

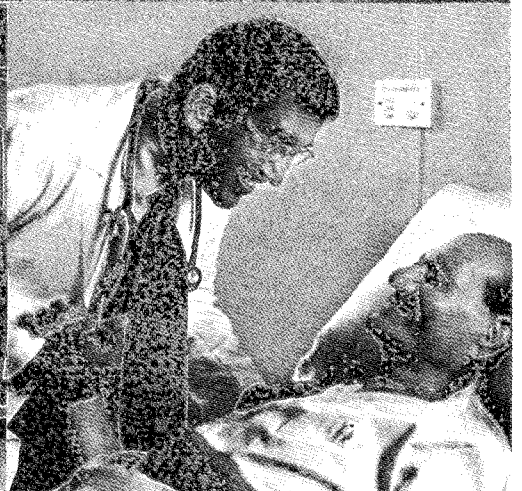
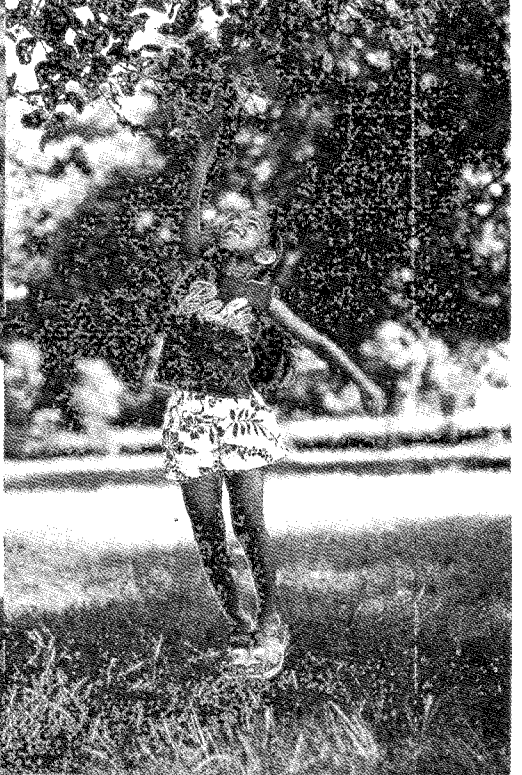
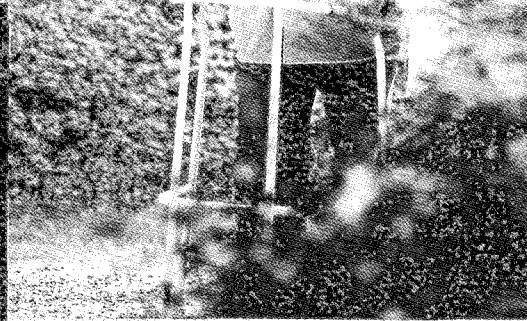
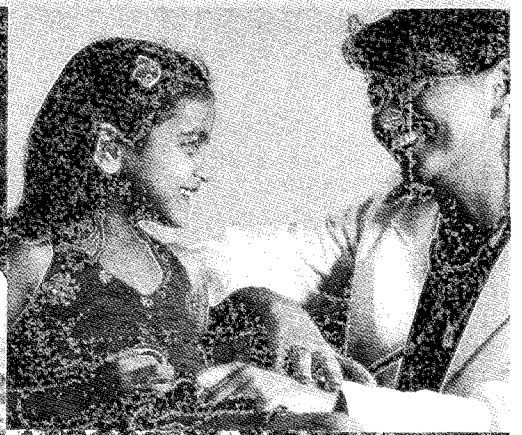
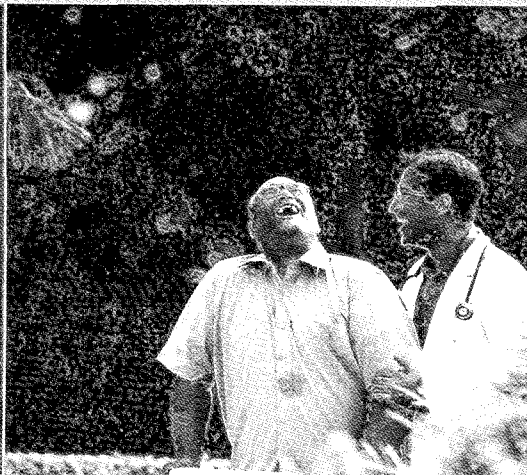
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BEYOND MEDICAL EXCELLENCE



A Fortis NETWORK HOSPITAL

18th ANNUAL REPORT
2008-09



Annual Report 2008-09

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shivinder Mohan Singh, Chairman
Mr. Krish Ramesh, Whole Time Director
Dr. Nithya Ramamurthy
Mr. P Murari
Mr. Ramesh L. Adige
Mr. Sanjay Jayavarthanavelu
Mr. Yogesh Kumar Sareen

Company Secretary

Mr. Prashant Khattry

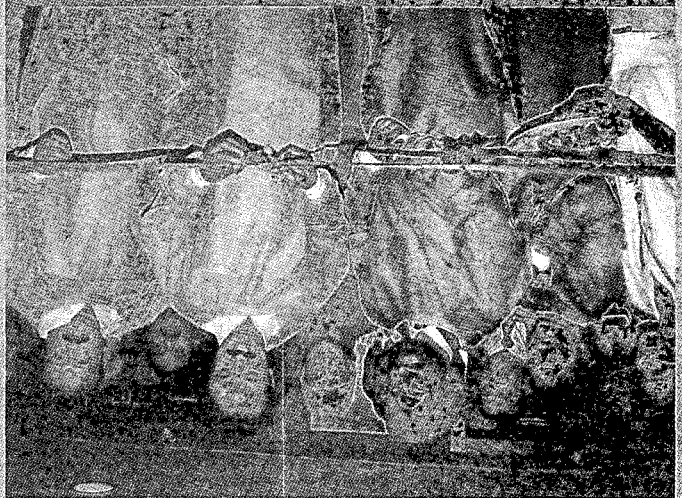
AUDITORS

K.GOPALAN & CO.
Chartered Accountants
G2, Padmaja Flats,
5/3, Cart Track Road,
T. Nagar, Chennai – 600 017.

REGISTERED OFFICE

52, First Main Road, Gandhi Nagar,
Adyar, Chennai – 600 020
Phone: + 91 – 44 - 24914023, 24914393
+ 91 - 44 - 42892222

KEY EVENTS 2008-09



Inauguration of Malar Heart Institute by Thiru M.K. Stalin, Deputy Chief Minister, Govt. of Tamil Nadu and Thiru M.R.K. Panneerselvam, Hon. Minister of Health & Family Welfare held on 17th December, 2008



Inaugurating the Heart Institute



Escorts Chest Pain Clinic Inaugurated by His Excellency Shri Surjit Singh Barnala, Governor of Tamil Nadu on 12th February, 2009



The New Paediatric Cardiac ICU



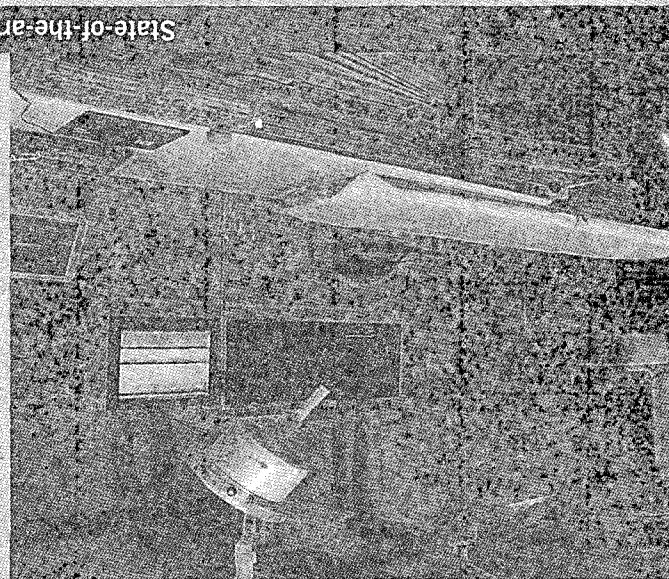
Fortis Gudlife Centre Consultation Suite



Community Arogya Programme (CAP) launched on the 21st August, 2008 by Ms. Kanimozhi, MP, Member of Rayya Sabha and Mr. Vishal, Film Artist.



State-of-the-art Cardiac Centre



Fortis Dental Centre With Latest Equipment



MESSAGE FROM THE CHAIRMAN

Dear Shareholder,

It gives me immense pleasure to present to you our 18th Annual Report.

The past year was an eventful one for our company as it saw many landmark achievements through the hard work of our team along with your continuous and unstinting support.

As you know, in the last year, we saw the transition of your company to becoming an associate of Fortis Healthcare Ltd, a major player in the Indian Healthcare space. This association has given the organization access to the expertise of Fortis management, systems and protocols which have acted as strong enablers towards driving exceptional progress over the course of the year.

FINANCIALS

We have recorded a total income of over Rs.33 crores during 2008-09, a stupendous growth of 83% over the previous financial year (April – March' 08). The financial results also reflect incremental revenues with the launch of Escorts Heart Institute at Malar Hospital, while driving growth in this specialty, it has also aided in improving patient footfalls and growth in many other specialties. Consequently, the Profit before extraordinary items increased to Rs. 1.61 crores during 2008-09 as against Rs. 0.60 crores in the previous year 12 months period.

GROWTH AND MEDICAL PROGRAMMES

I am pleased to inform you that, in December 2008, we launched a comprehensive cardiac super specialty program, under the well respected and trusted brand name 'Escorts Heart Institute' at Malar Hospitals; all of this is being led by the eminent cardio thoracic surgeon, Dr K R Balakrishnan. We have invested in a state of the art Cath Lab and multiple dedicated cardiac operation theatres and intensive coronary care units to support these programs. The strength of our medical programs has resulted in several rare and complex Adult, Pediatric and Neonatal Cardiac surgeries, Orthopedics and Joint replacement surgeries, Neurosurgery and Plastic reconstruction surgeries being performed in this hospital. Our Obstetrics and Gynecology services remain amongst the busiest in the city. We perform many difficult deliveries and surgeries successfully, and are supported by dedicated Neonatology experts.

It is also worthwhile to mention that we have worked proactively in launching and maintaining a Doctors Engagement Program that has resulted in higher levels of engagement amongst our top quality doctors and directly impacting the quality of our medical care.

OPERATIONS AND PATIENT CARE

Over a continued period of time, our hospital has experienced a higher level of occupancy numbers resulting in revenue growth in various specialties. The Dental Center and Preventive Health Check Program was upgraded and were relaunched during the course of the year. The Fortis Malar Hospital has now been empanelled with all of the major insurance companies and many leading corporate accounts as well.

With a view to further enhance patient satisfaction, the company has renovated a majority of the Doctors' chambers and patient rooms and has also made improved arrangements in waiting areas for attendants. The infrastructure of the hospital is being revamped, and this work will continue to be carried out in a planned manner. In addition to high end equipments acquired for cardiac care, we have commenced investments in medical equipments for other specialties. We are committed to upgrading the facilities in your hospital to take it the next level.

With a view to promote our objective of providing affordable healthcare, Malar Hospitals has launched the 'Community Arogya Program', an initiative aimed at prevention, awareness and early detection of various ailments afflicting society at large. As a part of this initiative, we have organized a number of health camps such as Heart Check Up Camps, Joint Pain Camp, Dental Camp, and Camp for Women, Kids and Teens Health Camp, Brain Tumor Awareness Camp etc. The company also has launched another initiative called Golden Age Club Membership which entitles senior citizen patients to certain privileges and preferential treatment in our hospitals. All these camps have been quite successful and have aided in driving patient footfalls.

BUILDING BLOCKS

We believe that all of the above will play an important role in improving the level of clinical and patient care at Malar Hospital and help us gain the stature of being a premier health care provider in the city.

The year also saw the establishment of a strong leadership team in Malar Hospital. This team has taken the onus of starting new projects with objectives of reducing costs, enhancing efficiencies of service delivery and achieving better patient satisfaction. We have commenced implementation of Fortis Operating System (FOS) which ensures standard and efficient healthcare delivery and provides better patient care. We have also started leveraging the scale benefits of centralized Purchase Supply Management (PSM) process, to help minimize overall procurement costs along with efficient management of the supply chain.

LOOKING AHEAD

Overall, Malar Hospitals is the gateway acquisition of Fortis Healthcare in South India and we are convinced it is an important milestone in the group's national roll-out plans. We believe Malar Hospitals shall have an important role to play in the plans of expanding the Fortis brand of healthcare in South India.

While last year saw many major initiatives, the focus for this year (2009-10) continues to be in driving profitable and

sustainable growth in the long run. The cardiac program is expected to grow at a rapid pace and we have aggressive plans with appropriate investments to get them going. The work on infrastructure, up-gradation of medical facilities and strengthening the brand will continue and help us in achieving these plans. We are committed to top quality patient care and shall continue our patient centric approach to everything we do in our bid to be amongst the top hospitals in South India.

We are confident that with your continuous support and encouragement, the coming years will see Malar Hospital emerging as a very strong healthcare delivery player in Southern India.

Sincerely,

Shivinder Mohan Singh
Chairman

Place : New Delhi
Dated : 28th May, 2009

NOTICE TO THE ANNUAL GENERAL MEETING

Notice is hereby given that the Eighteenth Annual General Meeting of the Company will be held on Friday, the 21st August, 2009 at 3.00 P.M. at P.Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha (Regd) – Vani Mahal, 103, G.N.Road, T.Nagar, Chennai – 600 017, to transact the following business:

AS ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Shivinder Mohan Singh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Ramesh L.Adige, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s K. Gopalan & Co; Chartered Accountants, the retiring auditors as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

AS SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. P.Murari, who was appointed as an Additional Director w.e.f 3rd March, 2009 and who holds office pursuant to Section 260 of the Companies Act, 1956 hereinafter referred to as ('the Act') upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation".

"RESOLVED FURTHER THAT all the Directors and Company Secretary be and are hereby severally authorized to do all such acts, deeds, things to give effect to the above resolution."

6. 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 81(1A) and other applicable provisions of the Companies Act, 1956. ("the Act"), and Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme)

Guidelines, 1999 ("the Guidelines") and other applicable rules, regulations, notifications and circulars, if any, of SEBI and/or other concerned and relevant authorities and other applicable laws, if any, (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force), relevant provisions of Memorandum & Articles of Association as amended from time to time and the Listing Agreements, entered into by the Company with stock exchanges where the Company's shares are listed, such approvals, consents and permissions of the appropriate authorities as may be required and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the board" which expression shall be deemed to include a Committee of Directors, to exercise its powers including the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board to amend, alter or modify terms & conditions of the "ESOP – 2008 Scheme" of the Company from time to time and to insert / modify the following provisions under the said scheme of the Company:

- The total number of options granted under the Scheme shall not cumulatively exceed 5% of the issued and subscribed capital of the Company as at the time of grant of options. The lapsed options due to non-exercise or cancelled unvested options due to resignation of the employees or otherwise, will be available for re-grant at a future date.
- The maximum number of options that may be granted to an employee under the Scheme shall not exceed 1% of the issued and subscribed equity capital of the Company at the time of grant of options.

There shall be minimum period of one year between the grant of options and vesting of options. Options granted shall vest so long as the employee continues to be in employment of the Company or its subsidiary. The Remuneration Committee may, at its discretion, lay down criteria including but not limited to, performance metrics on the achievement of which granted options would vest.

The stock options granted to an employee will not be transferable to any person and shall not be renounced, pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in case of death or total and permanently disability while an employee of the Company, the Granted Stock Options shall vest and exercise as below:

Malar Hospitals Limited

- In case of death, all options granted to him till such date shall vest in the legal heirs or nominees of the deceased employee. Options should be exercised within six months of vesting by the nominee/legal heirs.
- In case of total and permanent disability all options granted to him (vested and unvested) as on the date of permanent incapacitation, shall vest in him on that day. The options have to be exercised within the exercise period.
- The options would vest within five year from the date of grant options. The exact proportion in which and the exact period over which the options would be vest would be determined by the Remuneration Committee, *subject to the minimum vesting period of one year from the date of grant of options.*

The exercise period would commence from the date of vesting and will expire on completion of 8 years from the date of vesting of options.

- Appraisal Process for determining the eligibility of the employees will be specified by the remuneration Committee of the Company and will be based on the criteria such as role/level of employee, past performance, future potential of employees, balance number of years of service until normal retirement age and/or such criteria that may be determined by the Remuneration Committee of the Company in its sole discretion.
- The Company shall comply with the accounting policies prescribed under Clause 13.1 of the SEBI Guidelines and all other disclosure requirements and accounting policies prescribed as per the SEBI Guidelines and other applicable laws and regulations.
- To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the options granted. The difference between the employee compensation cost so computed using Intrinsic Value and the cost that shall have been recognized if it had used the Fair value of the options, shall be disclosed in the Directors' Report and also the *impact of this difference on profits and on EPS of the Company shall be disclosed in the Directors' Report.*

"RESOLVED FURTHER THAT for the purpose of giving effect to all or any of the foregoing, the Board be and is hereby authorized inter-alia to evolve, decide upon and make and give effect to any modification, changes, variations, alterations or revisions in the said scheme from time to time, or to suspend, withdraw or revive the Scheme from time to time, as may be specified by any statutory authority or person or body

of persons or as the Board may suo-moto decide in its absolute discretion and to do all such acts, deeds, matters and things whatsoever, including settling any question, doubts or difficulty that may arise with regard to or relation to the Scheme."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is hereby authorized to do all such deeds, matters and things and execute all such deeds, documents and writings as it may in its absolute discretion deem necessary."

7. 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 81(1A) and other applicable provisions of the Companies Act, 1956 ("the Act") and Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines") and the applicable rules, regulations, notifications and circulars, if any, of the SEBI and/or other concerned and relevant authorities and other applicable laws, if any (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force), relevant provisions of Memorandum & Articles of Association as amended from time to time and the Listing Agreements, entered into by the Company with stock exchanges where the Company's shares are listed, such approvals, consents and permissions of the appropriate authorities as may be required and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Committee of Directors for the time being exercising the powers conferred by the Board) to extend the benefits of said "Employees Stock Option Scheme - 2008" ("the Scheme") referred to in the Resolution under Item No.6 in this notice, to eligible employees of the Subsidiary Companies, as may from time to time be allowed under prevailing laws, rules and regulations, and/or amendments thereto from time to time on such terms and conditions as may be decided by the Board."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the Scheme on the Stock Exchanges where the Securities of the Company are listed as per the provisions of the Listing Agreements with the concerned Stock Exchanges and other applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in relation to the implementation of the Scheme, including amendment or modification of any terms thereof in accordance with and subject to all applicable SEBI guidelines, without being required to seek any further approval or consent of the members."

"RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue, allotment, listing of securities, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring into effect the scheme and make any modifications, changes, variations, alterations or revisions in the said scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things and execute all such deeds, documents and writings as it may in its absolute discretion deem necessary."

By the order of the Board,
For **Malar Hospitals Limited**

Place : New Delhi.

Dated : 28th May, 2009

Prashant Khattry
Company Secretary

Notes:

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, TO BE EFFECTIVE SHALL BE DULY FILLED, STAMPED, SIGNED AND DEPOSITED, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AT THE REGISTERED OFFICE AT 52, FIRST MAIN ROAD, GANDHI NAGAR, ADYAR, CHENNAI – 600 020.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is enclosed herewith which forms part of the Notice.
3. The additional information on directors seeking re-election at the Annual General Meeting has been provided in the Report on Corporate Governance.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 18th August, 2009 to 21st August, 2009 (both days inclusive).
5. In terms of Section 219(1) of the Companies Act, 1956, as also Clause 32 of the Listing Agreement, the full and complete annual report containing, inter alia, the full sets of all the documents referred to therein are available for inspection at the Registered Office of the Company during the working hours on all business days beginning from the date of this Notice till the date of the AGM.

6. Members are requested to bring their copy of Annual Report and Accounts to the Meeting.
7. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the Meeting Hall.
 - (a) Members who hold shares in electronic form are requested to notify any change in their particulars like change in address, etc., to their respective Depository Participants immediately.
 - (b) Members who hold shares in physical form are requested to notify any change in their particulars like change in address, etc., to the Registrars.
8. Corporate members are requested to send a duly certified copy of the Board Resolution /Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name shall be entitled to note.
10. For security reasons, no article / baggage will be allowed at the venue of the meeting. The members / attendees are strictly requested to not to bring any article/baggage, etc. at the venue of the meeting.
11. The members who holds shares in dematerialized form are requested to bring their Client Id and DP ID. Nos for easier identification of attendance at the meeting.
12. Those members who have not yet got their Equity Shares dematerialized, are requested to contact any of the Depository Participants in their vicinity for getting their shares dematerialized. In case of any clarifications, undersigned may be contacted in person or by communication addressed at the Registered Office of the Company.
13. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them. The Shareholders holding shares in physical form & desirous of making nominations may send their nomination request in prescribed form 2B of Companies (General Rules & Forms), 1956 which can be obtained from the Company's Registrar, GNSA INFOTECH PRIVATE LIMITED at GR MANSION, 11, SRINIVASA ROAD, PONDY. BAZAR, T.NAGAR, CHENNAI or download from the Company's website.
14. Members desiring any information on the Accounts are required to write to the Company at its Registered Office, giving at least 7 days notice prior to the date of Annual General Meeting to enable the Management to compile and keep the information ready.

Malar Hospitals Limited

EXPLANATORY STATEMENT

(pursuant to section 173(2) of the companies act,1956)

Item No. 5

The Board of Directors of your Company had co-opted Mr. P. Murari having rich experience in various fields, as an additional directors of the Company w.e.f. 3rd March, 2009; pursuant to provisions of section 260 of the Companies Act,1956 and Article 11(9) of the Article of Associations of the Company. The brief details of his qualification, experience etc. is given in Corporate Governance Report of the Company.

As per section 260 of the Companies Act, 1956 he will hold office upto the date of ensuing Annual General meeting. The Company has received notice in writing from one shareholder of the Company proposing his candidature for office of Director under section 257 of the Companies Act, 1956.

Your Directors believe that with his appointment as Non Executive Director of the Company, the Company would be benefited from the expertise and knowledge of the above said director in various fields. Hence, the resolution as set out at item No.5 of the notice are recommended for your approval. A copy of the circulation resolution passed by the Board of Directors on 3rd March, 2009 is open for inspection by the members at the Registered Office of the Company during working hours between 11.00 A.M. to 1.00 P.M. on only working day upto the date of this Annual General Meeting.

None of the Directors except Mr. P.Murari is concerned or interested in the said resolution.

Item No. 6 and 7

At present the Company has one Employee Stock Option Scheme- 2008 (ESOP Scheme -2008) which was duly approved by the Board and the members of the Company at the Seventeenth Annual General Meeting held on 29th September, 2008.

Under the said Scheme, no options have been granted to any employees of the Company. With a view to further clarify the ESOP Scheme -2008 in line with various clauses of Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines"); the Board of Directors of the Company in their meeting held on 28th May,2009 has approved the amendment in said scheme by addition, deletion, substitution of various clauses of the Scheme, subject to the approval of shareholders of the Company.

Further, the Board of Directors of your Company are of the opinion, that it is in the interest of the Company that the

benefits of ESOP Scheme- 2008 shall be extended to the directors and employees of the subsidiary companies of the Company as may be incorporated from time to time and allowed under prevailing laws, rules and regulations, and/or amendments thereto from time to time on such terms and conditions as may be decided by the Board.

In view of extending the benefits of the ESOP Scheme-2008 to Directors/employees of subsidiary companies, it is also proposed to increase the maximum number of options that may be granted under the Scheme shall be increased from 2% to 5% of the issued & subscribed capital of the Company as at the date of grant of option.

The proposed modification will not in any manner be detrimental to the interest of the employees. All the eligible "employees" of the said Scheme shall be beneficiaries of the proposed variations. The other terms of the ESOP Scheme-2008 will remain the same.

In terms of the Guidelines, consent of the Members by a Special Resolution is required for any variation in the said Scheme. Special Resolutions are accordingly proposed under item no.6 and 7.

A copy of the said scheme, along with the proposed modification, as stated above, is open for inspection by the members at the Registered Office of the Company during working hours between 11.00 A.M. to 1.00 P.M. on only working day upto the date of this Annual General Meeting.

The Board of Directors recommends the Resolutions as set out in Item No.6 and 7 for the approval of the Members.

None of the Directors of the Company are in any way, concerned or interested in the resolution.

By the order of the Board,
For **Malar Hospitals Limited**

Place : New Delhi.
Dated : 28th May, 2009

Prashant Khattry
Company Secretary

Details of Directors seeking Appointment/Re-appointment at the forthcoming Annual General Meeting in pursuant to 49IV(G) of the Listing Agreement.

- (i) Mr. Shivinder Mohan Singh is a young entrepreneur who aims to change the healthcare paradigm in this country. He is a Non-Executive Chairman of the Company.

He is the Managing Director of Fortis Healthcare Limited and Escorts Heart Institute & Research Centre Limited. He is also one of the principal promoters and Director on the Boards of Religare Enterprises Limited, Religare Wellness Limited and Religare Super Laboratories Limited.

He was, till recently, one of the key promoters of Ranbaxy Laboratories Limited and served as Director on the Board of the pharma major. He played a strategic role in the sale of Ranbaxy, thereby taking the company to the next level and creating significant long term value for all stakeholders.

An alumnus of Doon School and an Honours Graduate in Mathematics from St. Stephens College, Delhi, Mr. Shivinder has done his MBA with specialization in health sector management from the Duke University Business School, USA.

Notwithstanding his stature as a promoter, He began his career as a Management Trainee with Fortis in 1996. He progressively advanced his professional expertise and thorough exposure in several assignments in Fortis commencing with Executive Assistant to the Chairman and working through as Project Leader, Chief Operating Officer, Director – Projects and Joint Managing Director, before becoming the Group Managing Director in 2006.

His significant contribution in Indian Healthcare is widely acknowledged. His strategy for Fortis and its execution has been recognized by Harvard Business School in the form of a case study. He was awarded LMA Trident-Young Entrepreneur Award and was a nominee for E&Y's Young Global Awards. He has been

playing an important and active role in shaping the private healthcare space in India. He is the Chairperson of Health Services Committee of Federation of Indian Chambers of Commerce and Industry (FICCI), Chairman of the Delhi State Council of Confederation of Indian Industry (CII), Board member of Indo British Partnership (IBP), Board of FICCI, Board member of National Accreditation Board for Hospital & healthcare providers (NABH) and chair of the healthcare of UKTI (UK Trade & Investment).

Even though healthcare is a passion for Mr. Shivinder, his dream is to see a vibrant India in his lifetime. This motivates him to get involved in various activities directed towards bringing about positive social change in our country and engaging with different aspects of Building India. Mr. Shivinder is one of the trustees of an NGO 'Joining Hands'.

In addition to this, he is also keenly involved in various CSR initiatives focused on the Girl Child, HIV education, providing quality healthcare to Rural India to name a few.

As on May 28, 2009, he is not holding any shares or any other convertible instrument in the Company.

Mr. Shivinder Mohan Singh is a Director and member of Committees of Boards of the following other companies:

S.No.	Name of the Company/Entity in which interested	Committee Memberships
1.	Fortis Healthcare Limited – Managing Director	Member- Management Committee Member- Finance Committee Member- Clause 41 Committee under Listing Agreement Member- Shareholders/Investors Grievance and Share Transfer Committee Member- Issue Committee
2.	Escorts Heart Institute And Research Centre Limited – CEO & Managing Director	–
3.	Fortis Healthcare Holdings Limited	–
4.	Religare Enterprises Limited	Members – Issue Committee
5.	Religare Voyages Limited	–
6.	Oscar Investments Limited	Member- Risk Management Committee
7.	Super Religare Laboratories Limited	Member – Audit Committee
8.	Fortis Clinical Research Limited	–
9.	Religare General Insurance Company Limited	–
10.	AEGON Religare Life Insurance Company Limited	Chairman –Investment Committee
11.	Religare Technova Limited	–
12.	A-1 Book Company Private Limited	–
13.	Chetak Pharmaceuticals Private Limited	–
14.	Greenview Buildtech Private Limited	–
15.	R.C.Nursery Private Limited	–
16.	Religare AEGON Asset Management Company Private Limited	–
17.	Shivi Holdings Private Limited	–
18.	RHC Holding Private Limited	–

Malar Hospitals Limited

- (ii) Mr. Ramesh L. Adige, a Non-Executive, Independent Director, graduated with a Bachelor of Engineering (Honors) degree from BITS, Pilani and has a post graduate degree from the Faculty of Management Studies, University of Delhi. Mr. Adige is the President of RLL and spearheads the corporate affairs and global corporate communication functions. He is also responsible for corporate social responsibility, environment, health and safety at RLL. He has 33 years of experience in the areas of corporate policy, public affairs and public policy, strategic and perspective planning, external relations and the broader spectrum of business activities including joint ventures, technical and financial collaborations. He is RLL's representative in various pharma bodies and a participant in the CII and FICCI and heads the CII's Task Force on IP Policy. He was with Fiat India Limited as a whole-time director (corporate affairs) and has been the President of the Governing Council of the Automotive Research Association of India.

As on May 28, 2009, he is not holding any shares or any other convertible instrument in the Company.

Mr. Ramesh L Adige is a Director and member of Committees of Boards of the following other companies:

S. No.	Name of the Company/Entity in which interested	Committee Memberships
1.	Fortis Healthcare Limited - Director	Member - Shareholders/ Investors Grievance and Share Transfer Committee
2.	Syndicate Bank - Director	-

- (iii) Mr. P. Murari, a Non-Executive, Independent Director, M.A. (Economics) 1954, from Madras University and had passed State Civil Services in 1955 and Indian Administrative Services in 1957 and retired as Secretary to the President of India in August, 1992. He is specialized in the areas of General Industrial Administration, formulation of industrial policies, administration of public and cooperative sector industrial undertakings including sick units, health and family planning sector management, energy sector, financial administration and food processing. During his illustrious career as a civil servant, he has held many distinguished positions including: Sub-divisional and District Magistrate, Sub-Collector, Deputy Director of Census Operations. Chairman/Managing Director/ Director in State undertakings of Government of Tamil Nadu. Health Secretary, Commissioner for Commercial

Taxes, Gov of Tamil Nadu. Additional Secretary to GOI, Ministry of Industry. Secretary to GOI, Cabinet Secretariat, Implementation Committee for Pandit Jawaharlal Nehru Centenary. Secretary, Ministry of Food Processing Industries, GOI. Secretary, Ministry of Information and Broadcasting, GOI. He has undertaken many special projects for Government of India and has chaired numerous high level commissions & committees. He has served on the Boards/ Councils of several reputed institutions and professional bodies. He has represented India in Asian Productivity Council. He has a number of important publications to his credit.

As on May 28, 2009, he is not holding any shares or any other convertible instrument in the Company.

Mr. P. Murari is a Director and member of Committees of Boards of the following other companies:

S. No.	Name of the Company/Entity in which interested	Committee Memberships
1.	Aban Offshore Ltd - Director	Member - Audit Committee
2.	Aditya Birla Nuva Ltd - Director	Member - Audit Committee Chairman - Investor Relations & Finance Committee
3.	Glaxo Smithkline Consumer Healthcare Ltd - Director	Member- Remuneration Committee
4.	Xpro India Ltd - Director	Member - Audit Committee Chairman - Remuneration Committee
5.	Credit Capital Asset Management Co. Ltd - Director	Member - Investment Committee
6.	Great Eastern Energy Corpn Ltd -Director	Member - Audit Committee Member - Remuneration Committee
7.	Adayar Gate Hotel Ltd - Director	Member - Audit Committee
8.	HEG Ltd - Director	-
9.	South Asia Petrochem Ltd - Director	-
10.	Strategic Weighing Systems Ltd-Director	-
11.	Nuziveedu Seeds Ltd - Director	-
12.	IDEA Cellular Limited -Additional Director	-
13.	Bajaj Holdings and Investment Ltd - Additional Director	-
14.	Bajaj Auto Limited - Director	-

DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors present the Eighteenth Annual Report on business operations together with the Audited Financial statements and the Auditors' Report of your Company for the financial year ended 31st March 2009.

PERFORMANCE HIGHLIGHTS

The financial highlights for the year under review are given below:

Rs. in Lakhs

Particulars	For the year ended 31st March 2009 (12 months)	For the six months' period October 1, 2007 to March 31, 2008
Total Income	3332.81	938.98
Total Expenditure	2926.84	774.66
Profit Before Interest & Depreciation	405.97	164.32
Less: Financial Cost	71.88	36.67
Profits/(Losses) before Depreciation	334.09	127.65
Less: Depreciation/Provision for Obsolescence / Impairment	173.02	106.99
Profits / (Losses) for the period	161.07	20.66
Less: Exceptional Items Advances Written off	289.43	—
Less: Deferred Tax Adjustment	56.49	11.35
Less: Provision for MAT	(9.13)	—
Net Profits / (Losses)	(175.72)	9.31

To standardize the Accounting Year of your Company to coincide with the Financial Year, the Board of Directors have changed the previous Financial Year from September 30 ending to March 31 ending.

FINANCIAL PERFORMANCE

The period under review is for twelve months period from April 1, 2008 to March 31, 2009, against six month period from October 1, 2007 till March 31, 2008. In this financial year, your Company has achieved a turnover (Hospital Income) of Rs. 3332.81 lakhs as against Rs 938.98 lakhs during the last Financial Year (6 months' period) ended 31st March, 2008. The Net Profit before Tax and exceptional items for the period amounted to Rs 161.07 lakhs (12 months period) as against Rs. 20.66 lakhs of the last Financial Year ended 31st March, 2008 (6 months' period). Net profit / (Losses) at Rs. (175.72) lakhs for this twelve months ended 31st March, 2009 against Rs. 9.31 Lakhs for 6 months ending 31st March, 2008. The overall loss for the year was primarily due to one time write off to the tune of Rs. 289 Lakhs on the basis of the Arbitration Award in the matter relating to certain transactions in earlier years.

OPERATIONS

The year 2008-09 was in many respects an impressive year for your company. The Company kicked off many new marketing initiatives and has taken effective steps to enhance and rebuild the brand image of your company.

The hospital, under the leadership of new Management, has been working with clear focus on growth in the revenue front. In December 2008, the new Cardiac program was launched pursuant to joining of renowned Cardiac Surgeon Dr. K. R. Balakrishnan and required infrastructure was also beefed up during the year. The hospital now has a state of art Center of Excellence in Cardiac Sciences. During the year a number of complex surgeries were conducted, covering most types of procedures across all age groups from neonatal to senior citizens. The performance in other specialties viz. Ortho, Mother

Malar Hospitals Limited

and Child, Internal Medicine have also shown considerable increase in volumes over the previous year. The treatment for Hip replacement of a 99 year old person was covered by many newspapers and created vibes across the state about the quality of care and services provided at the hospital. Similarly another total hip replacement surgery on a midget man suffering from dwarfism was extensively covered across the print media. A rare heart surgery was performed upon a two month old infant born with a deformed heart valve.

The contribution to operating revenue from various specialties has clearly undergone a change and is skewed towards super – specialty and surgical work. The occupancy rate in the hospital has also shown significant jump during the year.

The hospital also added new medical programmes like Dental Centre and Gudness Centre.

The hospital is committed to being active in the communities in which it operates and has initiated several outreach programs like installing various subsidized camps with the aim of reaching patients door steps for heart check up camps, Ortho camps, Dental camps etc. The hospital also provides Golden Age Club membership to the Senior Citizens with an objective to provide them health checks along with discounted and preferred treatment at the hospital.

In order to improve focus on patient centric approach and serve the patients better, patient feedback forms have been introduced which would be helpful in assessing the expectations and complaints.

The hospital has drawn up plans for the infrastructure and equipments revamp in a phased manner and the same is being implemented as per plan.

The hospital has introduced continuous knowledge and skill enrichment Medical and Nursing Education programmes in a structured way whereunder regular training sessions are now being conducted for staff in all categories on induction, service excellence and improving softer skills.

DIVIDEND AND TRANSFER OF RESERVES

In view of the unavailability of distributable profits, your Directors express their inability to recommend any dividend for the year. During the year under review, no amount has been transferred to reserves.

DEPOSITS

During the year under review your Company has not accepted any deposits under Section 58A of the Companies Act, 1956 read with the Company (Acceptance of Deposits) Rules, 1975.

DIRECTORS

Mr. Shivinder Mohan Singh and Mr. Ramesh L Adige, Directors of the Company, are liable to retire by rotation and being eligible offers themselves for re-appointment.

The Board of Directors of your Company had co-opted Mr. P. Murari having rich experience in various fields, as an additional directors of the Company w.e.f. 3rd March, 2009; pursuant to provisions of section 260 of the Companies Act, 1956 and Article 11(9) of the Article of Associations of the Company.

As per section 260 of the Companies Act, 1956 he will hold office upto the date of ensuing Annual General meeting. The Company has received notice in writing from one shareholder of the Company proposing his candidature for office of Director under section 257 of the Companies Act, 1956.

DISCLOSURES UNDER SECTION 217 OF THE COMPANIES ACT, 1956

Except, as disclosed elsewhere in the report, there have been no material changes and commitments, which can affect the financial position of the Company between the end of the financial year and the date of report.

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is annexed to this Report. However, in terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to the shareholders excluding this annexure. Any shareholder interested in obtaining such information may write at the Registered Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- a) In the preparation of Annual accounts, the applicable Accounting Standards have been followed.
- b) Appropriate accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2009 and of its profit for the period ended on that date.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and preventing and detecting fraud and other irregularities.
- d) The annual accounts have been prepared on a going concern basis.

AUDITORS

M/s. K Gopalan & Co., Chartered Accountants, Statutory Auditors retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Auditors' Report read along with notes to accounts is self-explanatory and therefore does not call for any further comments. It may be noted that consequent to Arbitration Award and write off a part of advances thereafter, the qualification in the Auditors report have been removed.

VOLUNTARY DELISTING OF SHARES

The Company obtained an approval from Ahmedabad Stock Exchange Limited for delisting of securities from Ahmedabad Stock Exchange w.e.f. 04th September, 2008. The application for Delisting of securities of the Company from Madras Stock Exchange Limited (MSE), Chennai, is pending before Madras Stock Exchange Limited. The Company's Equity Shares shall continue to be listed at Bombay Stock Exchange Limited (BSE) which has nation wide trading terminals.

REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Separate report on Corporate Governance and Management Discussion and Analysis Reports along with Auditors' Certificate is enclosed as an annexure.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS / OUTGO.

The particulars as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are set in the Annexure included in this report.

ACKNOWLEDGEMENTS

Your company is grateful for the co-operation and assistance extended by Banks and the Government of Tamil Nadu. The Board also wishes to place on record its appreciation of the dedicated services of our consultants, employees and other members of the hospital. The Board also places on record its sincere appreciation to the Shareholders for reposing faith in the management of the Company.

For and on behalf of the Board

Place : New Delhi
Date : 28th May, 2009

Shivinder Mohan Singh
Chairman

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company is committed to adhering to good corporate governance practices. Good corporate governance enables the management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stakeholders.

In your Company, the pursuit of achieving good governance is an ongoing process, thereby ensuring transparency, accountability and responsibility in the operations and in interactions with shareholders, employees, government, regulatory bodies, and the community at large. Your Company recognizes good corporate governance as a key driver to sustainable growth and long term value creation. The brand value and reputation of your Company are seen as the most valuable assets. Your Company recognizes its economic, social and environmental responsibilities and continuously strives towards putting in place the best practices in every sphere of its operations.

2. BOARD OF DIRECTORS

(i) Composition of the Board

The Board of Directors ("Board") of the Company has an optimum combination of Executive, Non-Executive and Independent Directors, who have in-depth knowledge of business, in addition to the expertise in their respective areas of specialisation.

The Board brings in strategic guidance, leadership and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that management adheres to high standards of ethics, transparency and disclosure.

As on 28th May, 2009 the Board comprises of 7 Directors, of whom, 1 (One) is an Executive Director designated as Whole Time Director and 6 (Six) are Non-Executive Directors including Non-Executive Chairman. Amongst the Non- Executive Directors, 3 (Three) are independent Directors. The Company is in the process of inducting one more independent director on the Board. The Non-Executive Directors bring an external and wider perspective in Board deliberations and decisions.

Other details of the Board of Directors as on 31st March, 2009 was as under:

Name of Director	Category	**Directorships held in other companies	*Committees Membership Other Companies	# Chairmanship in committees of other companies in which they are members
Mr. Shivinder Mohan Singh	Non Executive Chairman	12	2	2
Mr. Krish Ramesh	Whole-time Director	-	-	-
Dr. Nithya Ramamurthy	Non Executive Director	-	-	-
Mr. P Murari ^	Non Executive Independent Director	14	6	1
Mr. Ramesh L. Adige	Non Executive Independent Director	2	-	1
Mr. Sanjay Jayavarthanavelu	Non Executive Independent Director	6	2	-
Mr. Yogesh Kumar Sareen	Non Executive Director	9	-	-

** excluding private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

* represents membership of Audit Committee and Shareholders'/ Investors' Grievance Committee of Indian Public Limited Companies.

represents chairmanship of Audit Committee and Shareholders'/ Investors' Grievance Committee of Indian Public Limited Companies.

^ Appointed on the Board of Directors w.e.f. 3rd March, 2009

None of the Directors on Board is a member in more than ten committees and/or act as chairman of more than five committees across all the companies in which he is Director.

None of our Directors are related to one another.

Details of Directors:

As required under Clause 49 of the Listing Agreement, the information or details pertaining to the Directors seeking appointment/ re-appointment in the ensuing Annual General Meeting, are furnished below:

- (i) Mr. Shivinder Mohan Singh is a young entrepreneur who aims to change the healthcare paradigm in this country. He is a Non-Executive Chairman of the Company.

He is the Managing Director of Fortis Healthcare Limited and Escorts Heart Institute & Research Centre Limited. He is also one of the principal promoters and Director on the Boards of Religare Enterprises Limited, Religare Wellness Limited and Religare Super Laboratories Limited.

He was, till recently, one of the key promoters of Ranbaxy Laboratories Limited and served as Director on the Board of the pharma major. He played a strategic role in the sale of Ranbaxy, thereby taking the company to the next level and creating significant long term value for all stakeholders.

An alumnus of Doon School and an Honours Graduate in Mathematics from St. Stephens College, Delhi, Shivinder has done his MBA with specialization in health sector management from the Duke University Business School, USA.

Notwithstanding his stature as a promoter, he began his career as a Management Trainee with Fortis in 1996. He progressively advanced his professional expertise and thorough exposure in several assignments in Fortis commencing with Executive Assistant to the Chairman and working through as Project Leader, Chief Operating Officer, Director – Projects and Joint Managing Director, before becoming the Group Managing Director in 2006.

Shivinder's significant contribution in Indian Healthcare is widely acknowledged. His strategy for Fortis and its execution has been recognized by Harvard Business School in the form of a case study. He was awarded LMA Trident-Young Entrepreneur Award and was a nominee for E&Y's Young Global Awards. He has been playing an important and active role in shaping the private healthcare space in India. He is the Chairperson of Health Services Committee of Federation of Indian Chambers of Commerce and Industry (FICCI), Chairman of the Delhi State Council of Confederation of Indian Industry (CII), Board member of Indo British Partnership (IBP), Board of FICCI, Board member of National Accreditation Board for Hospital & healthcare providers (NABH) and chair of the healthcare of UKTI (UK Trade & Investment).

Even though healthcare is a passion for Shivinder, his dream is to see a vibrant India in his lifetime. This motivates him to get involved in various activities directed towards bringing about positive social change in our country and engaging with different aspects of Building India. Shivinder is one of the trustees of an NGO 'Joining Hands'.

In addition to this, Shivinder is also keenly involved in various CSR initiatives focused on the Girl Child, HIV education, providing quality healthcare to Rural India to name a few.

Shivinder is on the board of visitors of Fuqua School of Business, Duke University, U.S. and a fellow of Aspens India Leadership Initiative. He is also a Director of Step By Step School.

As on May 28, 2009, he is not holding any shares or any other convertible instrument in the Company.

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Mr. Shivinder Mohan Singh is a Director and member of Committees of Boards of the following other companies:

Sr. No.	Name of the Company / Entity in which interested	Committee Memberships
1.	Fortis Healthcare Limited – Managing Director	Member - Management Committee Member - Finance Committee Member - Clause 41 Committee under Listing Agreement Member - Shareholders / Investors Grievance and Share Transfer Committee Member - Issue Committee
2.	Escorts Heart Institute And Research Centre Limited – CEO & Managing Director	–
3.	Fortis Healthcare Holdings Limited	–
4.	Religare Enterprises Limited	Members – Issue Committee
5.	Religare Voyages Limited	–
6.	Oscar Investments Limited	Member- Risk Management Committee
7.	Super Religare Laboratories Limited	Member – Audit Committee
8.	Fortis Clinical Research Limited	–
9.	Religare General Insurance Company Limited	–
10.	AEGON Religare Life Insurance Company Limited	Chairman –Investment Committee
11.	Religare Technova Limited	–
12.	A-1 Book Company Private Limited	–
13.	Chetak Pharmaceuticals Private Limited	–
14.	Greenview Buildtech Private Limited	–
15.	R.C.Nursery Private Limited	–
16.	Religare AEGON Asset Management Company Private Limited	–
17.	Shivi Holdings Private Limited	–
18.	RHC Holding Private Limited	–

- (ii) Mr. Ramesh L. Adige, a Non-Executive, Independent Director, graduated with a Bachelor of Engineering (Honors) degree from BITS, Pilani and has a post graduate degree from the Faculty of Management Studies, University of Delhi. Mr. Adige is the President of RLL and spearheads the corporate affairs and global corporate communication functions. He is also responsible for corporate social responsibility, environment, health and safety at RLL. He has 33 years of experience in the areas of corporate policy, public affairs and public policy, strategic and perspective planning, external relations and the broader spectrum of business activities including joint ventures, technical and financial collaborations. He is RLL's representative in various pharma bodies and a participant in the CII and FICCI and heads the CII's Task Force on IP Policy. He was with Fiat India Limited as a whole-time director (corporate affairs) and has been the President of the Governing Council of the Automotive Research Association of India.

As on May 28, 2009, he is not holding any shares or any other convertible instrument in the Company.

Mr. Ramesh L Adige is a Director and member of Committees of Boards of the following other companies:

Sr. No.	Name of the Company/Entity in which interested	Committee Memberships
1.	Fortis Healthcare Limited –Director	Member - Shareholders/Investors Grievance and Share Transfer Committee
2.	Syndicate Bank - Director	—

- (iii) Mr. P. Murari, a Non-Executive, Independent Director, M.A. (Economics) 1954, from Madras University and had passed State Civil Services in 1955 and Indian Administrative Services in 1957 and retired as Secretary to the President of India in August, 1992. He is specialized in the areas of General Industrial Administration, formulation of industrial policies, administration of public and cooperative sector industrial undertakings including sick units, health and family planning sector management, energy sector, financial administration and food processing. During his illustrious career as a civil servant, he has held many distinguished positions including: Sub-divisional and District Magistrate, Sub-Collector, Deputy Director of Census Operations. Chairman/Managing Director/Director in State undertakings of Government of Tamil Nadu Health Secretary, Commissioner for Commercial Taxes, Govt of Tamil Nadu, Additional Secretary to GOI, Ministry of Industry, Secretary to GOI, Cabinet Secretariat, Implementation Committee for Pandit Jawaharlal Nehru Centenary, Secretary, Ministry of Food Processing Industries, GOI, Secretary, Ministry of Information and Broadcasting, GOI. He has undertaken many special projects for Government of India and has chaired numerous high level commissions & committees. He has served on the Boards/ Councils of several reputed institutions and professional bodies. He has represented India in Asian Productivity Council. He has a number of important publications to his credit.

As on May 28, 2009, he is not holding any shares or any other convertible instrument in the Company.

Mr. P. Murari is a Director and member of Committees of Boards of the following other companies:

Sr. No.	Name of the Company /Entity in which interested	Committee Memberships
1.	Aban Offshore Ltd-Director	Member – Audit Committee
2.	Aditya Birla Nuva Ltd-Director	Member – Audit Committee Chairman – Investor Relations & Finance Committee
3.	Glaxo Smithkline Consumer Healthcare Ltd - Director	Member – Remuneration Committee
4.	Xpro India Ltd-Director	Member – Audit Committee Chairman – Remuneration Committee
5.	Credit Capital Asset Management Co. Ltd - Director	Member – Investment Committee
6.	Great Eastern Energy Corpn Ltd - Director	Member – Audit Committee Member – Remuneration Committee
7.	Adayar Gate Hotel Ltd - Director	Member – Audit Committee
8.	HEG Ltd - Director	—
9.	South Asia Petrochem Ltd - Director	—
10.	Strategic Weighing Systems Ltd - Director	—
11.	Nuziveedu Seeds Ltd - Director	—
12.	IDEA Cellular Limited - Additional Director	—
13.	Bajaj Holdings and Investment Ltd – Additional Director	—
14.	Bajaj Auto Limited - Director	—

Board Functioning & Procedure

At Malar Hospitals, Board plays a pivotal in ensuring good governance. In accordance with Clause 49 of the Listing Agreement, the Board meets atleast once in every quarter to review the quarterly results and other items of agenda and if necessary, additional meetings are held. The agenda for each Board meetings is drafted in consultation with the Chairman and circulated in advance to the Board members.

During the year ended March 31, 2009, four Board Meetings were held on:

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(i) April 30, 2008 (ii) July 31, 2008, (iii) October 22, 2008, (iv) January 19, 2009.

The Annual General Meeting of the Company was held on 29th September, 2008.

The attendance of each Director at the Board Meetings held during the year and at the last Annual General Meeting (AGM) was as under: -

Name of Directors	No of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Shivinder Mohan Singh	4	4	Yes
Mr. Yogesh Kumar Sareen	4	4	Yes
Mr. Ramesh L. Adige	4	4	No
Dr. Nithya Ramamurthy	4	3	Yes
Mr. Krish Ramesh	4	3	Yes
Mr. Sanjay Jayavarthanavelu	4	3	Yes
Mr. P. Murari *	4	-	NA

* Appointed on the Board of Directors w.e.f 03rd March, 09

Availability of information to the members of Board:

As required under Clause 49 of the Listing Agreement, to the extent applicable, following information is placed before the Board:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the company and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Statutory compliance of laws

The Board periodically reviews the Compliance Report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliances, if any.

3. AUDIT COMMITTEE**(i) Composition of the Committee-**

The Composition of the Committee as on 31st March, 2009, was as follows: -

Sr. No.	Names of Members	Designation	Category
1	Mr. Ramesh L. Adige ^	Chairman	Non Executive Independent Director
2	Mr. Yogesh Kumar Sareen ^	Member	Non Executive Director
3	Mr. Sanjay Jayavarthanavelu. ^	Member	Non Executive Independent Director

^ The Audit Committee was re-constituted in the Board Meeting held on 31st July, 2008 with the induction of members mentioned above.

Mr. P. Murari, an Independent Director was inducted as member of the Audit Committee w.e.f 13th May, 2009.

All members are financially literate and one member is having requisite accounting and financial management expertise.

(ii) Terms of reference

The Board of Directors has approved the following terms of reference for the Audit Committee:

1. To oversee Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. To approve payment to statutory auditors for any other services rendered by the statutory auditors.
4. To review with the Management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. To review with the Management, the quarterly/half-yearly/annual financial statements before submission to the Board for approval.
6. To review with the Management, performance of Statutory and Internal Auditors, adequacy of the internal control systems.
7. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. To discuss with Internal Auditors any significant findings and follow up there on.

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9. To review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. To discuss with Statutory Auditors before commencement of audit, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the following information:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
13. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
14. To review Capital Structure, policies and norms related thereto.
15. To review Financial policies, processes, systems and controls covering, Accounting, Treasury, Taxation, Forex, Risk Management and Insurance.
16. To review organization structure, succession planning, policies and processes related to manning, breadth and depth, capabilities, potential and development of managerial personnel in the Finance function.
17. To review, approve or recommend to the Board financial authority to senior managerial personnel.
18. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendation to the Board to take up steps in this matter.
19. Review the functioning of the Whistle Blower mechanism, in case the same is existing.

(iii) Review of information by Audit Committee

Apart from other matters, as per Clause 49 of the Listing Agreement, the Audit Committee reviewed, to the extent applicable, the following information:

1. Management Discussion and Analysis of Financial condition and results of operations;
2. Statement of significant related party transactions, submitted by Management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal Audit Reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of Chief internal auditor shall be subject to review by the Audit Committee.

(iv) Meetings and Attendance

During the financial year ended 31st March, 2009, two meetings were held on (i) 22nd October, 2008, and (ii) 19th January, 2009.

Audit Committee was re-constituted on the Board Meeting held on 31st July, 2008 when the Company had managed to induct required number of independent directors to form an audit committee. After that the two Audit Committee meeting were held during the year. Now, the Committee is having regular meetings.

The attendance at the Committee Meetings during the year under review was as under:

Sr. No.	Names of Members	No. of Meetings attended
1	Mr. Ramesh L. Adige	2
2	Mr. Yogesh Kumar Sareen	2
3	Mr. Sanjay Jayavarthanavelu	2

4. REMUNERATION COMMITTEE

(i) Broad Terms of Reference

The Remuneration Committee has been constituted in accordance with Schedule XIII of the Companies Act and Clause 49 of the listing agreement. The Committee has been entrusted with the power of deciding and approving remuneration including revisions thereto, from time to time, in respect of managerial personnel, including the Managing Director(s), Whole-time Director(s), and Executive Chairman and Managing Director.

The Company Secretary acts as the Secretary of the committee.

(ii) Composition of the Committee

There was no Remuneration Committee of the Company for the year ended 31.03.2009 on account of resignation of independent directors consequent to reconstitution of the Board.

The Remuneration Committee was reconstituted on 28th May, 2009 with the induction of necessary independent directors on the Board and now the Committee shall meet regularly as and when required and the Committee comprised of:

Sr. No.	Names of Members	Designation	Category
1	Mr. Yogesh Kumar Sareen	Chairman	Non-Executive Director
1	Mr. Ramesh L. Adige	Member	Independent Director
2	Mr. P. Murari	Member	Independent Director
3	Mr. Sanjay Jayavarthanavelu	Member	Independent Director

(iii) Meetings and Attendance

During the financial year ended 31st March, 2009, no meetings were held.

The Board of Directors has approved the following terms of reference for Remuneration Committee:

(iv) Terms of Reference

- To decide all elements of remuneration package of all corporate officers or executive directors i.e. salary, benefits, bonuses, stock options, pension etc., the details of fixed component and performance linked incentives, alongwith performance criteria.
- The Committee shall have the power to decide the service contracts, notice period, severance fees of executive director.
- To review and recommend to the Board the remuneration policy for the Company.
- To approve grant of stock options to the employees and/or Directors of the Company and subsidiary companies (as and when applicable) and perform such other function as are required under the Employee Stock Option Plan of the Company.
- To discharge such other functions or exercise such powers as may be delegated to the Committee by the Board from time to time.

Malar Hospitals Limited

(v) Remuneration Policy & criteria of making payments to Executive and Non-Executive Directors

The Directors' remuneration policy of your Company confirms with the provisions under the Companies Act, 1956. Subject to the approval of the Shareholders in the general meeting and such other approvals as may necessary from time to time, the remuneration paid/payable to Whole Time Director are as per terms of remuneration recommended by the Remuneration Committee, decided by the Board and approved by the Shareholders and Central Government.

The Company is having only one Executive Director, designated as Whole Time Director. The remuneration payable to him is decided from time to time on the basis of qualification, experience, responsibilities, performance of the concerned Director and industry practices.

The non- executive Directors are paid sitting fees for attending the meetings of Board of Directors and Audit Committee.

The key components of the Company's remuneration Policy are:

- Compensation will be based on credentials and the major driver of performance
- Compensation will be competitive and benchmarked with industry practice.
- Compensation will be fully transparent and tax compliant.

Details of Remuneration paid to the Directors for the year ended 31st March, 2009.

Executive Directors

(Amount Rs in Lacs)

Name of the Director	Salary	Perquisites & Allowances	Retiral Benefits	Service Contract	
				Tenure	Notice Period
Krish Ramesh	15.95	21.97	1.91	5 years w.e.f. 30th April, 2008	3 Months

Non – Executive Directors

Only sitting fees is being paid to Non-Executive Directors . The sitting fees paid to the Non- executive Directors for the financial year ended 31st March,2009 and their shareholding as on that date is as follows:

(Amount in Rs.)

Name of the Director	Sitting Fee **	Shareholding in the Company as on 31st March, 2009
Mr. Shivinder Mohan Singh	8,000	-
Mr. Yogesh Kumar Sareen	8,000	-
Mr. Ramesh L. Adige	12,000	-
Dr. Nithiya Ramamurthy	6,000	801,527
Mr. Sanjay Jayavarthanavelu	10,000	-
Mr. P. Murari *	-	-

* Appointed as Non-Executive Independent Director w.e.f 03rd March, 2009

** For attending the Board Meetings, Audit Committee Meetings.

The Company has not granted any stock options to any of its Directors.

There were no other pecuniary relationships or transactions of the Non-executive Directors vis-à-vis the Company.

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**(i) Composition**

The Committee as on 31st March, 2009 comprised of:

Sr. No.	Names of Members	Designation	Category
1	Mr. Ramesh L. Adige	Chairman	Non Executive Independent Director
2	Dr. Nithya Ramamurthy	Member	Non Executive Director
3	Mr. Yogesh Kumar Sareen	Member	Non Executive Director

The Company Secretary acts as the Secretary of the Committee as well as the Compliance officer pursuant to Clause 47(a) of the Listing Agreement with the Stock Exchanges.

The Board of Directors has approved the following terms of reference for Shareholders'/Investors' Grievance Committee:

- (i) To approve/ refuse/ reject registration of transfer / transmission of Shares;
- (ii) To authorize issue of Share Certificates after split/Consolidation/Replacement and duplicate Share certificates;
- (iii) To authorize printing of Share Certificates;
- (iv) To affix or authorize affixation of the Common Seal of the Company on Share Certificates approved by the Committee on behalf of the Company.
- (v) To authorize Managers / Officers/Signatories for signing Share Certificates as well as for endorsing share transfers.
- (vi) To monitor redressal of shareholders' and investors' complaints about transfer of shares, non- receipt of balance sheet, non-receipt of declared dividends etc.
- (vii) Such other functions as may be assigned by the Board."

(ii) Name and Designation of compliance officer

Mr. Prashant Khattry
Company Secretary

(iii) Status of Shareholders' Complaints during financial year 2008-09

Number of shareholders' complaints received	:	61
Number of complaints not resolved to the satisfaction of shareholders	:	Nil
Number of pending complaints	:	Nil

(iv) Meeting and Attendance

During the financial year ended 31st March, 2009, only two meeting was held on 16th July, 2008 and 19th January, 2009.

The attendance at the abovementioned meeting during the year under review was as under: -

Sr. No.	Names of the Members	No. of Meetings attended
1	Mr. Ramesh L. Adige	1
2	Dr. Nithya Ramamurthy	2
3	Mr. Yogesh Kumar Sareen	2

As on 31st March, 2009, the Company did not have any pending investor grievance.

Malar Hospitals Limited

6. Whole-time Director / Financial Controller Certification

The Whole Time Director and Financial Controller certification as stipulated in the Clause 49(V) of the Listing Agreement was placed before the Board alongwith financial statements for the year ended 31st March, 2009, and the Board reviewed the same. The said certificate is provided elsewhere in the Annual Report.

7. GENERAL BODY MEETINGS:

The location and time of the General Meetings held during the preceding three years are as :-

Financial Year	Date	Time	Address	Special resolution passed
2005 – 06	26th March, 2007	10.15 A.M.	Balamandir German Hall No.17, Prakasam Street (off: Habibullah Road) T. Nagar, Chennai 600 017	Reappointment of Dr. Nithya Ramamurthy as the Whole Time Director of the Company. Voluntary Delisting of Securities from Ahmedabad Stock Exchange and Madras Stock Exchange.
2006 – 07	25th March, 2008	11.00 A.M.	Balamandir German Hall No.17, Prakasam Street (off: Habibullah Road) T. Nagar, Chennai 600 017	No Special Resolution was passed.
2007 – 08	29th Sept, 2008	3.30 P.M.	Balamandir German Hall No.17, Prakasam Street (off: Habibullah Road) T. Nagar, Chennai 600 017	Appointment of Mr. Krish Ramesh as Whole time Director of the Company for a period of 5 years w.e.f. 30th April, 2008. Approval of ESOP Scheme 2008.

There were no matters required to be dealt/passed by the Company through postal ballot, in any of the aforesaid meetings, as required under the provisions of Section 192A of the Companies Act, 1956. There is no matter proposed to be dealt/passed by the Company through postal ballot in the ensuing Annual General Meeting.

8. DISCLOSURES: -

Related party transactions:

A statement in summary form of transactions with related parties in the ordinary course of business are being placed before the Audit Committee periodically. During the year under review, there are no material individual transactions with related parties, which are not in the normal course of business and there are no material individual transactions with related parties or others, which are not on an arm's length basis.

Accounting Treatment:

While in the preparation of financial statements, no treatment different from that prescribed in an Accounting Standard has been followed.

Compliances by the Company:

The Company has complied with requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years.

No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI and other statutory authorities relating to the above.

Management

- Management Discussion and Analysis is forming part of the Annual Report to the shareholders
- During the year, no material financial and commercial transactions has been entered by Senior Management personnel, where they have any personal interest that may have potential conflict of the Company at large. The Company has obtained requisite declarations from all senior management personnel in this regard and the same were placed before the Board of Directors on periodic basis.

Prohibition of Insider Trading:

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Company has instituted a comprehensive code of conduct for its management and staff. The Code lays down the guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company. The Code is followed by the Company in letter and spirit.

9. MEANS OF COMMUNICATION

- The quarterly financial results are generally published in Business Standard (English) and Malai Sudar (Vernacular)
- The quarterly, half yearly and annual financial statements are posted on the Company's website viz. http://www.fortishealthcare.com/network_hospitals/fortis_malar/fortis_malar.html
- The Company also intimates the Stock Exchanges all price sensitive information or such other matters which in its opinion are material and of relevance to the Shareholders.

10. GENERAL SHAREHOLDERS INFORMATION

(i) Date of AGM

The Annual General Meeting is proposed to be held on August 21, 2009 at 3.00 PM. at P.Obul Reddy Hall, Sri Thyaga Brahma Gana Sabha (Regd) – Vani Mahal, 103, G.N. Road, T.Nagar, Chennai – 600 017.

Posting of Annual Report On or before July 28, 2009

Last date of receipt of Proxy Form August 19, 2009 till 3.00 PM.

(ii) Book Closure

Tuesday, 18th August, 2009 to Friday, 21st August, 2009 (both days inclusive)

(iii) The Financial Year of the Company is starting from April 1 and ending on March 31 of next year.

(iv) Financial Calendar 2009-2010 (tentative & subject to change)

S.No.	Tentative Schedule	Tentative Date
1.	Financial Reporting for the quarter ending 30th June, 2009	End of July, 2009
2.	Financial Reporting for the quarter ending 30th September, 2009	End of October, 2009
3.	Financial Reporting for the quarter ending 31st December, 2009	End of January, 2010
4.	Financial Reporting for the quarter ending 31st March, 2010*	End of April, 2010
5.	Annual General Meeting for the year ending 31st March, 2010	End of September, 2010

* As provided in Clause 41 of Listing Agreement, Board may also consider submission of Audited Results for the year 2009-2010 in lieu of Unaudited Results for fourth quarter, by 30th June, 2010 (or such other period as may be stipulated from time to time.)

(v) Listing on Stock Exchanges

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and Madras Stock Exchange Ltd. (MSE)

Voluntarily Delisting Application is pending with Madras Stock Exchange Ltd.

The Company has paid the listing fee of Bombay Stock Exchange Ltd. for the financial year 2009-10.

(vi) Stock Code

Bombay Stock Exchange Ltd.	Physical – 23,696 Demat – 523,696
Madras Stock Exchange Ltd.	MALARHOSP
ISIN Number	INE842B01015

Malar Hospitals Limited

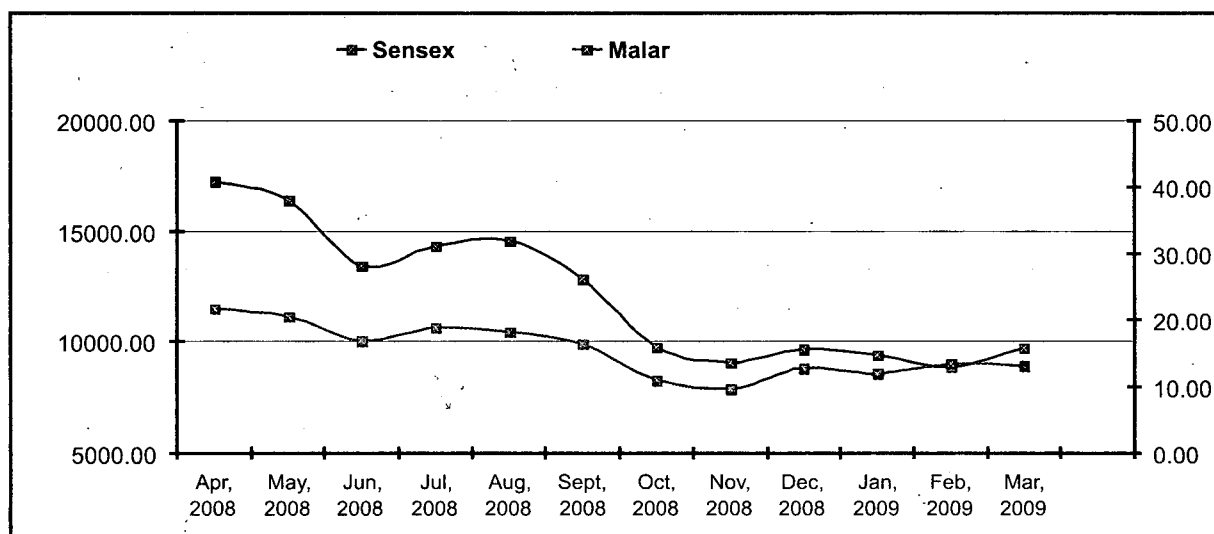
(vii) Market Price Data

The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Madras Stock Exchange Ltd.

Monthly High and Low Quotations of Shares traded on BSE and MSE

Month Ending	BSE (Rs.)		MSE (Rs.)	
	High	Low	High	Low
April, 2008	26.40	18.00	No Trading	
May, 2008	28.00	19.10	No Trading	
June, 2008	23.90	16.50	No Trading	
July, 2008	20.00	13.20	No Trading	
August, 2008	21.40	18.00	No Trading	
September, 2008	18.85	14.65	No Trading	
October, 2008	16.40	10.10	No Trading	
November, 2008	12.80	9.00	No Trading	
December, 2008	14.36	9.00	No Trading	
January, 2009	14.74	11.42	No Trading	
February, 2009	13.75	10.80	No Trading	
March, 2009	14.20	12.50	No Trading	

Performance in comparison to broad based indices (BSE Sensex)



Based on monthly closing data of BSE Sensex (Pts.) and Malar (Rs. Per Share)

(viii) Registrar/ Transfer Agent

The Company has appointed GNSA Infotech Private Limited, Chennai are acting as Registrar and Transfer Agents(RTA) for handling the shares related matters both in physical as well as dematerialized mode. All work relating to Equity Shares are being handled by them. The Shareholders are therefore, advised to send all their correspondence directly to the RTA. The address for communication is:

GNSA Infotech Pvt. Ltd.,
G.R.Mansion,
No. 11, Srinivasa Road, Pondy Bazaar, T. Nagar,
Chennai – 600 017.
Phone Nos. +91- 44- 42962209, 42962085
Fax No. +91-44-4212 1430
E-mail: sta@gnsaindia.com

However, for the convenience of shareholders, correspondence relating to shares received by the Company are forwarded to the RTA for necessary action thereon.

(ix) Nomination Facility

The shareholders holding shares in physical form may, if they so want, send their nominations in prescribed Form 2B of the Companies (Central Government's) General Rules and Forms, 1956, (which can be obtained from the Company's RTA or downloaded from the Company's website http://www.fortishealthcare.com/network_hospitals/fortis_malar/fortis_malar.html) to the Company's RTA. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the nomination facility.

(x) Dematerialization of Shares

The Company's Equity shares have been allotted ISIN (INE842B01015) both by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

1,58,17,049 Equity shares representing 85.06% of the paid up Equity Capital of the Company had been de-materialized as on 31.03.2009.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, as the Company's Shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

(xi) Elimination of Duplicate Mailing

The shareholders who are holding Shares in more than one folio in identical name or in joint holders' name in similar order, may send the share certificate(s) along with request for consolidation of holding in one folio to avoid mailing of multiple Annual Reports.

(xii) Share Transfer System

The Shares are accepted for registration of Transfer at the Registered Office and Corporate Office of the Company in addition to the office of Registrar and Share Transfer Agents (RTA), GNSA Infotech Private Limited. GNSA Infotech Private Limited is fully equipped to undertake the activities of Share Transfers and redressal of Shareholders' grievances. The share received by the Company/RTA for registration of transfers, are processed by RTA (on a fortnightly basis) and placed before the Shareholders'/Investors' Grievance Committee set up for the purpose for its approval thereto. The Committee approves the share transfer on fortnightly basis by way of passing a circular resolution. The Committee meets as and when required. This Committee also looks into Shareholders'/Investors' grievances.

As per the requirements of clause 47(c) of the Listing Agreement with the Stock Exchanges, the Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities.

(xiii) Secretarial Audit

The Secretarial Audit Report as stipulated under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 was carried out by a Practicing Company Secretary in each of the quarter in the financial year 2008-09, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Secretarial Audit Reports for each quarter of the Financial Year ended March 31, 2009 has been filed with Stock Exchanges within one month of end of each quarter.

Malar Hospitals Limited

(xiv) Unclaimed Shares in Physical Mode

As per clause 5A of the listing agreement, there are no unclaimed shares in the Company.

(xv) Share Dematerialization System

The requests for dematerialization of shares are processed by RTA expeditiously and the confirmation in respect of dematerialization is entered by RTA in the depository system of the respective depositories, by way of electronic entries for dematerialization of shares generally on weekly basis. In case of rejections, the documents are returned under objection to the Depository Participant with a copy to the shareholder and electronic entry for rejection is made by RTA in the Depository System.

(xvi) Distribution of Shareholding as on 31st March, 2009

Shareholding of nominal value (Rs.)	No. of Share-holders	% age of Share-holders	Share Amount (Rs.)	% age of Share-holding
Upto 5,000	13,836	93.98	14,394,770	7.74
5,001 – 10,000	457	3.10	4,108,310	2.21
10,001 – 20,000	170	1.15	2,715,750	1.46
20,001 – 30,000	73	0.50	1,941,570	1.04
30,001 – 40,000	14	0.10	509,830	0.27
40,001 – 50,000	52	0.35	2,567,400	1.38
50,001 – 1,00,000	61	0.41	4,957,410	2.67
Above 1,00,000	60	0.41	154,747,550	83.22
Total	14,723	100.00	185,942,590	100.00

(xvii) Shareholding Pattern of Equity Shares as on 31st March, 2009

Category	No. of Shares held	% of Share- holding
Promoters and Promoter Group	11,590,990	62.34
Mutual Funds and UTI	108,200	0.58
Banks, Financial Institutions	100	0.00
FII's / Foreign Companies	–	–
Indian Body Corporates	1,110,387	5.97
NRI's / Foreign Nationals	609,207	3.28
Indian Public	5,175,375	27.83
Total	18,594,259	100.00

(xviii) Lock-in of Equity shares

33,33,333 Equity Shares representing 17.93% of the total Share Capital, held by International Hospital Limited and 13,33,333 Equity Shares representing 7.17% of the total Share Capital, held by Oscar Investments Limited, are locked-in till 17.10.2010.

Hence an aggregate of 46,66,666 Equity Shares representing 25.10% of the total Share Capital are locked in till 17.10.2010.

(xix) The Company has not issued any GDRs / ADRs / warrants or any convertible instruments.

(xx) Hospital Locations:

Malar Hospitals Limited,
52, First Main Road,
Gandhi Nagar, Adyar,
Chennai – 600 020.

(xxi) Address for Correspondence:

For share transfer/dematerialization of shares, payment of dividend and any other query relating to shares	GNSA Infotech Pvt. Ltd., G.R.Mansion, No. 11, Srinivasa Road, Pondy Bazaar, T. Nagar, Chennai – 600 017. Phone Nos. +91- 44- 42962209, 42962085 Fax No. +91-44-42121430 E-mail: sta@gnsaindia.com
For Investor Assistance	Company Secretary Malar Hospitals Limited, No.52,First Main Road, Gandhi Nagar, Adyar, Chennai - 600 020 Tel : + 91 - 44 - 24914023, 24914393 + 91 - 44 - 42892222 Fax: + 91 - 44 - 24426015 E Mail : secretarial@malarhospitals.in

11. Non-mandatory requirements under Clause 49**A. Remuneration Committee**

The Board of Directors has constituted a Remuneration Committee, of which majority is composed of independent Directors. The details of Remuneration Committee and its powers have already been discussed in this report.

B. Shareholders Rights

The quarterly / half-yearly results, after they are taken on record by the Board of Directors, are sent forthwith to the Stock Exchanges where Company's shares are listed . The results in the prescribed performa are published in leading English and Tamil dailies. The results are also made available on Company's website http://www.fortishealthcare.com/network_hospitals/fortis_malar/fortis_malar.html

12. CODE OF CONDUCT

The Company has adopted a Code of Conduct for its employees including the Whole- time Director and the members of the Board.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and Senior Management personnel of the Company have affirmed compliance with the provisions of the Malar Code of Conduct for the financial year ended March 31, 2009.

Place : New Delhi
Dated : 28th May, 2009,

Krish Ramesh
Whole-time Director

Malar Hospitals Limited

AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To

The Members of Malar Hospitals Limited

1. We have reviewed the implementation of Corporate Governance procedures by Malar Hospitals Limited (the Company) during the period ended 31st March, 2009, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to 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. We further state such compliance is neither an 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.
3. On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement(s) with the Stock Exchange(s) have been complied with in all material respect by the Company.

For **K.Gopalan & Co.**
Chartered Accountants

S.N.Parthasarathy
Partner

Membership No. 20168

Place : New Delhi
Dated : 28th May, 2009

WHOLE TIME DIRECTOR AND FINANCIAL CONTROLLER CERTIFICATE

To the Board of Directors of Malar Hospitals Limited

We, Krish Ramesh, Whole Time Director, and K Sundar, Financial Controller, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2009 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements 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 transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors that:
 - (i) there has not been any significant change in internal control over financial reporting during the year under reference;
 - (ii) there has not been any significant changes in accounting policies except to the extent already disclosed in the financial statement(s); and
 - (iii) there are no instances of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Chennai
Dated : 25th May, 2009

Krish Ramesh
Whole Time Director

K Sundar
Financial Controller

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OUTLOOK

India has achieved notable improvements in healthcare delivery over the last few decades. Some diseases, such as small pox and guinea worm, have been eradicated. Others, such as leprosy and polio, have been nearly eliminated. And India's doctors and hospitals are increasingly receiving recognition for the quality of care they provide. Nevertheless, India faces considerable challenges. For example, the country accounts for a relatively large share of the world's disease burden. And while India's burgeoning middle class has greater access to excellent healthcare, the vast majority of citizens still have limited access to basic care.

Post-independence, India has made a remarkable progress on its key healthcare indicators. Life expectancy at birth has doubled, infant mortality rate (IMR) has reduced by half and maternal mortality rate has reduced by two-thirds. Although many economies of the world faced recessionary pressure in the last fiscal, the Indian economy has shown a growth of 6.7%. The steady economic growth leads to increase in expenditure on healthcare, therefore causing the expected shift in demographics, socio economic transformations and changes in disease patterns – with increasing degenerative and lifestyle diseases and altered healthcare requirements. Indian healthcare industry has grown manifold during the last few years.

India pledged along with other WHO member Nations, 'Health for All by the Year 2000' at Alma-Ata in 1978; and in the same year signed the International Covenant for Economic, Social and Cultural Rights – Article 12, in which the State is obliged to achieve the highest attainable standard of health. However the health scenario in India leaves a lot to be desired.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Growing Healthcare Sector

The Indian healthcare industry has grown manifold and is in the midst of a rapid transformation. The healthcare spending is expected to rise by 15% per annum. It is estimated that healthcare spending could contribute 6.1% of GDP in 2012 and employ around 9 million people.

Ernst and Young in their latest study conducted along with FICCI about Indian Healthcare titled "Fostering Quality Healthcare for All" envisages that over the last decade, the growth in the healthcare infrastructure has not kept pace with the increase in population and the rise in reported ailments. Population during this period increased by 15% and the number of persons reporting ailments per thousand populations has grown by 66%. While the total numbers of beds have gone up by 5.1%, bed density (number of beds per thousand populations) has declined by 7% which could be due to lack of capacity building in semi urban and rural

areas. To cater to the unleashed demand, focus should be on building adequate physical infrastructure which is capable and equitably distributed. Considering the current status of infrastructure in India, there is a possibility of reaching a bed per thousand population ratio of two by year 2025 and to achieve this aspiration, an approximate 17.50 lacs beds would be required to be added which will need an investment of approximately US\$ 86 billion (Rs. 404,200 Crores @ \$1 = Rs. 47). A major portion of this investment will have to be borne by the Private Sector with government funding primarily diverted towards improving preventive and primary care.

OPPORTUNITIES AND THREATS

Healthcare for All:

Healthcare expenditure as a percentage of GDP has been increasing, with growth being driven by the rise in private expenditure. In fact, the private healthcare sector in India is one of the largest in the world with 81% of the total healthcare expenditure being borne by the private sector compared to 56%, 61% and 38% for Brazil, China and Russia respectively.

An enormous amount of private capital will be required in the coming years to enhance and expand the healthcare infrastructure of the country to meet the needs of growing population, rising number of ailments and to effectively counter the threat of lifestyle diseases which affects the overall health of the society. Of late, there are new investments happening in healthcare infrastructure facilities in India, but it is necessary to encourage these investments with a view to bridge the need gap in healthcare. With the advent of private insurance and the emergence of India as a medical tourism destination, there has been a growth in volumes in super-specialty hospitals, which have teams of specialists, sophisticated equipments, links to other medical centers, and the ability to treat a complex range of ailments. India needs a lot more of such super speciality hospitals which can provide quality and affordable healthcare to the people at large.

There is also strong necessity for high end tertiary care hospitals, which focuses on quality life threatening ailments such as Neuro Sciences, Cardiac Sciences, Oncology and Orthopedics and Joint Replacements. It is projected that these tertiary care hospitals shall grow faster than the overall healthcare, with economic growth, increased affordability, improved public awareness, and health consciousness.

India's Healthcare Sector Concerns

India, also faces a huge shortage of trained medical personnel including doctors, nurses and paramedics, more so particularly in rural areas where access to care is limited. There is an immediate need for medical education

and training which could provide additional opportunities for private sector providers or public-private partnerships. Effective steps need to be taken to improve the number of health education providers and corporatisation of health education is one such step necessary to meet the growing needs of quality medical personnel, particularly in super specialization categories.

The larger outpatient care is almost a private health sector monopoly and the hospital sector is increasingly being surrendered to the market. The decline of public investments and expenditures in the health sector since early 1990s has further weakened the public health sector thus adversely affecting the poor and other vulnerable sections of society. Introduction of user fees for public health services in many states has further reduced their access to health services. Major initiatives in the form of public private partnerships are required to revitalize the public health system in India.

The other area of concern is the inadequate focus on continued academics and research, particularly in a field which is witnessing rapid strides in diagnostic technologies, new molecules for varied ailments, sub-specialisation needs, and better knowledge sharing methodologies.

SEGMENTWISE / PRODUCTWISE PERFORMANCE

Malar Hospital's performance during the year has been quite commendable and the revenue growths have been excellent. We have commenced the Cardiac Sciences super speciality during the year and the performance of the cardiac sciences department has been as per plans.

OPERATIONAL AND FINANCIAL PERFORMANCE

Our hospital continues to be assessed and certified as complying with the requirements of ISO 9001:2000 by International Certification Services Limited valid for a period till February, 2011.

The company for the twelve months' period ending 31st March, 2009 registered a total income of Rs. 3,332.81 Lakhs compared to Rs.938.98 Lakhs for corresponding six months period ending 31st March, 2008. The Operating Profit before Interest, Depreciation, Taxes and Exceptional items for the twelve months ended 31st March, 2009 year stands at Rs. 405.97 Lakhs against Rs.164.32 Lakhs for the 6 months ending 31st March, 2008. Net profit / (Losses) before exceptional items and taxes stood at 161.07 lakhs for the twelve months ended 31st March, 2009 against 20.66 lakhs for 6 months ending 31st March 2008. Net profit / (Losses) at Rs. (175.72) lakhs for this twelve months ended 31st March, 2009 against Rs.9.31 Lakhs for 6 months ending 31st March 2008. The overall loss for the year was primarily due to write off against prior period adjustments for advances/receivables to the tune of Rs. 289 Lakhs that was based under an Arbitration Award in the matter relating to certain transactions in earlier years.

RISKS AND CONCERNS

Healthcare industry has been by and large insulated from the impact of recessionary trends and has been continuing to grow. The company is committed to continuing to invest in growing the hospital as a super speciality hospital and identified the key growth focus areas. The hospital continues to enjoy the advantages of an excellent location supported by dedicated faculty of senior consultants and administration and barring unforeseen circumstances is confident of continuing to grow and invest in suitable expansion opportunities.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors have overall responsibility for the internal control system which is designed to provide a reasonable assurance for safeguarding the assets, reliability of financial records and for preventing and detecting fraud and other irregularities.

The system of internal control and Internal Audit is handled by an independent team of Chartered Accountants which encompasses the examination and evaluation of the adequacy of the said system.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The company has a highly competent panel of senior consultants ably supported by junior doctors, nurses, paramedics and administration personnel. The company continues to maintain cordial relations with various employee organizations. There has been no abnormal development in the field of Human Resources and Industrial Relations.

Various initiatives have been taken by the Human Resource Department by taking many measures :

- to develop employees engagement with the organizations such as organizing common forum events called as Hum Tum Milenge (HTML), celebrating festivals such as Diwali and Onam.
- Implementation of Time Office Software for Close monitoring of attendance
- Induction and service excellence training

Total strength of employees of the Company as on 31st March, 2009 are 456.

CAUTIONARY STATEMENT

Statements in this management discussion and analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include Government regulations, litigation, tax laws and significant changes in the political and economic environment in India.

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009

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

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken:

- Replacement of electrical panels and boards;
- Replacement of conventional light fittings with energy efficient CFL light fittings;
- The operation timing of the lift has been streamlined so that in the lean hours only minimum number of lifts are operated;
- The operation timing of the Air conditioning plant has been streamlined by ensuring switching off the some of the AHUs and FCUs in administrative office areas and public areas without affecting the patient satisfaction levels;

b) Additional investment and proposals if any being implemented for reduction of consumption of energy:

- Old AHUs and FCUs which were consuming high energy were replaced with new ones;
- Replacing with all energy efficient equipments in the whole hospital, wherever possible, with a view to reduce energy consumption.

c) Impact of measures at a) & b):

- Saving of energy and reduction in costs

B. TECHNOLOGY ABSORPTION

1. RESEARCH & DEVELOPMENT (R & D):

- NIL

2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

a) Efforts, in brief, made towards technology absorption, adaptation and innovation

- Order has been placed for installation of 1250 kva transformer with a view to cut down wastage and cater to increased power demands;

- In our continuous endeavour to serve the patients better and to bring healthcare of international standards within the reach of the every individual we have purchased state of the art medical equipments including Cath Lab, Ortho Equipments, Neuro Equipments, Medical Furnitures, etc.

- We have also invested in creation of multiple dedicated cardiac operation theatres and intensive coronary care units to give the best health care standards to our patients.

b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

This has resulted in the better treatment processes to the patient resulting in better patient satisfaction, reduction in energy consumption and better occupancy levels in the hospital.

c) In case of imported technology, imported during last 5 years reckoned from the beginning of the financial year, following information may be furnished:

- We have imported some of the best medical equipments including import of Cath Lab. This would ensure the patients get the best treatment leading to better patient satisfaction levels.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to exports: initiatives taken to increase exports; development of new export markets for products and services; and export plans

- NIL

(b) Total foreign exchange earned and used:

- (i) Earnings : Rs. NIL
- (ii) Expenditure : CIF Value of Imports - Rs. 22.41 Lakhs
Others - Nil

For and on behalf of the Board

Place : New Delhi
Date : 28th May, 2009

Shivinder Mohan Singh
Chairman

AUDITOR'S REPORT TO THE MEMBERS

1. We have audited the annexed Balance Sheet of MALAR HOSPITALS LTD ("the Company") as on 31st March 2009, the Profit and Loss Account and the Cash flow statement of the Company for the period ended on that date and annexed thereto.
2. These financial statements are the responsibility of the Company's Management. Our Responsibility is to express an opinion on these financial statements based on our audit.
3. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. As required by the Companies (Auditor's Report) order, 2003, issued by Government of India in terms of sub-section (4A) Section 227 of the Companies Act, 1956, we enclose an annexure which is a statement of the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the annexure referred to above, we report that

- a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examinations of those books.

- c. The Balance Sheet, Profit and Loss Account and the Cash flow statement dealt with by the report are in agreement with the books of accounts.
- d. In our opinion the Balance Sheet, the Profit and Loss Account and the Cash flow statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- e. On the Basis of written representation received from the directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors, as on 31st March 2009, is disqualified from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956
- f. In our opinion and to the best of our information and according to the explanations given to us, read together with the notes thereon give required by the Companies Act, 1956 in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2009 and
 - ii. In the case of the Profit and Loss Account of the Profit for the year ended on that date.
 - iii. In the case of Cash Flow Statement of the Cash Flow for the year ended on that date.

For **K.Gopalan & Co.**
Chartered Accountants

Place : New Delhi
Dated : 28th May, 2009

S.N.Parthasarathy
Partner
Membership No. 20168

Annexure referred to in paragraph (4) of our report of even date

- i) The Company is in the process of updating the fixed assets register. The Company has a regular programme of verification of fixed asset which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, in accordance with this programme a section of the fixed assets have been physically verified by the management during the current year, no material discrepancies were noticed on such verification.
- ii)
 - a) The inventory of consumable stores have been verified by the management. In our opinion the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable in relation to the size of the company and nature of its business.
 - c) The company is maintaining proper records of inventory. The discrepancies noticed during verification between physical stocks and the book records were not material.
- iii)
 - a) The Company has taken unsecured loans from three companies covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the period was Rs.268.72 lakhs and, the year end balances of loans taken from two Companies were Rs Nil and other one Company was Rs 175.19 lakhs. The Company is adhering to the installment schedules wherever it is specified. In our opinion and according to the information and explanation given to us the rate of interest is not prejudicial to the interest of the Company.
 - b) In respect of the advances Rs 489.43 lakhs given to two companies listed in the register maintained u/s 301 of the Companies Act 1956, the company has written off Rs. 289.43 lakhs in terms of the Arbitration Award, which was accepted by the Board.
- iv) In our opinion and according to the information, and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of products/services. During the course of our audit, we have not observed any weaknesses in internal controls.
- v)
 - a) According to the information and explanations given to us the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered,
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act 1956, and exceeding Rs. 5.00 lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- vi) According to the information and explanations given to us, the Company has not accepted deposits from the public.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products / services of the Company.
- ix)
 - a) Undisputed statutory dues including Provident Fund, Income-tax, Cess and other material statutory dues have generally been regularly been deposited during the year with the appropriate authorities though there has been delay in few cases.
 - b) According to the information and explanations given to us, no disputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March 2009 for a period of more than six months' from the date on which they are payable.
- x) In our opinion and according to the information and explanations given to us, accumulated losses at the end of the financial year are less than fifty percent of the net worth.

- xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institutions, bank or debenture holders.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- xv) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised
- xvii) In our opinion and according to the information and explanations given to us, the short-term funds were raised by the Company and were not utilised for repayment of long-term loans.
- xviii) The Company has not made preferential allotment of shares during the year. Hence the provisions of clause 4(1)(viii) are not applicable.
- xix) The company has not issued debentures during the year. Hence provisions of clause 4(1)(ix) are not applicable.
- xx) The Company has not raised any money by public issue during the year. Hence provisions of clause 4(1)(xx) are not applicable.
- xxi) To the best of our knowledge and belief, and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **K.Gopalan & Co.**
Chartered Accountants

Place : New Delhi
Dated : 28th May, 2009

S.N.Parthasarathy
Partner
Membership No. 20168

BALANCE SHEET AS AT 31ST MARCH 2009

PARTICULARS	Schedules	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	186,095,090	186,095,090
Reserves & Surplus		93,333,320	93,333,320
Loan Funds			
Secured Loan	2	82,583,471	3,050,257
Unsecured Loans	3	17,519,056	20,124,430
TOTAL		379,530,937	302,603,097
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	4	411,868,831	327,235,598
Less: Depreciation		189,651,338	172,348,869
Net Block		222,217,493	154,886,729
Capital Work in Progress		7,495,995	4,148,256
Deferred Tax Assets/(Liability) Net (See Note No 2 (f) of Schedule 15)	5	28,122,324	33,771,165
Current Assets, Loans & Advances			
Inventories		4,690,696	-
Sundry debtors	6	29,884,896	15,150,015
Cash & Bank Balances	7	15,432,236	769,051
Loans & Advances	8	53,845,061	66,217,759
		103,852,888	82,136,825
Less: Current Liabilities & Provisions	9	92,196,510	64,806,691
Net Current Assets		11,656,378	17,330,134
Profit & Loss Account		110,038,747	92,466,813
TOTAL		379,530,937	302,603,097
Notes to Accounts	15		

As per our annexed report of even date

For and behalf of the Board

For **K.Gopalan & Co.**
Chartered Accountants

Krish Ramesh
Whole-Time Director

Yogesh Kumar Sareen
Director

S.N.Parthasarathy
Partner
Membership No. 20168

Prashant Khattry
Company Secretary

K. Sundar
Financial Controller

Place: New Delhi
Date: 28th May, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

PARTICULARS	Schedules	Year ended 31st March 2009 Rs.	Six Months' Period ended 31st March 2008 Rs.
I. INCOME			
Operating Income		333,014,534	93,415,002
Other Income	10	266,195	482,966
TOTAL		333,280,729	93,897,968
II. EXPENDITURE			
Hospital Operation Expenses	11	272,689,667	67,656,485
Administrative & Other Expenses	12	15,743,744	8,012,156
Financial Expenses	13	7,188,343	3,667,365
Miscellaneous Expenses	14	4,249,936	1,797,241
Depreciation/Provision for Obsolescence/Impairment	4	17,302,469	10,699,032
TOTAL		317,174,159	91,832,279
Profit /(Loss) before Extra Ordinary Items and Tax		16,106,570	2,065,689
Extra Ordinary Items: Advances written off (See Note No 4 of Schedule 15)		28,943,158	—
Profit /(Loss) after Extra Ordinary Items and before Tax		(12,836,588)	2,065,689
Provision for Deferred Tax		5,648,843	1,135,156
Reversal of MAT		(913,497)	—
Profit / (Loss) for the Year		(17,571,934)	930,533
Add: Balance brought forward from previous year		(92,466,813)	(93,397,346)
Profit / (Loss) carried over to Balance Sheet		(110,038,747)	(92,466,813)
Notes to Accounts	15		

As per our annexed report of even date

For and behalf of the Board

For **K.Gopalan & Co.**
Chartered Accountants**Krish Ramesh**
Whole-Time Director**Yogesh Kumar Sareen**
Director**S.N.Parthasarathy**
Partner
Membership No. 20168**Prashant Khattry**
Company Secretary**K. Sundar**
Financial ControllerPlace: New Delhi
Date: 28th May, 2009

Malar Hospitals Limited

SCHEDULES TO THE ACCOUNTS

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SCHEDULE 1		
SHARE HOLDERS' FUNDS		
Share Capital		
Authorised Share Capital		
20,000,000 Equity Shares of Rs.10/- each	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed & Paid Up		
18,594,259 (PY: 18,594,259) Equity Shares of Rs.10/- each	<u>185,942,590</u>	<u>185,942,590</u>
Add : Share Forfeiture	<u>152,500</u>	<u>152,500</u>
	<u>186,095,090</u>	<u>186,095,090</u>
Reserves & Surplus		
Share Premium account	<u>93,333,320</u>	<u>93,333,320</u>

SCHEDULE 2

SECURED LOANS

Loan from Bank of India				
Computer Loan	<u>1,078,451</u>	<u>1,078,451</u>	<u>1,321,834</u>	<u>1,321,834</u>
Loan from Bodies Corporate				
International Hospital Ltd	—		<u>1,234,588</u>	
Oscar Investments Ltd	—	—	<u>493,835</u>	<u>1,728,423</u>
Loans From HDFC Bank Ltd				
Medical Equipment/Infrastructure Loan	<u>48,452,581</u>			
Deferred Letter of Credit	<u>27,311,563</u>			
Working Capital Overdraft Loan	<u>5,740,876</u>	<u>81,505,020</u>		—
Total		<u>82,583,471</u>		<u>3,050,257</u>

Notes:

- Loans from International Hospital Limited and Oscar Investments Limited were to be secured by First Charge on immovable properties. The loans were converted into Equity Shares of the Company on 18th Oct 2007.
- Computer Loan from Bank of India is secured by Hypothecation of Computers purchased against that loan.
- Term Loan and Working Capital Loan taken from HDFC Bank Ltd is secured by sole and exclusive charge on all Fixed Assets (except computers hypothecated to Bank of India, Adyar) and Current Assets both present and future.

SCHEDULE 3

UNSECURED LOANS

From Others	<u>17,519,056</u>	<u>20,124,430</u>
Total	<u>17,519,056</u>	<u>20,124,430</u>

SCHEDULES TO THE ACCOUNTS

SCHEDULE 4

FIXED ASSETS

Rs.

Description of Assets	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	As at 1st April 2008	Additions/ Adjustments during the year	Deletions/ Adjustments during the year	As at 31st March 2009	As at 1st April 2008	For the year	Adjust- ments during the year	As at 31st March 2009	As at 31st March 2009	As at 31st March 2008
Land	22,819,716			22,819,716					22,819,716	22,819,716
Building	121,877,125	3,251,193		125,128,318	54,409,291	4,097,472		58,506,763	66,621,555	67,467,834
Electrical Installations	16,389,975	2,081,602		18,471,577	9,583,743	840,361		10,424,104	8,047,473	6,806,232
Air Conditioners	21,088,736	1,674,587	345,000	22,418,323	11,677,234	1,062,440		12,739,674	9,678,649	9,411,502
Medical Equipments	116,103,437	72,331,097	42,000	188,392,534	*80,979,035	8,555,203		89,534,238	98,858,296	38,124,402
Computers	4,830,590	4,539,636	678,170	8,692,056	1,596,334	1,010,076		2,606,410	6,085,646	3,234,256
Vehicles	3,936,383			3,936,383	2,098,049	373,956		2,472,005	1,464,378	1,838,334
Furniture & Fittings	4,774,859	988,880		5,763,739	3,228,266	409,867		3,638,133	2,125,606	1,546,593
Miscellaneous Fixed Assets	15,414,776	831,409		16,246,185	8,776,914	953,094		9,730,011	6,516,174	6,637,860
TOTAL	327,235,597	85,698,404	1,065,170	411,868,831	172,348,866	17,302,469		189,651,338	222,217,493	154,886,729
PREVIOUS YEAR	339,040,620	3,681,288	15,486,311	327,235,598	173,849,113	10,699,032	12,199,279	172,348,869	154,886,729	165,191,504

* Includes Rs. 3,000,000 towards Provision for Obsolescence/Impairment

SCHEDULES TO THE ACCOUNTS

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SCHEDULE 5		
Deferred Tax Asset / (Liability) Net		
Deferred Tax Asset		
Arising on account of Timing Difference in Disallowance as per Sec 40(ia) & 43B of Income Tax Act 1961	2,726,910	2,533,305
Unabsorbed Losses	53,180,053	59,217,214
	<u>55,906,963</u>	<u>61,750,519</u>
Deferred Tax Liability		
Arising on account of timing difference in depreciation between Book Value of Depreciable Assets and WDV as per Income Tax Act.	27,784,639	27,979,354
Deferred Tax Asset (Net)	<u>28,122,324</u>	<u>33,771,165</u>
SCHEDULE 6		
SUNDRY DEBTORS		
(Unsecured and Considered Good)		
a) Debts outstanding for a period exceeding Six months	1,314,383	537,580
b) Other debts	28,570,513	14,612,435
Total	<u>29,884,896</u>	<u>15,150,015</u>
SCHEDULE 7		
CASH AND BANK BALANCES		
Cash on hand	710,573	187,107
Balance with Scheduled Banks:		
In Current Account with Scheduled Banks	14,721,663	531,266
In Deposit Account - Fixed Deposit	-	50,678
Total	<u>15,432,236</u>	<u>769,051</u>

SCHEDULES TO THE ACCOUNTS

	As at 31st March 2009 Rs.	As at 31st March 2008 Rs.
SCHEDULE 8		
LOANS AND ADVANCES		
(Unsecured and Considered Good)		
Advances recoverable in cash or kind for value to be received	50,453,888	62,764,017
Security Deposit	3,391,173	3,453,742
Total	53,845,061	66,217,759

SCHEDULE 9**CURRENT LIABILITIES**

1) Sundry Creditors		
a) Total Outstanding dues of Micro, Medium and Small Enterprises (Refer Note in Schedule 15)	—	—
b) Total Outstanding dues of Creditors other than Micro, Medium and Small Enterprises	47,071,802	28,897,996
2) Others	23,920,972	24,536,013
3) Misc. Receipts (Shares)	225,656	225,656

PROVISIONS

4) Provision for Staff Benefits	8,022,684	7,453,091
5) Provision for Provident Fund	585,116	351,053
6) Other Provisions	12,370,280	3,342,882
Total	92,196,510	64,806,691

Malar Hospitals Limited

SCHEDULES TO THE ACCOUNTS

	Year ended 31st March 2009 Rs.	Six Months' Period ended 31st March 2008 Rs.
SCHEDULE 10		
OTHER INCOME		
Miscellaneous Receipts	48,000	338,616
Interest Receipts - TDS Refunds	100,416	—
Interest Receipts - On Other Deposits	117,403	123,995
Interest on Fixed Deposit	376	20,355
Total	<u>266,195</u>	<u>482,966</u>
SCHEDULE 11		
HOSPITAL OPERATING EXPENSES		
Consumables & Others		
Opening Stock	—	—
Add: Purchases	45,353,715	5,306,258
	<u>45,353,715</u>	<u>5,306,258</u>
Less: Closing Stock	<u>4,690,696</u>	—
	40,663,019	5,306,258
Consultation Charges	84,323,555	17,079,752
Rent	2,514,099	447,551
Insurance	476,802	247,208
Salaries and Allowances	74,985,285	18,261,088
Bonus and Incentives	6,631,203	1,359,117
Provision for Gratuity	1,223,513	1,475,303
Provision for Superannuation	90,075	111,598
Provident Fund	2,880,912	1,123,250
Directors Remuneration	3,792,100	486,500
Power & Fuel	11,712,925	5,096,088
Lab Contract Charges	19,963,840	11,136,325
Diet Canteen Charges	6,054,660	—
Repairs & Maintenance		
Building and Renovation Work	4,314,609	116,437
Vehicles	313,954	611,156
Medical Equipments	1,779,755	616,278
Electrical	1,218,081	262,567
IT	233,343	—
Others	5,338,579	1,765,652
External Investigation Charges	2,827,331	1,596,635
Miscellaneous Expenses	1,352,027	557,722
Total	<u>272,689,667</u>	<u>67,656,485</u>

SCHEDULES TO THE ACCOUNTS

	Year ended 31st March 2009 Rs.	Six Months' Period ended 31st March 2008 Rs.
SCHEDULE 12		
ADMINISTRATIVE AND OTHER EXPENSES		
Office Expenses	60,137	32,046
Postage & Telegrams/Courier	167,425	123,578
Filing Fees	35,844	19,386
Books & Periodicals	76,163	4,516
Security Charges	4,540,281	694,846
Sitting Fees	44,000	60,000
Rates & Taxes	1,885,561	986,108
Freight & Cartage / Cooly	312,127	116,581
Listing Fees	122,914	99,500
Internal Audit Fees	304,277	50,562
Fringe Benefit Tax	469,679	209,396
Business Promotion Expenses	464,402	78,456
Professional / Consultancy Service	348,176	1,266,885
Travelling & Conveyance	2,761,218	563,240
Advertisement Charges	2,008,563	84,501
Assets Discarded	—	3,004,151
Loss on sale of fixed assets	—	232,881
Sales and Marketing Expenses	1,905,144	
Auditors Remuneration:		
Audit Fees	120,000	40,000
Tax audit/Certification fees	80,000	45,000
Reimbursement of Expenses	20,600	27,360
	220,600	112,360
Others	17,233	273,163
Total	15,743,744	8,012,156

SCHEDULE 13**FINANCIAL EXPENSES**

Interest to Financial Institutions and Banks	1,683,730	177,918
Bank Charges & Commission	1,260,076	303,703
Interest and Related Expenses	4,244,537	3,185,744
Total	7,188,343	3,667,365

SCHEDULES TO THE ACCOUNTS

	Year ended 31st March 2009 Rs.	Six Months' Period ended 31st March 2008 Rs.
SCHEDULE 14		
MISCELLANEOUS EXPENSES		
Donation	13,907	5,000
Telephone Charges / Cellular Charges	1,154,956	652,604
Share Registry Expenses	142,913	83,725
Ambulance Hire Charges	666,275	312,078
Annual General Meeting Expenses / EGM Expenses	212,070	222,940
Car Hire charges	539,941	—
Pooja Expenses	139,000	97,646
Brokerage & Commission	357,000	—
Sales Tax Payment - Interest	-	139,801
Interest on FBT Payments	28,979	34,219
Computers / Equipment Hire Charges	775,837	64,940
Others	219,058	184,288
Total	<u>4,249,936</u>	<u>1,797,241</u>

SCHEDULES TO THE ACCOUNTS**SCHEDULE 15****NOTES FORMING PART OF THE ACCOUNTS****1. Nature of Operations :**

The company was incorporated in the year 1989 to set up, manage and operate a multi specialty hospital and it commenced its commercial operations in year 1992.

2. Statement of Significant Accounting Policies :**(a) Basis for preparation of Accounts:**

The financial statements has been prepared to comply in all material respects in accordance with the Notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) Revenue recognition:

Operating Income of the Hospital is recognized as and when the services are rendered.

Management fee from the Pharmacy and Radiology units are recognized as per the terms of the agreement.

(d) Fixed Assets:

- i) Fixed Assets are valued at cost less depreciation, financing cost upto the date of commissioning of Assets are capitalised.
- ii) Depreciation on all fixed assets excluding land is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act 1956.

(e) The liability for gratuity has been provided in accordance with the actuarial valuation by LIC of India and leave encashment on actuals.**(f) Provision for Current Tax and Deferred Tax Recognition :**

- i) Provision for current tax is made after taking into consideration the benefits admissible under the provisions of IT Act 1961.
- ii) Deferred tax resulting from timing differences between book & taxable profits is accounted for using the tax rates and laws that have been enacted as on the balance sheet date.
- iii) Deferred tax is recognized and carried forward only to the extent that there is reasonable certainty; and in case of unabsorbed depreciation and carried forward losses only to the extent that there is virtual certainty supported by convincing evidence, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(g) Provisions :

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable than an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(h) Cash and Cash Equivalents :

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

Malar Hospitals Limited

(i) Segment Reporting :

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard 17 "Segment Reporting".

3. Fixed asset include, medical equipment purchased under confirmed irrevocable foreign deferred letter of credit payable in US dollars, after 36 months, arranged through HDFC Bank Limited. Liability has been adjusted on value of dollar at the close of the year.
4. In respect of the amount of Rs. 489.43 lakhs paid to two companies included in the register maintained u/s 301 of the Companies Act, 1956, the company has written off an amount of Rs. 289.43 lakhs as not recoverable in the books of account based on the conclusion of discussions and on the basis of the final award of Arbitration, (as accepted and approved by the Board of Directors). The company is confident of recovering the balance amount of Rs. 200 lakhs recoverable from the two companies as per the terms of the Arbitration award.

5. Details of Directors' Remuneration

	For the year ended 31st March 2009 Rs.	Six Month Period ended 31st March 2008 Rs.
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Remuneration for whole time Director as per Central Government approval dated 15th October 2008 and 20th January 2009 obtained under Section 269,198/309 and 637AA of the Companies Act, 1956

3,983,500	525,420
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6. CIF value of imports in respect of:

a. Consumables stores & Repairs & Maintenance	NIL	NIL
b. Capital Goods	29,066,229	234,928

7. The balances outstanding in Hospital Sundry Debtors and Creditors are subject to confirmation.
8. Figures are regrouped and reclassified wherever necessary. Current period figures are not comparable with previous year figures since current period is for twelve months and previous year was for six months. The figures are rounded off to nearest Rupees.

9. RELATED PARTY DISCLOSURES (AS 18)

A. LIST OF RELATED PARTIES (AS CERTIFIED BY THE MANAGEMENT) :

1 KEY MANAGEMENT PERSONNEL

- a) Mr. Shivinder Mohan Singh, Chairman
- b) Mr. Krish Ramesh, Director

2 ENTERPRISES UNDER SIGNIFICANT INFLUENCE BY (1a) ABOVE

- a) International Hospital Ltd
- b) Oscar Investments Ltd
- c) Religare Travels India Ltd
- d) Fortis Healthcare Ltd
- e) Fortis Hospotel Ltd
- f) Fortis Hospital – Amristar
- g) Fortis Health Staff Ltd

B. PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR ENDED on 31st March 2009

	Transactions	KMP	Enterprises under significant influence by KMP	Total
	Rs.	Rs.	Rs.	Rs.
1. Interest paid	—	2,669,365	2,669,365	
2. Other Transactions	—	10,367,394	10,367,394	
3. Whole Time Director's Remuneration	39,83,500	—	—	3,983,500

10. DISCLOSURES UNDER ACCOUNTING STANDARD – 15 (REVISED) ON “EMPLOYEE BENEFITS”:
A. Defined Contribution Plan

	For Year Ended 31st March 2009 Rs.	Six Months Period Ended 31st March 2008 Rs.
Contribution to Provident Fund	2,880,912	1,123,250

B. Defined Benefit Fund

The company has a defined benefit gratuity plan, whereby the employees are entitled to gratuity benefit on the basis of last salary drawn and completed number of years of services.

The company also provides Leave Encashment benefit to its employees, which is unfunded. The company also provides Super Annuation benefits to its senior executives.

11. DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

	31st March 2009	31st March 2008
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
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
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
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
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 Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

12. EARNING PER SHARE

As required by the Accounting Standard on Earnings Per Share (EPS), AS 20 Issued by the Institute of Chartered Accountants of India, our Company discloses the following information.

	Year ended 31st March 2009 (Rs.)	Six Months ended 31st March 2008 (Rs.)
a. Profit (Loss) as per Profit and Loss Account	(17,571,934)	930,533
b. No of Basic equity share	18,594,259	18,594,259
c. Basic earnings per share	(0.95)	0.05
d. Nominal value of an equity share	10/-	10/-

As per our annexed report of even date

For and behalf of the Board

For **K.Gopalan & Co.**
Chartered Accountants

Krish Ramesh
Whole-Time Director

Yogesh Kumar Sareen
Director

S.N.Parthasarathy
Partner
Membership No. 20168

Prashant Khattry
Company Secretary

K. Sundar
Financial Controller

Place: New Delhi
Date: 28th May, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	For the Year Ended 31st March 2009 Rs.	Six Months Period Ended 31st March 2008 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit/(loss) after Extraordinary items and Tax	(17,571,934)	930,533
Extraordinary Items		
Provision for Deferred Tax	5,648,843	1,135,156
Advances written off	28,943,158	—
Reversals of MAT	(913,497)	—
Profit before Tax	16,106,570	2,065,689
Adjustments for :		
Depreciation	17,302,489	10,699,032
Loss on sale of fixed assets	—	232,881
Assets discarded	—	3,004,151
Financial charges (considered separately)	7,188,343	3,667,365
Interest received & other income (considered separately)	(266,195)	(482,966)
Operating profit/(loss) before working capital changes	40,331,207	19,186,152
Adjustments for :		
Sundry debtors	(14,734,881)	(1,578,903)
Inventories	(4,690,696)	—
Loans & advances	(16,570,460)	5,366,266
Current liabilities & provisions	28,303,315	(13,686,066)
Net cash from operating activities	A 32,638,485	9,287,449
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets (including capital work in progress)	(88,367,972)	(5,807,503)
Proceeds from sale of fixed assets	387,000	50,000
Net Cash used in Investing Activities	B (87,980,972)	(5,757,503)

		For the Year Ended 31st March 2009 Rs.	Six Months Period Ended 31st March 2008 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		—	140,000,000
Proceeds (& Repayments) from new borrowings		76,927,820	(144,843,304)
Increase in Investments		—	—
Financial charges		(7,188,343)	(3,667,365)
Interest received & other income		266,195	482,966
Net Cash used in Financing Activities	C	70,005,672	(8,027,703)
Net increase in cash and cash equivalents	(A+B+C)	14,663,185	(4,497,757)
Cash and cash equivalents (Opening balance)		769,051	5,266,808
Cash and cash equivalents (Closing balance)		15,432,236	769,051

As per our annexed report of even date

For and behalf of the Board

For **K.Gopalan & Co.**
Chartered Accountants

Krish Ramesh
Whole-Time Director

Yogesh Kumar Sareen
Director

S.N.Parthasarathy
Partner
Membership No. 20168

Prashant Khattry
Company Secretary

K. Sundar
Financial Controller

Place : New Delhi
Date : 28th May, 2009

Malar Hospitals Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

I. Registration Details

Registration No.

1	7	2	3	2
---	---	---	---	---

State code

1	8
---	---

CIN No.

L	8	5	1	1	0	T	N	1	9	8	9	P	L	C	0	1	7	2	3	2
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Balance Sheet Date

3	1
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0	3
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2	0	0	9
---	---	---	---

II. Capital Raised during the year (Amount in Rs.Thousands)

Public Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

Rights Issue

N	I	L
---	---	---

Private Placement

N	I	L
---	---	---

III. Position of Mobilisation and Deployment of Funds (Amounts in Rs.Thousands)

Total Liabilities

3	7	9	5	3	1
---	---	---	---	---	---

Sources of Funds

Paid - up Capital

1	8	6	0	9	5
---	---	---	---	---	---

Secured Loans

8	2	5	8	4
---	---	---	---	---

Application of Funds

Net Fixed Assets

2	2	9	7	1	4
---	---	---	---	---	---

Net Current Assets

1	1	6	5	6
---	---	---	---	---

Total Assets

3	7	9	5	3	1
---	---	---	---	---	---

Reserves and Surplus

9	3	3	3	3
---	---	---	---	---

Unsecured Loans

1	7	5	1	9
---	---	---	---	---

Deferred Tax Asset

2	8	1	2	2
---	---	---	---	---

Accumulated Losses

1	1	0	0	3	9
---	---	---	---	---	---

IV. Performance of Company (Amount in Rs.Thousands)

Turnover

3	3	3	2	8	1
---	---	---	---	---	---

Profit / (Loss) Before Tax and Deferred Tax

(1	2	8	3	7)
---	---	---	---	---	---	---

Total Expenditure

3	4	6	1	1	8
---	---	---	---	---	---

Profit /(loss) After Tax and Deferred Tax

(1	7	5	7	2)
---	---	---	---	---	---	---

V. Generic Names of Three Principal Products/Services of Company (As per Monetary terms)

Item Code No.(ITC Code) : Not Applicable

Product Description : Medical Services

As per our annexed report of even date
for **K. Gopalan & Co.**
Chartered Accountants

S.N. Parthasarathy
Partner
Membership No.20168

Place: New Delhi
Date: 28th May 2009

For and on behalf of the Board

Krish Ramesh
Whole - Time Director

Prashant Khattry
Company Secretary

Yogesh Kumar Sareen
Director

K. Sundar
Financial Controller

Malar Hospitals Limited

Regd.Office: 52 , First Main Road, Gandhi Nagar,Adyar, Chennai – 600 020

ATTENDANCE SLIP

Folio No / (DP Id- Client Id) : _____

I/ We _____ hereby record my/ our presence at the ANNUAL GENERAL MEETING of the Company to be held on Friday, the 21st August, 2009 at P.O. Bul Reddy Hall, Sri Thyaga Brahma Gana Sabha (Regd) – Vani Mahal, 103, G.N.Road, T.Nagar, Chennai – 600 017 at 3.00 P.M.

Signature of the Shareholder(s) 1. _____ 2. _____
3. _____ 4. _____

Signature of the Proxyholder _____

NOTE: PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE AUDITORIUM.

Malar Hospitals Limited

Regd.Office: 52, First Main Road, Gandhi Nagar, Adyar, Chennai – 600 020

PROXY FORM

I/We _____

Being a Member/Members of Malar Hospitals Limited hereby appoint _____

_____ of _____

or failing _____ of _____

or failing _____ of _____

As my / our proxy in my / our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the 21st August 2009 at P.O. Bul Reddy Hall, Sri Thyaga Brahma Gana Sabha (Regd) – Vani Mahal, 103, G.N.Road, T.Nagar, Chennai – 600 017 at 3.00 P.M. and at any adjustment thereof.

AS WITNESS my hand / our hand this _____ day of _____ 2009.

Signature(s) _____

Affix
50 paise
Revenue
Stamp

Note: This form duly completed should be deposited at Company's Registered Office at 52, First Main Road, Gandhi Nagar, Adyar, Chennai - 600 020 not less than 48 hours before the time for holding the meeting. A proxy need not be a member. A proxy need not be a member.



Malar Hospitals

We care. We cure.

A **Fortis** NETWORK HOSPITAL

Malar Hospitals, No. 52, First Main Road Gandhi Nagar, Adyar
Chennai- 600 020. Ph. No. 044-24914023, 24914393