98%
90 to 180 days due	1.72%
180 to 270 days	2.74%
270 to 360 days	3.87%
360 to 450 days	5.41%
450 to 540 days	6.73%
540 to 630 days	8.01%
630 to 720 days	9.11%
720 to 810 days	12.07%
810 to 900 days	18.94%
900 to 990 days	29.22%
990 to 1080 days	54.77%
(> 1080 days)	100.00%

Reconciliation of loss allowance provision

Trade receivables

Particulars	(₹ In Million)
Loss allowance as on March 31, 2020	62.25
Changes in loss allowance	5.45
Loss allowance as on March 31, 2021	**67.70**

Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The working capital position of the Company is given below:

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Cash and cash equivalents	64.81	84.60

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2021

(₹ In Million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	85.34	355.00	-
Other Financial Liabilities	-	5.02	-
	85.34	**360.02**	**-**
Current financial liabilities			
Borrowings from Banks	-	-	-
Trade payables	575.65	-	-
Other Financial Liabilities	53.37	-	-
	629.02	**-**	**-**
Total financial liabilities	**714.36**	**360.02**	**-**

^ Borrowings are disclosed net of processing charges.

As at March 31, 2020

(₹ In Million)

Financial Liabilities	Less than 1 year	2-5 years	5 years and above
Non-current financial liabilities			
Borrowings^	135.44	449.04	37.70
Other Financial Liabilities	-	6.10	-
	135.44	**455.13**	**37.70**
Current financial liabilities			
Borrowings from Banks	-	-	-
Trade payables	601.54	-	-
Other Financial Liabilities	33.24	-	-
	634.78	**-**	**-**
Total financial liabilities	**770.22**	**455.13**	**37.70**

^ Borrowings are disclosed net of processing charges.

(c) Market Risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market

Notes forming part of Consolidated Financial Statements

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risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

(i) Currency Risk

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency (₹), primarily in respect of US$, and Euro. The Company ensures that the net exposure is kept to an acceptable level and is remain a net foreign exchange earner.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are given below:

(₹ In Million)

Financial Assets	As at March 31, 2021		As at March 31, 2020	
	Amount	Amount	Amount	Amount
Trade receivables	-	-	-	-
Total-Financial assets	**-**	**-**	**-**	**-**
Financial liabilities	-	-	-	-
Borrowings	-	-	USD 1.08	81.58
Total financial liabilities	**-**	**-**	**-**	**81.58**

Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2021 and March 31, 2020 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

(₹ In Million)

Particulars	Profit or Loss			
	March 31, 2021		March 31, 2020	
	Strengthening	Weakening	Strengthening	Weakening
USD (Increase/decrease by 1%)	-	-	0.82	(0.82)
Total	**-**	**-**	**0.82**	**(0.82)**

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

The exposures of the Company's financial assets / liabilities at the end of the reporting period are as follows:

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed rate borrowings	4.20	88.24
Floating rate borrowings	436.13	533.93
Total	**440.33**	**622.17**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

(₹ In Million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Impact on profit – increase in 50 basis points	2.18	2.67
Impact on profit – decrease in 50 basis points	(2.18)	(2.67)

(iii) Price Risk

Exposure

The Company's exposure to securities price risk arises from investments held in mutual funds & Equity Instrument classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/ decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

NOTE 43: LEASES

43.1 As Lessee

(A) Additions to right of use assets

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

(₹ In Million)

Particulars	As at March 31, 2021	As at March 31, 2020
Right-of-use assets, except for investment property	96.86	47.35

(B) Carrying value of right of use assets at the end of the reporting period by class

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Balance at beginning of the year	47.35	-
Addition during the year	57.03	52.77
Depreciation charge for the year	7.53	5.42
Balance at closing of the year	96.86	47.35

C) Maturity analysis of lease liabilities

(₹ In Million)

Maturity analysis – Contractual undiscounted cash flows	As at March 31, 2021	As at March 31, 2020
Less than one year	15.30	7.80
One to five years	63.83	31.20
More than five years	66.96	39.25
Total undiscounted lease liabilities at 31 March 2020	**146.08**	**78.25**
Lease liabilities included in the statement of financial position at 31 March 2021	**100.94**	**49.24**
Current	8.34	4.14
Non-Current	92.59	45.10

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

(D) Amounts recognised in profit or loss

(₹ In Million)

Particulars	2020-21	2019-20
Interest on lease liabilities	4.90	3.94
Variable lease payments not included in the measurement of lease liabilities	13.58	7.40
Income from sub-leasing right-of-use assets	-	-
Expenses relating to short-term leases	-	-
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	7.32	7.68

(E) Amounts recognised in the statement of cash flows

(₹ In Million)

Particulars	2020-21	2019-20
Total cash outflow for leases	28.69	22.88

NOTE 44: DUE TO MICRO, SMALL AND MEDIUM ENTERPRISE AND CONFIRMATIONS

(a) Due to Micro, Small and Medium Enterprise

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

(b) Confirmations

The company has circulated letters of Balance Confirmation to Sundry Debtors, Sundry Creditors and the parties to whom loans and advances have been granted. Confirmations were received in some cases.

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for the year ended March 31, 2021

NOTE 45: CORPORATE SOCIAL RESPONSIBILITY

(a) Gross amount required to spend by the company:

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Opening unspent Amount	24.41	43.50
Amount required to be spent for the year	11.09	10.90
Amount spent during the year	37.54	30.00
Closing Unspent/(Excess spent) amount	**(2.05)**	**24.41**

(b) The amount spent during the period / year on:

Particulars	In cash / cheque	Yet to be paid in cash / cheque	Total (₹)
Construction / acquisition of any assets	7.00	-	7.00
On purposes other than above	30.54	-	30.54

NOTE 46: REVENUE FROM CONTRACT WITH CUSTOMERS

The revenue from contracts with customers to the amounts disclosed as total revenue are as under:

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Revenue from Sale of Products	230.38	199.36
Revenue from Sale of Services	4,076.85	4,660.91
Total Revenue	**4,307.23**	**4,860.27**

The disaggregation of Revenue from Contract with Customers is as under:

(A) Revenue from Contract with Customers - Segment wise

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Revenue from Sale of Services		
In Patient Discharge		
Domestic	3,500.56	3,821.80
Overseas	13.08	82.33
Out Patient Discharge	462.61	570.18
Clinical Trials	3.95	5.49
Training	-	-
Orthotrend Event	2.19	21.20
Allied Services	23.29	14.10
Spine Conclave Event	-	-
Other operative Income	71.17	145.81
Total Revenue from Sale of services	**4,076.85**	**4,660.91**
Revenue from Sale of Products		
Revenue from Medicines & Medicare Items	230.38	199.36
Total Revenue from Contract with Customers	**4,307.23**	**4,860.27**

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

Contract Asset

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Opening Balance of Contract Asset	13.32	52.84
Revenue Recognised from the opening balance of contract liability	13.32	52.84
Current year Contract asset - Carried Forward	68.57	13.32
Closing Balance of Contract Asset	**68.57**	**13.32**

Contract Liability

(₹ In Million)

Particulars	March 31, 2021	March 31, 2020
Opening Balance of Contract Liability	6.40	18.38
Revenue Recognised from the opening balance of Contract Liability	6.40	18.38
Current year Contract liability - Carried Forward	46.57	6.40
Closing Balance of Contract Liability	**46.57**	**6.40**

The nature of services and its disclosure of timing of satisfaction of performance obligation is mentioned in para 5.8 of Note No. 5.

Contract Assets in the balance sheet constitutes unbilled amounts to customers representing the Company's right to consideration for the services transferred to date. Any amount previously recognised as Contract Assets is reclassified to trade receivables at the time it is invoiced to the customer.

Contract Liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised. The Company expects to recognise such revenue in the next financial year.

There were no significant changes in contract assets and contract liabilities during the reporting period except amount as mentioned in the table and explanation given above.

Under the payment terms generally applicable to the Company's revenue generating activities, prepayments are received only to a limited extent. Typically, payment is due upon or after completion of the services.

The Company generates revenue from knee replacement surgeries, other indoor and outdoor patient discharges, diagnostic services. clinical trials, trainings and other sales of medicines and medicare items.

The revenue from rendering Healthcare services and Pharmaceutical products satisfies 'at a point in time' recognition criteria as prescribed by IND AS 115.

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 47: UN-HEDGED FOREIGN CURRENCY EXPOSURE

The company does not enter into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The foreign currency exposure not hedged as at 31st March, 2021 are as under:

(Amount in Million)

Currency	Payable (In Foreign Currency)		Receivable (In Foreign Currency)		Payable (In Indian Rupee)		Receivable (In Indian Rupee)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	-	1.08	-	0.00	-	81.58	-	-

NOTE 48: STATEMENT OF MANAGEMENT

(a) The non current financial assets, current financial assets and other current assets are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.

(b) Balance Sheet, Statement of Profit and Loss, cash flow statement and change in equity read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and financial performance of the Company for the year under review.

NOTE 49:

The figures for the previous year have been regrouped / reclassified, wherever necessary, to make them comparable with the figures for the current year. Figures are rounded off to nearest million.

NOTE 50:

Balances of Sundry Creditors, Sundry debtors, Loans & advances, etc. are subject to confirmation and reconciliation, if any.

NOTE 51:

The Company has made detailed assessment of its liquidity position and recoverability of carrying amount of financial and non-financial assets and concluded that there is no material adjustments required in the financial results for the quarter & year ended March 31, 2021. Management believes that it has considered all the possible impact of known events arising from COVID -19 pandemic in the preparation of financial results for the quarter & year ended March 31, 2021. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 52: ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY

(₹ In Million)

Name of Entities	Net Assests i.e. Total Assets minus Total Liabilties		Statement in Profit and Loss		Other Comprehensive Income		Total Comprehensive Income	
	As a % of consolidation net assets	Amount (₹ in million)	As a % of consolidation net assets	Amount (₹ in million)	As a % of consolidation net assets	Amount (₹ in million)	As a % of consolidation net assets	Amount (₹ in million)
Parent								
Shalby Limited	99.87	8,335.66	144.19	610.82	101.13	1.65	144.02	612.47
Subsidiary								
Indian								
Vrundavan Shalby Hospital Limited	0.80	66.45	(0.17)	(0.73)	-	-	(0.17)	(0.73)
Yogeshware Healthcare Limited	0.02	1.54	(1.61)	(6.81)	-	-	(1.60)	(6.81)
Shalby Internation Limited	0.00	0.03	(0.00)	(0.00)	-	-	(0.00)	(0.00)
Griffin Mediquip LLP	(0.91)	(75.77)	(36.29)	(153.75)	-	-	(36.16)	(153.75)
Shalby Mumbai Hospitals Private Limited	0.00	0.20	(0.01)	(0.03)	-	-	(0.01)	(0.03)
Mars Medical Devices Limited	0.01	0.48	(0.00)	(0.02)	-	-	(0.00)	(0.02)
Slaney Healthcare Private Limited	0.19	15.72	(5.80)	(24.57)	(1.13)	(0.02)	(5.78)	(24.59)
Foreign								
Shalby Kenya Limited	0.03	2.33	(0.30)	(1.28)	-	-	(0.30)	(1.28)
Non Controling Interest in above subsidiaries	(0.00)	(0.16)	(0.00)	(0.01)	-	-	(0.00)	(0.01)
Grand Total	**100.00**	**8,346.49**	**100.00**	**423.62**	**100.00**	**1.63**	**100.00**	**425.25**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

Notes forming part of Consolidated Financial Statements

for the year ended March 31, 2021

NOTE 53 : STATEMENT PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 OF THE COMPANIES ACT 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATING TO SUBSIDIARY COMPANIES/ENTITY

(₹ in million)

Name of Subsidiary	Griffin Mediquip LLP	Vrundavan Shalby Hospitals Limited	Shalby International Limited	Shalby Kenya Limited	Yogeshware Healthcare Limited	Shalby Mumbai Hospitals Private Limited	Mars Medical Devices Limited	Slaney Healthcare Private Limited
Country	India	India	India	Kenya	India	India	India	India
Reporting Currency	INR	INR	INR	KSH	INR	INR	INR	INR
Exchange Rate	1	1	1	0.67	1	1	1	1
Share capital /Partner capital	43.71	18.00	0.50	0.07	7.35	0.10	0.50	0.10
Reserves and Surplus	-	47.67	(0.47)	(4.99)	(5.82)	(0.03)	(0.02)	15.62
Total Assets	137.21	66.08	0.06	2.51	1.57	0.20	0.51	44.88
Total Liabilities	88.82	0.41	0.03	7.44	0.03	0.13	0.03	29.16
Turnover/Total Income	218.04	0.12	0.03	0.07	0.54	-	0.01	157.76
Profit / (Loss) Before Tax	(1.08)	(0.73)	(0.04)	(1.66)	(6.39)	(0.03)	(0.02)	3.69
Tax Expense / (Credit)	0.30	-	-	(0.36)	-	-	-	0.88
Profit / (Loss) after tax	(1.38)	(0.73)	(0.04)	(1.29)	(6.39)	(0.03)	(0.02)	2.81
Proposed dividend and tax thereon	-	-	-	-	-	-	-	-
Investments (except in case of investment in the subsidiaries)	-	-	-	-	-	-	-	-
% of shareholding	99.73	100.00	100.00	100.00	94.68	100.00	100.00	100.00

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For T R Chadha & Co LLP
Chartered Accountants
Firm Registration No. 006711N/N500028

Brijesh Thakkar
Partner
Membership No: 135556

Place : Ahmedabad
Date : May 5, 2021

For and on behalf of the Board
Shalby Limited

Dr. Vikram Shah
Chairman & Managing Director
DIN: 00011653

Shyamal Joshi
Director
DIN: 00005766

Prahlad Rai Inani
Chief Financial Officer

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : May 5, 2021

SHALBY®
MULTI-SPECIALTY
HOSPITALS

Shalby Limited

Regd. Off.: Shalby Hospitals, Opp. Karnavati Club, S. G. Road, Ahmedabad 380015
Tel : +91 79 4020 3000, Website : www.shalby.org Email : companysecretary@shalby.in CIN:L85110GJ2004PLC044667

Notice AGM

Notice is hereby given that the 17th Annual General Meeting ('AGM') of the Members of Shalby Limited will be held on Monday, September 27, 2021 at 4:30 p.m. through video conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business;

ORDINARY BUSINESS

1. Adoption of Financial Statements

To receive, consider and adopt

(a) the Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2021 together with Reports of the Board of Directors and Auditors thereon; and

(b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2021 and Auditors Report thereon.

2. Declaration of Dividend

To declare a Dividend of ₹ 1/- (Rupees One) per equity share of ₹ 10/- each for the financial year 2020-21

3. Appointment of a Director retire by rotation

To appoint of Dr. Ashok Bhatia (DIN: 02090239), who retires by rotation as a Director and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Appointment of Mr. Shyamal Joshi (DIN: 00005766) as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Section 149, 150 and 152 read with schedule IV and read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections and rules made under the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Shyamal Joshi (DIN:00005766), a Non-Executive Director of the Company, who has given his consent and has submitted a declaration that he meets the criteria for being appointed as Independent Director under section 149(4) of the Act and as recommended by Nomination and Remuneration Committee and appointed by the Board of Directors as an Independent Director of the Company and in respect of whom company has received a notice in writing from a member under section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company for his first term for a period of 5 years w.e.f. May 17, 2021 and the term shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT any of the Directors and/or Company Secretary of the Company be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard.

5. Appointment of Mr. Sushobhan Dasgupta (DIN: 06381955) as Non-Executive Director

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

"RESOLVED THAT Mr. Sushobhan Dasgupta (DIN: 06381955) who was appointed as an Additional Director designated as Vice Chairman and Global President of the Company w.e.f. 17th May, 2021 by the Board of Directors and who holds office upto the date of this

Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and as per the Article of Association, and pursuant to the recommendation of the Nomination & Remuneration Committee and appointed by the Board of Directors, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Sushobhan Dasgupta's candidature for the office of the Director, be and is hereby appointed as a Non-executive Non Independent Director of the Company, liable to retire by rotation."

RESOLVED FURTHER THAT Mr. Sushobhan Dasgupta is not entitled for any sitting fees for attending any meeting of Board or any committee thereof.

RESOLVED FURTHER THAT Mr. Sushobhan Dasgupta is entitled for reimbursement of any expenses made for business purpose including but not limited to traveling, lodging and attending meeting in connection thereof.

RESOLVED FURTHER THAT the Board of Directors (including its committee thereof) and / or Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient to give effect to this resolution."

6. Ratification of the remuneration payable to Cost Auditors of the Company

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 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration, as recommended by Audit and Risk Management Committee and, as approved by the Board of Directors and set out in the statement annexed to the notice convening this meeting, to be paid to M/s. Borad Sanjay B & Associates, Cost Accountants, Ahmedabad (Firm Registration No. 102408), appointed as the Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2022, be and is hereby ratified."

By Order of the Board of Directors

Tushar Shah
Company Secretary
Mem. No. FCS7216

Place : Ahmedabad
Date : May 14, 2021

Regd. Office: Shalby Hospitals,
Opp. Karnavati Club
S. G. Road, Ahmedabad 380015

NOTES

1. Considering the ongoing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 17th AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM pursuant to MCA circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, the Body Corporate are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the AGM is annexed hereto. The relevant details of the Director seeking appointment / re-appointment at this AGM, pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per Secretarial Standards issued by Institute of Company Secretaries of India on General Meetings issued by the Institute of Company Secretaries of India are also annexed hereto.

4. Members seeking any information with regard to the accounts or any matter to be placed at the ensuing AGM, are requested to write to the Company on or before September 18, 2021 through email on companysecretary@shalby.in.

5. Members who would like to express their views or ask questions during the AGM, may register themselves as a speaker between September 21, 2021 and September 23, 2021 by sending an email on companysecretary@shalby.in from their registered email address, mentioning their name,

demat account number / folio number, email address and mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time as appropriate for smooth conduct of the AGM.

6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed herewith.

Dispatch of Annual Report through electronic mode

7. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members who holds shares as on August 27, 2021 and whose e-mail address is registered with the Company / Depository Participants. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.shalby.org, websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively.

8. For receiving communication from the Company electronically:

   a. Members holding shares in physical mode and who have not registered / updated their e-mail address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at companysecretary@shalby.in or to company's R&T Agent KFin Technologies at einward.ris@kfintech.com.

   b. Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant.

Book Closure:

9. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, September 21, 2021 to Monday, September 27, 2021 (both days inclusive) to determine entitlement of the shareholders to receive dividend for the year 2020-21 and in connection with Annual General Meeting of the Company.

Dividend:

10. The Board of Directors at its meeting held on May 5, 2021, has recommended a final dividend of ₹ 1/- per equity share of the face value of ₹ 10/- each. The final dividend, if declared at the Annual General Meeting, will be paid to those members of the Company, whose names appear in the Register of Members or Register of Beneficial Ownership as on Monday, September 20, 2021. The dividend will be paid to all the shareholders within statutory timelines.

11. The dividend, if approved, will be paid by crediting in to the bank account as provided by NSDL and CDSL through ECS / NECS / electronic transfer, to those shareholders holding shares in electronic form and having valid bank details registered with the depository. In respect of shareholders holding shares in physical form and active bank details are not updated with RTA or in case of ECS / NECS / electronic payment is rejected, dividend will be paid by dividend warrants / demand drafts.

12. Members holding shares in physical form are requested to update their bank details including IFSC code and 9 digit MICR code with RTA or Company, by quoting registered folio number and attaching photocopy of the cheque leaf of the active bank account along with a self-attested copy of the PAN card.

13. Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after 1st April 2020 shall be taxable in the hands of the Shareholders. No tax will be deducted on payment of dividend to the resident individual shareholders if the amount of dividend payable does not exceed ₹ 5,000/-. Your Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend payable. The shareholders are requested to update their PAN with the Company / Kfin Technologies Pvt. Ltd. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). However, no tax or reduced tax shall be deducted on the dividend payable by the company in cases the shareholder provides Form 15G (applicable to any Resident Individual other than a Company or a Firm) / Form 15H (applicable to an Resident Individuals above the age of 60 years) / Form 10F (applicable to Non-Residents), provided that the eligibility conditions are being met. Needless to say, Permanent Account Number (PAN) is mandatory for category of Forms. To avail this benefit, shareholders need to provide respective declaration/ document through email at companysecretary@shalby.in form15/ latest by Monday, September 20, 2021.

14. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading respective declaration/documents as mentioned hereinabove.

15. In case the Dividend has remained unclaimed in respect of financial year 2018-19 and/or 2019-20, the Shareholders are requested to approach the Company with details of DP ID, client ID, their dividend warrants for revalidation with the Letter of Undertaking and a canceled cheque of the first named shareholder for credit of the dividend amount directly to bank account. The Company has uploaded the data regarding unpaid and unclaimed dividends amount lying with the Company on the website of the Company as well as on the website of the Ministry of Corporate Affairs. Investors are therefore requested to verify the data and lodge their claims of unpaid dividend, if any.

AGM:

1. The Company has appointed National Securities Depository Limited, to provide e-voting and Video Conferencing facility for the Annual General Meeting.

2. Pursuant to the provisions of the MCA circulars, Members can attend the meeting through log in credentials provided to them to connect to Video conference. Members will be allowed to attend AGM through VC/OAVM on first come first served basis.

3. Institutional / corporate Members (that is, other than Individuals, HUFs, NRIs, etc.) are required to send the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), at e-mail ID: companysecretary@shalby.in Such authorization shall contain necessary authority in favour of its authorized representative(s) to attend the AGM.

4. The Members can join the AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in a separate annexure to this Notice.

5. The attendance of the Members (members logins) attending the AGM through video conferencing will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. A person who is not a member as on cut-off date should treat this Notice for information purpose only.

7. **Instructions relating to Remote e-Voting and attending AGM through VC/OAVM are annexed to this Notice.**

Other Notes

8. Relevant documents referred to in the accompanying Notice and Explanatory Statement are open for inspection by the members in electronic mode.

9. Members desirous in seeking any information with regard to accounts / financial statements are requested to send their queries to the Company through email at companysecretary@shalby.in at least ten days before the meeting so as to enable the management to keep the relevant information ready and answer them in the meeting.

10. As mandated by SEBI, securities of the Company can be transferred / traded only in dematerialized form. Shareholders holding shares in physical form are advised to avail the facility of dematerialization.

11. Members holding shares in physical mode are required to update their Permanent Account Number (PAN), bank details & email ID with the RTA of the Company, if not registered as mandated by SEBI.

12. Members holding shares in electronic mode
    (a) are requested to update their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts, if not submitted to their DPs.
    (b) are requested to register/update their email address with their respective DPs for receiving all communication from the Company electronically.
    (c) are advised to contact their respective DPs for registering the nomination.

13. Non-Resident Indian Members are requested to inform to respective Depository Participants, immediately of
    (a) Change in their residential status on return to India for permanent settlement.
    (b) Particulars of bank account maintained in India with name of bank, branch address, bank account number, type of account etc.

14. The Scrutinizer shall make, not later 48 hours of the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against or invalid votes, if any, and submit forthwith to the Chairman of the Company or any other director or person authorized, who shall countersign the same and declare the result of the voting. The results so declared along with Scrutinizer's Report shall be placed on the Company's website www.shalby.org and on the website of evoting.nsdl.com and shall also be disseminated on the website of Stock Exchanges, where the Company's shares are listed.

Annexure to e-AGM Notice

INSTRUCTIONS FOR ATTENDING AGM THROUGH VC/OAVM AND VOTING THROUGH REMOTE E-VOTING

The remote e-voting period begins on Thursday, September 23, 2021 at 9:00 a.m. and ends on Sunday, September 26, 2021 at 5:00 p.m. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, September 20, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, September 20, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL **IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under **"Login"** which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider – NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cschintan.mba@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email at companysecretary@shalby.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to companysecretary@shalby.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual

meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. The Company has appointed M/s. Chintan I. Patel & Associates, Practicing Company Secretary (Membership no. 53253), to act as Scrutinizer for conducting the e-voting process in a fair and transparent manner.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Appointment of Mr. Shyamal Joshi, (DIN:00005766) Non-Executive Director as Independent Director

As per provisions of Companies Act, 2013 read with Rule 3 and 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company is required to have at least half of the Board to be comprised of Independent Directors. As Mr. Sushobhan Dasgupta has been appointed as an Additional Director (Non-Executive), Company is now required to have at-least half of the Board to be Independent Directors.

Based on the consent and other disclosures received from Mr. Shyamal Joshi, Non-Executive Director, he is eligible to act as an Independent Director of the Company.

At the Board of Directors meeting held on May 14, 2021 and based on the recommendation of Nomination and Remuneration Committee, Mr. Shyamal Joshi, Non-Executive Director has been appointed as Independent Director of the Company w.e.f. May 17, 2021 for his first term of 5 years, subject to approval from shareholders.

In terms of sub-regulation (1A) to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") as amended, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. As currently, the age of Mr. Joshi is 71 years and is proposed to be appointed as Non-Executive Independent Director for a period of 5 years, his continuance with the Company may attract the provisions of regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 at a future, when Mr. Joshi attain the age of 75 years. It is, therefore, recommended to members of the Company to give their approval under the said regulation also. Mr. Joshi does not hold any shares in the Company. He is not related to any other Director of the Board or Key Managerial Personnel or their relatives.

The other details of Mr. Shyamal Joshi in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice.

The approval of the Members is sought for passing an Special Resolution as set out at item no. 4 of the notice pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/ modification thereof) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Except Mr. Shyamal Joshi, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the special resolution at Item No. 4 of the Notice.

ITEM NO. 5

Appointment of Mr. Sushobhan Dasgupta (DIN: 06381955) as Non-Executive Director

The Board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee, had appointed Mr. Sushobhan Dasgupta (DIN : 06381955) as an Additional Director w.e.f. May 17, 2021 designated as Vice Chairman and Global President of the Company.

In terms of Section 161(1) of the Companies Act, 2013 read with Article 38 of the Articles of Association of the Company, Mr. Sushobhan Dasgupta holds office as an Additional Director up to the date of the this Annual General Meeting. Mr. Sushobhan Dasgupta, being eligible has offered himself for appointment as a Director. The Company received a notice from member under Section 160(1) of the Companies Act, 2013, signifying his intention to propose the candidature of Mr. Sushobhan Dasgupta for the office of Director of the Company.

Brief Profile of Mr. Sushobhan Dasgupta

Mr. Sushobhan Dasgupta, aged 58 years, a gold medalist in Business Administration from Jadavpur University and a Master of Science degree in Human Physiology from Presidency College, Kolkata. He was Managing Director of Johnson & Johnson Medical India and Vice President, Orthopaedics, Johnson & Johnson Asia Pacific serving as a member of the Johnson & Johnson Orthopaedics Global Board.

Over 30 years of his career with Johnson & Johnson, Mr. Dasgupta has lived and worked in several developed and emerging markets such as USA, UK, Germany, Singapore and Australia/New Zealand. In his various roles, he has led and delivered accelerated business growth through innovation, continuous talent and organization development. He has always been a strong proponent and advocate of business ethics and compliant business practices.

Mr. Dasgupta was actively engaged in helping shape the healthcare environment through active participation in leading industry forums. He is Past President of the Healthcare Federation of India (NATHEALTH), immediate Past Chairman of the FICCI Medical Devices Forum and currently Chair – Finance, Healthcare Sector Skills Council.

In addition, he was also an active member of FICCI's National Committee on Healthcare, CII's National Committee on Public Health and CII's National Committee on MNCs, The American

Chamber of Commerce's (AMCHAM) and ADVAMED Medical Devices Forum. He is a founder member of the newly formed Medical Technology Association of India (MTaI). Mr. Dasgupta is the recipient of the honorary fellowship from the Association of Minimal Access Surgeons of India (AMASI), a rare recognition to an industry leader. He is also the recipient of the Award of Appreciation from the Indian Arthroplasty association at IAACON 2017 Kolkata for his contribution over the years in the field of Arthroplasty in India.

The other details of Mr. Sushobhan Dasgupta in terms of Regulation 36(3) of the Listing Regulation and Secretarial Standard 2 is annexed to this Notice.

The approval of the Members is sought for passing an Ordinary Resolution as set out at item no. 5 of the notice pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/ modification thereof) and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Neither Mr. Sushobhan Dasgupta nor does his relatives hold any equity shares in the Company. He is not related to any other Director of the Board or Key Managerial Personnel or their relatives.

Except Mr. Sushobhan Dasgupta, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the ordinary resolution at Item No. 5 of the Notice.

The Board accordingly, recommends the passing of the Resolution as set out at item No. 5 of the Notice as an Ordinary resolution by the shareholders.

ITEM NO. 6

The Board, on the recommendation of the Audit and Risk Management Committee, has approved the appointment of M/s. Borad Sanjay B & Associates, Cost Accountants, Ahmedabad as the Cost Auditors of the Company to audit the cost records of the Company for the financial year ending on March 31, 2022 at a remuneration of ₹ 1,00,000/- (Rupees one lacs only) plus applicable taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors need to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 6 of the Notice.

The Board recommends the Resolution as set out at Item No. 6 of the Notice for approval by the shareholders.

By Order of the Board of Directors

Tushar Shah
Company Secretary
Mem. No. FCS7216

Place : Ahmedabad
Date : May 14, 2021

Regd. Office: Shalby Hospitals,
Opp. Karnavati Club
S. G. Road, Ahmedabad 380015

INFORMATION REQUIRED PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2), IN RESPECT OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 17TH ANNUAL GENERAL MEETING

Name of Director	Dr. Ashok Bhatia [DIN: 02090239]	Mr. Shyamal Joshi [DIN:00005766)	Mr. Sushobhan Dasgupta [DIN : 06381955]
Age in completed years (as on March 31, 2021)	67	71	58
Date of first appointment on the Board	October 23, 2017	June 1, 2010	May 17, 2021
Qualification / Brief Resume / Expertise in specific functional area/ experience	Dr Ashok Bhatia holds a bachelors' degree in science from Punjab University, and a masters' degree in business administration, with a specialization in marketing management and Doctorate in Business Administration in Talent Management from the Adam Smith University of America, United States of America. He has more than 37 years of professional experience. In the past, he had been associated with Indo-Pharma Pharmaceutical Works Limited and Cadila Healthcare Limited.	Mr. Shyamal Joshi holds a bachelors' degree in commerce from Gujarat University. He is also a member of the Institute of Chartered Accountants of India. He has vast experience in various areas including corporate strategy and fund raising.	Provided in explanatory statement in item no. 5 above
No. of Shares held in the Company	1300 equity shares	Nil	Nil
Relationship with other Directors and Key Managerial Personnel	None	None	None
No of meetings of the Board attended during the year	6 out of 6	6 out of 6	Not Applicable for FY 2020-21
Other Directorships	1. Santis Pharmaceuticals Pvt. Ltd. 2. Onnext Healthcare Pvt. Ltd.	1. Nila Infrastructures Limited 2. Vrundavan Shalby Hospitals Limited 3. Parsa Kente Collieries Limited 4. Marine Infrastructure Developer Private Limited 5. Mars Medical Devices Limited	None

Name of Director	Dr. Ashok Bhatia [DIN: 02090239]	Mr. Shyamal Joshi [DIN:00005766)			Mr. Sushobhan Dasgupta [DIN : 06381955]
Chairmanship / Membership of Committees of other companies	None	**Name of Company**	**Name of Committee***	**Chairman / Member**	None
		Nila Infrastructures Limited	AC	Chairman	
			NRC	Chairman	
			CSR	Chairman	
			CC	Chairman	
		Parsa Kente Collieries Limited	AC	Member	
		Marine Infrastructure Developer Private Limited	AC	Member	

* Abbreviation

AC – Audit Committee

NRC – Nomination and Remuneration Committee

CSR – Corporate Social Responsibility Committee

CC – Compensation Committee

NOTES

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CIN: L85110GJ2004PLC044667

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